

RETIREMENT *IN* SIGHT

Presented by Steven L Wegner, CFP®

MONTHLY NEWS AND INFORMATION FOR CURRENT AND FUTURE RETIREES

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“Courage is going from failure to failure without losing enthusiasm.”

- Winston Churchill

GOLF TIP

For a proper putting stance, stand over the ball, look down, and adjust your shoulders, arms, hips, legs and feet in succession. Too many golfers set their stance first and then look down at the ball.

BRAIN TEASER

For Whom the Belle Tolls.

Belle is visiting her father to bring him muffins, but her path crosses 8 magic bridges. At each bridge, a troll must take half of her muffins as payment; he also must give one muffin back. Belle knew about the troll toll in advance and didn't want to do any extra baking. How many muffins did she start the trip with, knowing that she would end up at her father's house with two muffins? *

DID YOU KNOW?

Radiant Brilliance

More than a century after her research, the notebooks of Marie Curie are still so radioactive that anyone requesting to view them must sign a disclaimer.⁵

ARE EARLY IRA WITHDRAWALS EVER A GOOD IDEA?

Individual Retirement Account (IRA) owners aren't required to withdraw IRA assets in their sixties, yet some retirement planners see merit in doing so – especially if a traditional IRA is large and its owner is wealthy. Reducing a sizable IRA balance before age 70½ might help a retiree lower his or her taxes in later life.

How, exactly? As Required Minimum Distributions (RMDs) from IRAs amount to taxable income, drawing down a traditional IRA's balance before age 70½ will result in smaller RMDs in the future with smaller associated tax burdens. The tax on an RMD from a six-figure IRA may be big enough to send a septuagenarian into a higher tax bracket – the larger an IRA is after age 70, the greater the risk. IRA owners in their early or mid-sixties may be in a comparatively low tax bracket, with less chance of facing such a tax headache upon an IRA withdrawal.

An affluent IRA owner retiring in his or her early sixties could choose to live off IRA withdrawal(s) and delay claiming Social Security benefits (meaning greater Social Security income in the future). If retirement income is available from alternate sources, the withdrawn traditional IRA assets could be rolled incrementally into a Roth IRA for further tax-deferred growth and eventual tax-free withdrawals. Roth IRAs do not require RMDs until after the death of the original owner.^{1,2,*}

WHERE SHOULD FIT BOOMERS LIVE?

How about San Jose? The California metropolis ranked first in a recent joint study from the American Physical Therapy Association and *Huff/Post50* which attempted to determine the 10 healthiest cities in America for people older than 50.

Life expectancy, quality of life and availability of health care coverage were among the key factors in the survey. In San Jose's metro area, 91.8% of baby boomers have access to health insurance, 95.6% of boomers polled report being “satisfied or very satisfied” with their lives, and the average life expectancy is 82.5 years. Minneapolis finished second, with an average life expectancy of 80.5 years and with 95% of its boomers surveyed being satisfied with life.

The rest of the top 10 cities, in succession: San Francisco, Denver, Boston, Salt Lake City, Washington, D.C., Seattle, San Diego and Raleigh.³

ON THE BRIGHT SIDE

According to the office of the Treasury Inspector General for Tax Administration, only about 1% of federal tax returns are audited each year.⁴

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Steven L Wegner is a Registered Representative with and, securities are offered through LPL Financial, Member FINRA/SIPC

*Traditional IRA account owners should consider the tax ramifications, age and income restrictions in regards to executing a conversion from a Traditional IRA to a Roth IRA. The converted amount is generally subject to income taxation.

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*** TRIVIA ANSWER: Stumped? Contact me for the answer! At 571-969-4262**

CITATIONS.

- 1 - blogs.marketwatch.com/encore/2014/02/07/why-tapping-your-ira-early-could-pay-off/ [2/7/14]
- 2 - irs.gov/Retirement-Plans/Plan-Participant,-Employee/Retirement-Topics---Required-Minimum-Distributions-%28RMDs%29 [1/17/14]
- 3 - parade.condenast.com/170669/linzlowe/top-10-fittest-cities-for-baby-boomers-these-may-surprise-you/ [10/2/13]
- 4 - usatoday.com/story/money/business/2014/02/09/4-myths-about-taxes/5291763/ [2/9/14]
- 5 - mentalfloss.com/article/52275/65-amazing-facts-will-blow-your-mind [2/9/14]