



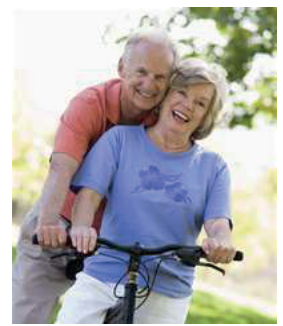
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# Protecting A Lifetime Of Memories

## Where Your Retirement Dreams Become Reality...

### The Phases of Retirement

There are three phases when it comes to your retirement, accumulation, distribution, and legacy. Each of these phases plays a significant role in determining the strategies you will need to use. And, the amount of money you are willing to put at risk.

The accumulation phase is where, throughout your life, you put money away for your retirement. You may invest in the Stock Market, CD's, mutual funds, bonds, a 401k, annuity, or something else altogether. The goal of this phase is to grow your nest-egg, as much as possible. During this phase, your risk tolerance may be aggressive or conservative. Usually, people tend to be more aggressive, as they have time on their side. However, this is only the first phase of retirement planning.

The next phase is the distribution phase. This is where all that saving has finally paid off. This is where you get to spend your money on the things you've always wanted to do! In this phase you need to determine how much money you can safely spend each year and still make it last a lifetime. How do you position your money to minimize income taxes, prepare for inflation, and prepare for unexpected events? How do you maximize your spendable income, while making sure you never run out of money? In this phase, it is important to remember the safety of your nest-egg is paramount.

*...top of page 2*

### Stop Paying Income Tax On Social Security Benefits

Too many seniors drawing Social Security benefits could be unwittingly forcing themselves to pay income taxes on their benefits simply because they have not taken the time to understand the complex federal tax laws on retirement income.

As most elderly Americans know - while you can start drawing Social Security benefits at the age of 65 - the later you choose to retire and start collecting benefits, the larger your benefit check will be. However, the question is: will those benefits be income tax-free?

Prior to 1983 federal laws provided that all social security benefits were free of income taxation, but that year Congress changed that 100 percent exemption to a 15 percent exemption.

Under the new federal tax laws, the government set what it calls a base income figure for social security recipients, and as long as your total income from both social security and any other income sources remain below that base income figure, none of your income is taxable.

For individual taxpayers, that base figure is \$25,000 and for married couples, it is \$32,000. When taxpayers drawing social security earn more income from all sources during a particular tax year above the base amount, then not only the additional income, but also the social security benefits become taxable income.

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DECEMBER 2022

#### Interesting Facts:

**-Fresh Bread is the most commonly purchased food in the United States.**

**-Lemons are one of the healthiest foods in the world. They contain vitamin C, cleanses the liver, boost immunity and aids in weight loss.**

**-Almost without exception, the highest-calorie fast food item is a milkshake (1,680 calories).**

**-Turkey, fish, and cheese have the highest protein-to-calorie ratio of foods.**


**-Americans consume the most ice cream in the world. Most of the ice cream is consumed between 9 and 11pm.**

### Tired Of Losing Money?

**Now you can get stock market type returns without the stock market risks.**

**Plus, it offers tax deferred interest and tax free income at retirement.**

**Call Our Office Today for More Information!**



*Are you unnecessarily paying income taxes on your social security? Call now for your **FREE** report  
"How to Stop the Taxation of Your Social Security Income"  
Call now while supplies last.*

"I wish it didn't happen to me...So do all who live to see such times. But that is not for them to decide. All we have to decide is what to do with the time that is given us."

-J.R.R. Tolkien

## **Special Holidays**

**We're thinking of you this time of year,**

**Wishing you happiness, joy, and cheer.**

**May all your days be warm and bright,**

**And your nights enhanced by holiday light.**

**Enjoy your delectable holiday foods,**

**As parties and gifts create holiday moods.**

**Favorite people play a meaningful part,**

**While treasured rituals warm your heart.**

**You are special to us in many ways,**

**So we wish you Happy Holidays!**

*By Joanna Fuchs*

## **The Phases of Retirement**

How much of your money are you willing to lose? If you are relying on it for income, *can you afford to lose any of it?* There are strategies that will allow you to make sure you never lose a dime, while maximizing your spendable income, and guaranteeing you never run out of money.

The last phase occurs simultaneously with the distribution phase, and is the legacy phase. This is where you determine how your money will be handled when you are gone. Will your spouse have enough income to live on? Will there be money to pass on to your heirs, church or charities? Will there be debts left behind? How much taxes will have to be paid on the money left behind?

Throughout your lifetime, you will need to use different strategies depending on what you want to accomplish... your priorities. There is much more to retirement planning than just accumulating money and getting the highest investment returns. To accomplish your goals, you need to be planning ahead so you can position your money as wisely as possible, to meet the challenges of all 3 retirement phases. No matter what phase you are in, please don't be afraid to call my office for help. Remember, there is never any charge or obligation to work with me, and even if you already have an advisor, I would be happy to review your situation.

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## **Stop Paying Income Tax On Social Security Benefits**

The amount of the benefits that become taxable varies from 50 percent to 85 percent as the taxpayer's total income increases from the base amounts to \$34,000 if single or \$44,000 if married, total income from all sources.

This knowledge is very important to all social security recipients because with it, they can readily manage both their income and their investments to avoid the income tax altogether, or to limit the taxation by investing their normally taxable income.

Unfortunately, for some of the higher income taxpayers, the federal laws include in its calculations of total income, such items as income tax-free municipal bonds. This requires the older taxpayer to reconsider the value and type of their pre-retirement investments. This does not mean that such things as tax-free municipal bonds are taxable, but it does mean that the income from the bonds is considered in the taxpayers total income to determine if the social security and other income is taxable or not.

The only real option that the federal government left open to the elderly for tax-free investments is the use of deferred annuities. If your retirement income is at or above the threshold level making it subject to income taxation; an annuity might be an option to avoid the unnecessary income taxation of your social security benefits and other retirement income.

As most taxpayers already know, during the past 60 years the federal income tax structure has become so complex that almost everyone needs a tax professional's help with their return. So, If you are drawing social security, it certainly could be in your best interest to seek professional advice if your benefits are/or might be subject to federal income tax.