Episode 110: RWS Live (not really) Answering Your Tax Planning Questions Part 4

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SPEAKERS
Alex Murguia, Bob French, Wade Pfau

Bob French 00:00
The purpose of retire with style is to help you discover the retirement income plan that is right for you. The first step is to discover your retirement income personality. Start by going to risaprofile.com/style and sign up to take the industry's first financial personality tool for retirement planning. Well, twice is a coincidence, and three times, that's a pattern. So I guess we've got a user questions series on our hands now. Today, we'll be doing a deep dive on your tax planning questions. So hang on.

Alex Murguia 00:54
Hey, everyone, welcome to retire with style. Alex Murguia, and I'm here with my trusted, very trusted co host, Wade, Pfau Wade, how are you

Wade Pfau 01:07
doing? Great, Alex, how are you?

Alex Murguia 01:11
I'm doing great Wade. How are you? Yeah, wonderful. So what are we speaking about today, a

Wade Pfau 01:19
lot going on with the launch of the 2024 edition of the retirement planning guidebook, which should be available at the point that you're hearing this podcast. And as part of that launch, we're gonna be doing a webinar on Monday, February 5 at 2pm. Eastern time, we'll have a link to sign up for that in the show notes, where I'll talk about the new material in the book about the new approach I take to tax efficient retirement distributions. And as a part of like building up towards that webinar, I thought it'd be good to take some of the tax planning questions that we received as part of that live webinar at the beginning of January. And just have a q&a session, but on on tax planning topics, and these questions are all mainly different from things I would specifically be discussing in the webinar. But if there's anything we kind of glossed over,

because it's one of these basic details, it's part of tax planning more generally, if you'd like that education on tax planning as a broader retirement income topic, be sure to check out the new 2024 edition of the retirement planning guide book, that tax planning discussion has been mostly rewritten for the 2024 edition. And then also attend that webinar on Monday, February 5, at 2pm. Eastern time. So that's the plug. Let's get into the way

Alex Murguia 02:37
you you have grown so much marketing before these kind of these kinds of things. Were kryptonite for you. Look at you this thing's in your bloodstream now. You know, I think it's great. Listen, you don't have to tell me. I think your book is a is a, you know, the default handbook for all things, retirement planning that, you know, should be on every shelf. But you can always refer to it, etc. I think it's great. And the fact that you're revising it on a yearly basis is, you know, well, you always have to because there's always new law. So I think it speaks, it speaks about the quality of the work. And you were saying offhand, though, the sales are, are really nice, right? It's one of these things that, you know, we're not as big Random House publisher or anything like that, you just we, you know, self published it, let it rip. And it's doing remarkably, really well.

Wade Pfau 03:34
Yeah, just very pleased. The past few months, in particular, had been been doing quite well. And so onward and upward and excited to get the new edition out. And I do hope every year around the end of January to be able to launch an updated edition with all the new numbers. The main constraint is you like this year, it was January, what date was that? January 11, is when the December inflation data comes out. And I need that number to complete some of the updates. So once that number comes out, I finished making the rest of the updates and then being self published. It's sometimes you hear about traditional book publishing where, oh, I've got a book coming out in 10 months now being self published, as soon as I make those updates, I can publish immediately. So we got a good quick turnaround and excited to keep things as possible. Yeah. Nimble,

Alex Murguia 04:26
nimble, nimble, nimble. So I would say, do you recommend people wait until 2026? Buy the new book, or get these updates wait till 2026? When if the new tax

Wade Pfau 04:40
on our discipline from the 2026 may require more extensive revisions if we do because right now everything's set up with we're gonna change the tax rules and 2026 When 2026 gets here, maybe taking that all out and just saying, here's the tax rules, but might get a little shorter at that point. Alright, so

Alex Murguia 05:03
let me let me read to you some of the questions that come up since this is really your wheelhouse here for tax planning. So, wait, speak to the impact taxes will have on deferred accounts versus non qualified accounts, deferred accounts or like IRAs, 401 K's Roth IRAs versus non qualified accounts. But really, it's tax. Sorry, sorry, sorry, tax free. Yeah, it's really tax free. But in like, in my parlance, any, you know, and then versus non qualified, non qualified or taxable accounts. So speak to the tax speak to the impact exes will have on deferred accounts versus non qualified accounts a fair assessment of both both approaches as deferred

accounts can force Social Security benefits to be subject to income tax, and deferred accounts can cause Irma surcharges as to do with Medicare and stuff like that can become expensive, long term. Yeah, and can cause Irma surcharge to become expensive, long term. Yeah.

Wade Pfau 06:02
So the the non qualified accounts, these would be taxable brokerage accounts, where if you're holding bonds that pay interest, or just dividends off of stocks that will also be taxed as ordinary income, qualified dividends and long term capital gains would be taxed as preferential income, and so have a different set of tax rates. But with the way this question is worded, just to be completely clear about this, Social Security, taxation, and Irma surcharges are based on well, they come away from Numbers linked to your adjusted gross income, which does include not just ordinary income, but preferential income. So generating long term capital gains or having qualified dividends can also trigger more taxes on Social Security. And once you get to those higher income levels can also trigger higher Medicare premiums. So I do want to make sure that that's well understood because the question almost makes it sound like it's only ordinary income that causes these issues. No, indeed, long term capital gains and qualified dividends can cause the same same issues. That being said, though, when you're taking distributions from a non qualified or taxable account, your cost basis comes out tax free. So generally, you can cover more spending with less taxable income. And that's where there's definitely a correlation with how this statement is written in the question in terms of usually get taxed more strongly on the ordinary income, because it all comes out as taxable. You don't get that cost basis, coming out tax free. Now, all that being said, where you also get hit with the deferred accounts would be when required minimum distributions start, which is now age 73. If you were born in 1960, or later, it will be age 75. required minimum distributions only apply to those tax deferred accounts, and force out income that you don't necessarily have to spend, but you do get taxed on it. So if your tax deferred accounts get quite large, yes, that can potentially will force you into that Social Security tax torpedo, or with even larger accounts eventually force you into having to pay higher Medicare premiums. And that would be a downside. And that's what the Roth conversions usually address. Well, let's get money from the deferred account into the Roth account before Social Security begins. And before RMDs begin to better control the the tax situation.

Alex Murguia 08:41
Okay, and since they did talk about Irma, any anything about that you want to maybe discuss with them?

Wade Pfau 08:47
Yeah, aurvey has the the Medicare premium increases and it's based on your income from two years prior, there's a modified adjusted gross income measure, but it's in 2024. Looking at your income two years prior for a single person $103,000 Is there's five different thresholds but the first one's at 103,000 for singles 206,000 for married filing jointly, it's estimated about 8% of Americans pay Irma's surcharges. And it's rough because if you have $1 over the threshold, you can get an additional potentially close to $1,000 per person. So if with a couple closer to $2,000 of extra premiums for $1, too much income, so people really do hate Irma for that particular reason. It is not impacting all retirees, but it's definitely something to keep in mind. And that's a good example of if you've never really heard the term Irma or if you've never really heard the term Social Security tax torpedo. Check out that webinar we're having on February 5, because that's where I'm gonna provide the more the more basic education on these concepts as well.

Alex Murguia 09:59
Yeah, If you're scoring at home, Irma is the acronym It's IRM. A, it's

Wade Pfau 10:06
not medical income related monthly adjustment amounts.

Alex Murguia 10:11
Just okay. Medicare

Wade Pfau 10:13
Part D premiums

Alex Murguia 10:18
are one you kind of like, that's my it's taking its own life. Jedediah, let's go to the next question here. How do I determine how much to convert to Roth IRA? From my 401k pre tax Ira over the next seven years before RMD? Start? I have 4 million in pre tax and only 300k. In Roth, I feel like RMDs will be quite high.

Wade Pfau 10:51
Uh huh. Yeah, waiting, no RMDs probably will be high. So just not assuming any investment growth on the 4 million. But if you were 73 years old, the RMD rate at that age is 3.77%. And so your first RMD off of $4 million would be 100, over $150,000, which, assuming, like we talked about in the last episode, and 2026 or later, you're already looking at being in the 28% tax bracket at that point. Plus Social Security goes on top of that in this particular example, so you're going to be taxed on 85% of Social Security, you're probably also going to be triggering Irma surcharges once you add in the Social Security to that as well. And then all the kind of inflation adjustments we'll be dealing with. So 28%,

Alex Murguia 11:38
you mean the You mean the income related? Adjusted amount, I forgot the last word.

Wade Pfau 11:48
Yeah, so you're probably going to be in the 28%, bracket. And then plus Irma surcharges. So when you're thinking about Roth conversions, and the opportunity to do that at less than 28% can be attractive. And that's for the next two years, you got the 22% bracket available, you've got a 24% bracket available. You do want to Irma begins starting at age 63, because it it's income from two years prior. And so with Medicare beginning and 65, you start getting impacted by Irma with your incomes at age 63. But you're dealing with that for the next few years 20 to 24%. In 2026, or later, you also have the 25% bracket available that you you might want may want to be looking at taking advantage of Roth conversions within those kinds of tax brackets, too, because otherwise, anytime you can pay at less than a 28% 28% rate, it may be worthwhile to look for those opportunities. I can't get too much more specific than that with the details provided. But that's how I'd be thinking about it. Here's

Alex Murguia 12:59
something also to it's just a secondary, maybe in tertiary. But I don't know if there's listeners that are that may be thinking about this. But do you want to talk about since the changes came into place, I don't know two years ago. But if you do have a Roth and you have legacy goals, what

happens to inherited Roth IRAs and how they have to be spent down now than before? I know it's not part of the question, but it could be somebody's thinking, I'm going to have so much money in Roth IRAs, I will never use it. I'll use them, you know, I'll just pass it on to my heirs,

Wade Pfau 13:31
to be that humans could get lifetime stretches on inherited IRAs. Because you have to make distinctions. There's often non human. What about that's the designated beneficiaries or non designated, but they just mean humans versus like trusts or other things.

Alex Murguia 13:49
No, I know, I was gonna make a joke about like, what about parents,

Wade Pfau 13:52
pets where they probably need a trust inherited. They're not designated. But what was I seen with that? Oh, it used to be, you could stretch it out over a lifetime. Now, there's every year with things getting more complicated. You've got eligible designated beneficiaries and non eligible designated beneficiaries and adult children are a good example of non eligible designated beneficiaries who lose the lifetime stretch, they now have 10 year windows to take the money out. And if your adult children are inheriting IRAs from you, when they're in their peak earnings years is like kind of, if you're in your 80s, and then they're in your their 50s. They get these inherited IRAs, and they now have a 10 year window to get it all out. They may be forced to pay at higher rates. And so when you're thinking about the idea of Roth conversions, you're comparing Well, what rates would I be paying out today with the Roth conversion? Versus if I leave that money to my adult children? What rate will they be paying that might motivate doing more Roth conversions as well? Roth IRAs is still the same 10 year window open since that comes out are not taxable. It doesn't add to the adjusted gross income of those beneficiaries. And then it always to be clear any money that you intend to go to charity to eligible designated charity. That money comes out of the IRA at 0%. Because charities don't have to pay tax and so you never want to do Roth conversions on money that you're pretty sure it's gonna go to a charity.

Alex Murguia 15:27
You have. Okay, here's the other one. Good morning and Happy New Year's greetings from Liberia where I am on a work trip. A lot of questions, a lot of questions that have already. Question. Have you presented the case? Have you presented the case study yet for managing taxes in retirement for couples with over $5 million? suggest you suggest a 28% effective marginal tax rate? We're heading we're headed into retirement this summer, and I was planning to use lower earnings years to harvest gains at 0%. Instead of doing Roth conversions, I'd be interested in seeing your case study were both 63 I plan to defer Social Security until 70. We have $5 million in assets. 40% of it is taxable. 50% tax deferred and 10% tax free. Our income until Social Security kicks in is around $75,000 Rent receipt rents received cap gains pension and interest.

Wade Pfau 16:32
Yeah, so there's

Alex Murguia 16:34
nice, nicely done, by the way, good shape.

Wade Pfau 16:37
But there's two questions in there the yes, the on the article question. Joelle Sasser. And I did publish a second advisor perspectives column in December, where we looked at a couple I think, with $5.5 million. And then it worked out that the 28% effective marginal rate target was what worked best in their particular situation. So we should be sure to include a link to that in the show notes. Got to remind ourselves here so that you can have easy access to the article. Yeah. Are

Alex Murguia 17:09
you looking at me to write that? So I write that? Oh, really? Oh, really? You should.

Wade Pfau 17:18
Try to remember. And then the second one, though, is kind of an interesting point. And let me kind of simplify or reframe the question. The question seems to be saying, like, instead of doing Roth conversions, I was planning to just fill up my 0% bracket with preferential income. So basically, capital gains harvesting, I want to realize capital gains up to the top of the 0% bracket for capital gains, which corresponds very closely to the top of the 12% bracket for ordinary income. And and should we, I guess, the question like, is that okay to do that instead of Roth conversions? It's an interesting question. And it's not one I'm able to fully just answer other than just giving my intuition, which is, I don't think you really are going to benefit by focusing by avoiding Roth conversions and instead focusing on filling, capital gains harvesting, filling your 0% preferential income bracket, preferential income is generally going to be coming out at 15%. In this sort of case, probably no matter what you're doing, you may be hit at some point with a net investment income tax, you might possibly have enough gains at some point to enter the 20% bracket. But you do have some ordinary income already. And there may be some capacity where you could get away with paying 0% instead of 15%, on your your long term capital gains. But I don't know that it's necessarily worth putting that much emphasis and that if you simply had a choice, Should I do a little bit of Roth conversions? Or should I realize some capital gains 0%? Again, I haven't simulated this exactly, but my intuition is, it's generally going to be more worthwhile to focus on the Roth conversion side than on the capital gains side.

Bob French 19:16
Hey, did you know Wade's updated the retirement planning guide book for 2024. In addition to updating the numbers used throughout the book, we've reworked the tax planning discussion. You can get the updated version on Amazon or your preferred bookstore. And to celebrate this update, wait, we'll be hosting a webinar how to create tax efficient retirement distributions on Monday, February 5 at two Eastern admittedly not many people celebrate by talking about distribution strategies in retirement. But if you do, you're definitely one of us. For more information and to reserve your spot, go to Risa profile.com/podcast. Again, that's Risa pro. file.com/podcast See you there.

Alex Murguia 20:07
Greetings from Tanzania to know from Liberia, Liberia, Liberia. I love I'd love for you to discuss tax planning, mapping concepts intersected with a more safety first income annuity preference. For example, I feel like I have a decent understanding on the tax irregularities and how to mitigate with more traditional probability based investment withdrawal strategies. But do I give up tax optionality here? If I have a safety preference? Or maybe a better question to ask, what's

the best tax bucket, non qualified tax deferred Roth, etc, to convert into a guaranteed income stream?

Wade Pfau 20:52
Yeah. So I probably that that second way of asking the question is easier sort of approach, I don't think you're necessarily giving up tax optionality with a safety first approach, because you'll still have these different accounts, the non qualified or taxable account, the tax deferred account, or IRA to simplify or the the tax exempt or Roth account to simplify. And then so which is the best bucket to put annuities into? There's not just a simple answer to that it's really going to be case by case of Where is money available, and so forth. And one of the main issues is simply so if you buy the annuity in the tax deferred account, you just pay taxes on the distributions as they come out of the the tax deferred account. If you buy the annuity in the Roth account, you get that lifetime income, you never have to pay any taxes on it. If you buy the annuity in the non qualified account, it depends on the type of annuity, an income annuity, you get that exclusion ratio, where until your life expectancy, just a portion of the payments are taxable, the other portion is treated as Return of Premium. And then after life expectancy, it's all taxable. So that becomes you get some tax deferral out of that. If it's a deferred annuity, like a fixed indexed annuity or variable annuity gains always come out first. So every year as you take a distribution, any of that that's gains is taxable, the rest is Return of Premium. When you eventually get all the premium out, then it becomes 100% taxable again. So, you know,

Alex Murguia 22:34
on the on the variable annuity for folks listening in taxable

Wade Pfau 22:38
as ordinary income, yeah, it all comes in with annuity with everything comes out anyone tied

Alex Murguia 22:43
in one, anyone, I didn't want anyone to think it was like a break or

Wade Pfau 22:47
with annuities at all, any gains come out, including your mortality credits come out as ordinary income. The other kind of downside of a taxable account, though, is you do have to, well, it's true with any kind of account, you have to sell whatever investment assets you intend to use for the annuity. It's just in a tax advantaged account. That's not a taxable event. in a taxable account. If you have a lot of capital gains, when you sell those assets, you're generating a big tax bill on the capital gains. Now maybe with the previous question, maybe you've got a runway where you can generate capital gains 0%. And so that may be an advantage to doing it in a taxable account. But that's sort of the trade off, I may get a little bit better tax treatment in terms of getting some deferral on a taxable account. But I do have to realize gains on the assets I sell, to get the premium to purchase that annuity. And so there isn't simply an answer about which type of account is best to purchase an annuity. And it really does depend on the situation and circumstances and what's available and what other income sources you have, and how you might incorporate that into other types of tax planning and things as well. So I hope that doesn't count as a non answer, but that that's a common question that just one answer everyone's tax situations different.

Alex Murguia 24:17

This goes back to the other piece, I started thinking about what you were answering this way It is also why preparation is important. Because if you're like 65 and you have to make this decision and you're thinking about it you just have to make do with whatever you have, right but if you're let's say you're 50 and you're thinking and you knew you realize that um, um, I don't know income protection, time segmentation, risk rep kind of person, and you see annuities in your future and you have a variety of investment accounts. You know, you you know a stitch in time saves nine here when you're like preparing how you would do this, you can begin to set yourself up for this you know, like you said If you have to sell assets and recognize gains, maybe a tax loss harvesting program, you know, with it with a direct indexing approach when you're in your early 50s. Makes sense, because by the time you're 60, you would have you know, accumulated quote unquote, losses that you can offset, if you want to purchase something from a non qualified accounts. So this is where it's, you know, for those of you that are 65 or so, you know, just make do what you can. But those of you that are much younger, that are trying to prep for this, beginning to transition for retirement, it's more than just as long as my asset base hits this number, but time of this age, I'm good. No, it it's also how you're setting up your accounts to make sure when there is that transition, you've given yourself, like the smooth this sort of action possible. Yeah, you don't I mean, wait like, this is where prep work goes a long way, is how I was viewing this answer, because you can say all these things, but if you're a certain age, there's there's only so much space, you have to make changes. And

Wade Pfau 26:04
if you're kind of planning ahead there, your new savings could go into annuity premium so that you don't have to sell assets for the purchase. That could be another possibility with a non qualified account. And we also can't forget, forget our friend that que lac inside of the IRA for the potential to get that additional deferral and required minimum distributions until the income payments start at age 80, or 85. Heck,

Alex Murguia 26:31
even throw in an HSA. At this point, if you're young enough, I mean, my there's like $1,000 Max, you do that for a good number of years. That gives you a cushion for healthcare, liquidity, perhaps later on, you know, in your 80s. So, there's a lot there from a prep standpoint, where I think accumulation sometimes folks think, Oh, I just, you know, set it and forget it, and, and off we go. But no, there's a certain you know, when you when you see the runway in the distance, you know, you have to begin aligning the plane, if you will, and I think these questions. If you think about it before the time comes, it just gives you a lot more optionality if you will, in a non Risa kind of way. Okay, want to do one more way? Yeah, yeah, absolutely. Okay. Hi, Wade, and Alex. Hello. Thank you for generally sharing your knowledge and over 100 podcasts. I'm probably responsible for 80 of those Wade, maybe your 20 which you just say that this is greatly appreciate it. My husband and I retired at 1231 21. Congratulations. And we're met with the 2022 bear market, plus very high inflation. Sorry about that.

Wade Pfau 27:57
2022

Alex Murguia 27:59
But it's one of these things, right? This goes back to sequencers that you just you don't know what economic cycle Yeah.

Wade Pfau 28:06
That's one of the cases whereas their first year of retirement was pretty strenuous in terms of that's like a casebook example of sequence of returns risk and action. So sorry, you have the returns. Oh, play 2020

Alex Murguia 28:22
was so bad. I know. But you know, think about that he was so bad. You're not even thinking about the market. You're just thinking about living literally like staying alive at that point. But okay. Inflation is meat. Needless to say we significantly curtailed expenses, which was made easier as we also moved from New Jersey to Georgia. We also did not touch our investments and lived off cash savings plus Social Security for one of us. Does that mean like the other spouse didn't use up any like didn't eat? No. Messing her up. I am currently 61 and my husband is 69. I have to use ACA medical coverage until I have age 65. Now that we are ready to spend money out of our IRAs, I'm reluctant to do so. Because for approximately every $5,000 increase in m AGI will increase my annual ACA premium by about 720 which feels like a 14 and a half percent tax on the extra income. Do you have any suggestions as to what other options I may have to limit this impact on my premium? I feel that I am trapped until I am on Medicare even to try to convert some Ira dollars into a Roth account. Thank you.

Wade Pfau 30:01
Yeah, this is a well stated question. And this is another it's subsidies for receiving health insurance from the Affordable Care Act. And when you're generating income, losing those subsidies is part of the effective marginal tax rate that applies to individuals who do receive health coverage in that manner. And it can dramatically increase your effective marginal rate. I'll show some charts about that in the webinar on February 5, plug for the webinar. But she's right feels like a 14 and a half percent tax. Yeah, it's it's very chunky, or it looks like Batman years in a way. But that effective marginal tax rate does bounce around between about 10%. And all the way up to 18 and a half percent when your income is in between the 100% and 400%, of the federal poverty line. So 400% of the federal poverty line for a two person household is $78,880. So you're looking at those higher marginal Well, the loss of subsidies translated as a higher marginal tax rate in that 10 to 18% range. And then even after you get incomes above that level, you get a long tail where there's an eight and a half percent effective marginal rate. So in practice, it can be really hard to even think about Roth conversions if you're receiving subsidies for the Affordable Care Act, because you have to consider those loss of subsidies as part of the effective marginal tax rate. So yeah, I mean, ultimately, you're probably not going to be looking at doing Roth conversions in these years. In terms of suggestions on what to potentially do here, now it is, you do need to make sure you have at least 100% of the poverty line with income to be eligible for those subsidies with the Affordable Care Act. But once you're beyond that level, you want to control income. Now, she said that she's 61, her husband is 69. I don't know how close he is to 70. But in terms of suggestions, one possibility is the husband could file to suspend his social security benefits, so he stops receiving them until he turns 70 year a lot of one time suspension. And you'll get delay credits for that. If it was it's two thirds of a percent each month or 8% a year. So by doing that, you turn off the Social Security income, then you'll get a higher subsequent income. But plus, one of the things about the Affordable Care Act is it's we talked about taxation on 85% of Social Security benefits, but 100% of Social Security benefits are added to the calculation of how much subsidies will you lose. So not only would you get delay credits, by suspending benefits until 70, you also could get a much higher subsidy on the Affordable Care Act health insurance by delaying credits. So if your husband's already

almost 70, this may not really be worthwhile. But if he's closer to 69, than he is to 70, that might be something to look at. You could replace that with Ira distributions that generate an ordinary income or just I mean, the question didn't really talk much about what's available with investment assets, but certainly covering expenses to the taxable account, because just selling shares to generate long term gains, or potentially some offsetting gains and losses, trying to be tax efficient with spending from your taxable assets, could also be a way to get the spending that you need to cover daily expenses without generating much in the way of taxable income. And that's really how I would otherwise approach it. But I agree with the analysis provided in the question. And I agree with the idea that you're probably going to struggle to justify a Roth conversion until you have qualified for for Medicare. And there's also that double whammy at ages 63 and 64. Not only are those incomes impacting your Affordable Care Act subsidies, but they're also you're well at this rate. Well, no, it may still apply that two years later, it's going to impact whether you have Irma surcharges on Medicare premiums. So you, you get a double whammy in terms of health costs based on income at age 63 and 64. I hope that really helps. Yes, you're thinking about this, right? Yes, you potentially are losing a big subsidy. Yes, that probably means you're not going to be looking at doing Roth conversions. And if there's any other further suggestions I can provide, again, it's spend from the taxable account if you have one for these years. And also seriously think About just suspending the your husband's Social Security benefit till he turns 70. Because you get the delay credits for that, and you take 100% of that away from the loss of subsidies with the calculation there.

Alex Murguia 35:18
Follow me on Instagram for more advice. No, that's great, man. That's fantastic answer. That's it. We're at a we're at a good stopping point we got another, we still have tons of questions that we'll get to. But I think this covers the the tax planning nicely. Yeah, it was.

Wade Pfau 35:39
Yeah. And again, if if you're interested, and if you've been on the on the fence about getting the retirement planning guidebook, we've got the update now. So make sure when you're looking at the cover, it does say the 2024 on it. It'll be the second edition, it's still second edition, but with the updates for 2024. And feel free to join us on Monday, February 5 For that workshop on our the webinar where I'll talk about the the new material with regard to tax planning for efficient retirement distributions, the Roth conversions and and specifically explaining more about the Social Security tax torpedo Irma. The we didn't really get into today, but how the preferential income your long term gains and qualified dividends stacked on top of ordinary income and the implications of that the net investment income tax, and then just how RMDs can create an unsettling amount of income that may trigger things you didn't really want to trigger with respect to the tax code.

Alex Murguia 36:39
So it sounds like a fun filled webinar

Wade Pfau 36:41
Monday. And we don't do isn't required.

Alex Murguia 36:47
Once you went to

Wade Pfau 36:48
generate more after tax spending potential

Alex Murguia 36:55
there you go. All right. I think that's it. Right. Right. So everyone, thank you for listening, as you saw these questions, provide fertile ground for coverage. So as you're listening in, please send us questions community, retirement researcher.com. We track them and like I said, this sort of call to action for questions that we did before YouTube live just so you know, we received a deluge of them and we kind of love it because it really begins to guide our content in a way that's more interactive with you folks. So please send me questions. You know, it lets us you know, think about them before answering them and it's great. Wait, anything to say let's

Wade Pfau 37:40
send it off as we sign off, let you do the final send off. Thanks, everyone. All

Alex Murguia 37:46
right, everyone. Thank ya. All right, everyone. Thank you so much and catch you next week. Bye.

Bob French 37:54
Wade and Alex are both principals McLean Asset Management and retirement researcher. Both are SEC registered investment advisors located in Tyson's Virginia. The opinions expressed in this program are for general informational and educational purposes only and are not intended to provide specific advice or recommendations for any individual or on any specific securities. To determine which investments may be appropriate for you. consult your financial advisor. All investing comes with a risk including risk of loss. Past performance does not guarantee future results.