*Presentation:*Tax Efficient Withdrawal Strategies in Retirement

*Presenter:*

Michael E. Kitces, MSFS, MTAX, CFP®, CLU, ChFC, RHU, REBC, CASL is the Chief Financial Planning Nerd at Kitces.com, dedicated to advancing knowledge in financial planning and helping to make financial advisors better and more successful.

In addition, he is the Head of Planning Strategy at Focus Wealth Partners, the co-founder of the XY Planning Network, AdvicePay, New Planner Recruiting, fpPathfinder, and FA BeanCounters, the former Practitioner Editor of the Journal of Financial Planning, the host of the Financial Advisor Success podcast, and the publisher of the popular financial planning industry blog Nerd’s Eye View.

In 2010, Michael was recognized with one of the FPA’s “Heart of Financial Planning” awards for his dedication and work in advancing the profession.

*Session Description:*

The traditional approach to liquidations in retirement is very straightforward: spend taxable dollars first, and let tax-deferred retirement accounts keep growing, because "no one" wants to pay taxes any sooner than they have to! Except the reality is that there really is such thing as "too much" tax-deferred compounding growth, which makes future retirement distributions so large it drives the retiree into higher tax brackets and results in less wealth! In this session, we explore a more effective tax-efficient withdrawal approach of equalizing tax brackets throughout life, by mixing together taxable, tax-deferred, and tax-free accounts over time, and leveraging strategies like systematic partial Roth conversions and even capital gains harvesting to smooth out tax brackets from year to year and reduce cumulative taxation throughout retirement!

*Learning Objectives:*

- LO #1: Identify the four pillars of retirement income.

- LO #2: Identify the differences between options for how to generate retirement paychecks.

- LO #3: Identify the strategies for retirement account sequencing.

- LO #4: Identify the impact of utilizing a Partial Roth Conversion strategy.

- LO #5: Identify what a Withdrawal Policy Statement is and how it can be used with clients.

*Level of Complexity:*

- CFP: Advanced

*Topic Area(s):*

- CFP: Retirement Planning

*Hour(s) of CE:*

- CFP: 1 Hour

*Outline:*

* Fundamentals of a Retirement Spending Plan 6 minutes
* Setting a Withdrawal Strategy
* Four Pillars of Retirement Income 4 minutes
* Generating Retirement Paychecks
  + Invest for Income 2 minutes
  + Capital Gains Top-Up 2 minutes
  + Fully-Invested Total Return 2 minutes
  + Strategy Comparisons 2 minutes
* Retirement Account Sequencing
  + Traditional Approach 3 minutes
  + Alternative Approach 4 minutes
  + Split Approach 3 minutes
  + Strategy Comparisons 3 minutes
* Partial Roth Conversions 10 minutes
* Tax Equilibrium 4 minutes
* Overlaying Asset Location 8 minutes
* Withdrawal Policy Statement 3 minutes
* Summary 4 minutes

Total: 60 minutes