

Age = 65

# Tax Analysis



## Potential Tax Impact

### Analysis Assumptions

Current Qualified Account Value	\$1,500,000
Assumed Tax Liability	25%
Assumed Account Growth Rate	5%

The values below show two scenarios:

1. The total taxes paid if you live to age 90, assuming you continue to keep your tax-deferred account, take Required Minimum Distributions (RMDs)<sup>1</sup> when required, and reinvest these RMDs in a taxable account and the amount your beneficiaries could potentially pay
2. The total taxes paid if you live to age 90, assuming you reallocate your qualified account to a tax-free option today<sup>2</sup>

Keep Qualified Account		Reallocate to Tax-Free	
Total taxes paid on RMDs at time of withdrawals	\$562,282	Taxes paid on reallocation	\$375,000
Taxes paid on reinvested RMDs	\$188,890	Taxes paid on tax-free account growth	\$0
Taxes paid on remaining account value at death	\$501,549	Taxes paid on remaining tax-free account value at death:	\$0
<b>TOTAL TAXES PAID:</b>	<b>\$1,252,721</b>	<b>TOTAL TAXES PAID:</b>	<b>\$375,000</b>

*These materials are for informational purposes only and are not intended to provide tax, accounting or investment advice. Be sure to consult qualified professionals about your individual situation.*

*This hypothetical example does not consider every product or feature of tax-deferred accounts, tax-free accounts, or Roth accounts and is for illustrative purposes only. It should not be deemed a representation of past or future results, and is no guarantee of return or future performance. Your tax bracket may be lower or higher in retirement, unlike this hypothetical example.*

<sup>1</sup>Required Minimum Distributions are a scheduled amount of money the IRS requires account holders to withdraw from their qualified accounts each year beginning at designated age. RMD calculation data gathered from Stonewood RMD calculation software based on IRS guidelines and tables, and is hypothetical only. Your actual RMDs are determined by a variety of factors.

<sup>2</sup>Tax-free accounts, like Roth IRAs and 401(k)s, have specific sets of rules and limitations. Please consult a qualified professional about your individual situation. This report is not intended to be a complete discussion of any qualified or tax-free account or approach.

Age = 71

# Tax Analysis



## Potential Tax Impact

### Analysis Assumptions

Current Qualified Account Value	\$1,250,000
Assumed Tax Liability	25%
Assumed Account Growth Rate	5%

The values below show two scenarios:

1. The total taxes paid if you live to age 90, assuming you continue to keep your tax-deferred account, take Required Minimum Distributions (RMDs)<sup>1</sup> when required, and reinvest these RMDs in a taxable account and the amount your beneficiaries could potentially pay
2. The total taxes paid if you live to age 90, assuming you reallocate your qualified account to a tax-free option today<sup>2</sup>

Keep Qualified Account		Reallocate to Tax-Free	
Total taxes paid on RMDs at time of withdrawals	\$349,654	Taxes paid on reallocation	\$312,500
Taxes paid on reinvested RMDs	\$117,456	Taxes paid on tax-free account growth	\$0
Taxes paid on remaining account value at death	\$311,886	Taxes paid on remaining tax-free account value at death:	\$0
<b>TOTAL TAXES PAID:</b>	<b>\$778,996</b>	<b>TOTAL TAXES PAID:</b>	<b>\$312,500</b>

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