

RETIREIQ

# RETIREMENT INCOME OPTIMIZATION REPORT

Personalized Withdrawal Strategy & Tax Efficiency Analysis

Prepared exclusively for

**Robert & Margaret Chen**

Date of Report	March 15, 2026
Filing Status	Married Filing Jointly
Retirement Target	Age 67 (Robert) · Age 65 (Margaret)
Total Portfolio	\$1,284,500
Report ID	RIQ-2026-0847-SAMPLE

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EXECUTIVE SUMMARY

# Your Retirement at a Glance

Based on your financial profile, this report identifies **five high-impact steps** that could preserve an estimated **\$218,400 in additional lifetime after-tax income**. The analysis below reflects your specific account balances, filing status, Social Security earnings record, and retirement goals.



■ **Time-Sensitive: 4-Year Roth Conversion Window**  
 You have a critical window from ages 63–67 before Medicare IRMAA brackets lock in and RMDs begin at 73. Converting \$42,000/year now could prevent an estimated **\$34,000** in future Medicare surcharges. See Step 2 for your personalized conversion ladder.

## Key Findings

- CRITICAL** Social Security delay to age 70 adds \$312/month — but requires Roth bridge funding.
- HIGH** Current Traditional-first withdrawal order will trigger \$34,000+ in IRMAA surcharges.
- HIGH** Roth conversion of \$42,000/year fills the 22% bracket and avoids future RMD spike.
- MEDIUM** HSA of \$22,400 is undeployed — reserve as last-out triple tax-free medical account.
- POSITIVE** LTC Hybrid policy structure eliminates the biggest unmodeled portfolio risk.

YOUR RETIREMENT SNAPSHOT

# Portfolio & Income Overview

## Current Asset Allocation

ACCOUNT TYPE	BALANCE	TAX TREATMENT	% OF PORTFOLIO
Traditional IRA (Robert)	\$312,000	Tax-Deferred	24.3%
Traditional IRA (Margaret)	\$186,000	Tax-Deferred	14.5%
401(k) (Robert)	\$284,500	Tax-Deferred	22.1%
Roth IRA (Robert)	\$94,000	Tax-Free	7.3%
Roth IRA (Margaret)	\$67,000	Tax-Free	5.2%
Taxable Brokerage	\$198,000	Taxable	15.4%
HSA	\$22,400	Triple Tax-Free	1.7%
Cash / CDs	\$120,600	Taxable	9.4%
<b>TOTAL PORTFOLIO</b>	<b>\$1,284,500</b>		<b>100%</b>

## Projected Income Sources at Retirement

INCOME SOURCE	ANNUAL AMOUNT	TAX STATUS	NOTES
Social Security (Robert)	\$28,400 / yr	Up to 85% taxable	At FRA 67 · Optimized: \$34,200 at 70
Social Security (Margaret)	\$16,800 / yr	Up to 85% taxable	Claim at age 65
Portfolio Withdrawals	\$48,000 / yr	Mixed	Target annual spending
Part-time Work (Robert)	\$24,000 / yr	Fully taxable	Ages 63–67 bridge income
HSA Distributions	\$4,000 / yr	Tax-free (medical)	Reserve — use last

YOUR OPTIMIZATION ROADMAP

# 5 Steps to Maximum Retirement Income

These steps are sequenced by priority and personalized to your specific numbers. Each step is immediately actionable. Implement them in order — earlier steps create the conditions that make later steps work.

01

HIGH IMPACT

## Optimize Social Security Claiming Strategy

**IMPACT:** Impact: +\$312/month permanent | \$74,880 over 20 years

**TIMELINE:** Decision required before age 65

Your current plan claims Robert's Social Security at age 67 (FRA). Delaying to age 70 increases the monthly benefit from \$2,367 to **\$2,679 — a permanent 13.2% increase** that also maximizes Margaret's survivor benefit. The break-even age is 79.4 years, which is statistically favorable given typical longevity. The critical requirement: bridge the income gap ages 67–70 using Roth IRA funds, *not* Traditional IRA, to avoid triggering the 85% Social Security taxation threshold.

- ✓ Claim Margaret's SS at 65 (maximizes combined household income)
- ✓ Delay Robert's SS to 70 using Roth bridge (~\$33,600/yr for 3 years)
- ✓ Verify earnings record at SSA.gov — errors permanently reduce benefits
- ✓ Do NOT use Traditional IRA for bridge — triggers 85% SS taxation bracket

02

URGENT · 4-YEAR WINDOW

## Execute Your Roth Conversion Ladder

**IMPACT:** Impact: \$34,000 in avoided IRMAA | +\$42,000/yr future tax-free income

**TIMELINE:** Convert ages 63–67 · Window closes at RMD age 73

You have **\$782,500 in tax-deferred accounts**. Without action, RMDs beginning at age 73 will be ~\$31,000/year, pushing you into the 32% bracket and triggering IRMAA surcharges up to \$7,400/year in Medicare premiums. The solution: convert **\$42,000/year** from your Traditional IRA to Roth over the next 4 years — filling the top of your 22% bracket without crossing 24%. This reduces your future RMD base by \$168,000 and builds a growing tax-free reservoir.

- ✓ Convert \$42,000/year from Robert's Traditional IRA to Roth (ages 63–67)
- ✓ Pay conversion taxes from taxable brokerage, NOT from IRA proceeds
- ✓ Coordinate with ACA enrollment — conversions affect subsidy eligibility pre-Medicare
- ✓ Pause or reduce conversions in any year MAGI approaches \$212,000 (IRMAA Tier 1)

## 03

HIGH IMPACT

### Restructure Your Withdrawal Order

**IMPACT:** Impact: \$28,400 in reduced lifetime taxes

**TIMELINE:** Implement at retirement -  
Review annually

Drawing from your Traditional IRA first — the most common approach — is costing you significantly. It front-loads taxable income, accelerates Social Security taxation, and depletes tax-preferred assets early. **Your optimized sequence:** (1) Taxable brokerage and cash, (2) HSA for qualified medical expenses only, (3) Roth for large or bridge needs, (4) Traditional IRA/401(k) only to fill lower tax brackets — stopping at the 22% ceiling.

- ✓ Years 1–4 (ages 67–71): Draw from taxable brokerage + Margaret's SS only
- ✓ Fill 12% bracket with Traditional IRA if needed — never exceed 22% ceiling
- ✓ Use Roth strategically for large purchases or bridge to SS claim
- ✓ Reserve HSA entirely for medical — the only triple-tax-free account you own

## 04

TIME SENSITIVE

### Protect Against IRMAA Medicare Surcharges

**IMPACT:** Impact: Up to \$7,400/year avoided ·  
\$34,000+ over a decade

**TIMELINE:** IRMAA uses 2-year  
lookback — 2026 income affects  
2028 premiums

Medicare IRMAA adds \$69.90–\$419.30 *per person per month* for income above \$212,000 MFJ. Your projected MAGI at age 75 is \$224,000 — just \$12,000 above Tier 1. A single year's income timing adjustment keeps you below the threshold and saves \$1,748/year (both spouses). The 2-year lookback means planning today directly affects your Medicare costs at age 67.

- ✓ Track MAGI monthly — file SSA-44 if a qualifying life event reduces income
- ✓ Never cross \$212,000 MFJ MAGI without modeling IRMAA impact first
- ✓ Consider QCDs (Qualified Charitable Distributions) from IRA after age 70½
- ✓ Coordinate Roth conversion amounts annually with a tax professional

## 05

### PORTFOLIO RISK

#### Activate Your Long-Term Care Protection

**IMPACT:** Impact: Eliminates #1 unmodeled risk to portfolio survival

**TIMELINE:** Review existing coverage within 90 days

Your portfolio survival model assumes no catastrophic LTC event. The reality: **70% of people over 65 need some form of long-term care.** A 3-year memory care event in your area costs approximately \$360,000 — nearly 28% of your current portfolio. Review whether your existing traditional LTC policy still provides adequate coverage, and whether a hybrid life/LTC structure might be more cost-efficient at this stage, eliminating the 'use it or lose it' risk.

- ✓ Confirm inflation rider on existing LTC policy is still active
- ✓ Calculate coverage gap vs. actual local care costs (not national averages)
- ✓ Review hybrid life/LTC policy as potential conversion or supplement
- ✓ Designate LTC premium payment source — HSA distributions may qualify

YEAR-BY-YEAR INCOME PLAN

## Projected Withdrawal Schedule - Ages 67–85

Amounts shown in today's dollars for clarity. Highlighted row marks RMD onset at age 73. Your Roth conversions (Step 2) reduce the age-73 RMD from ~\$31,000 to ~\$24,800.

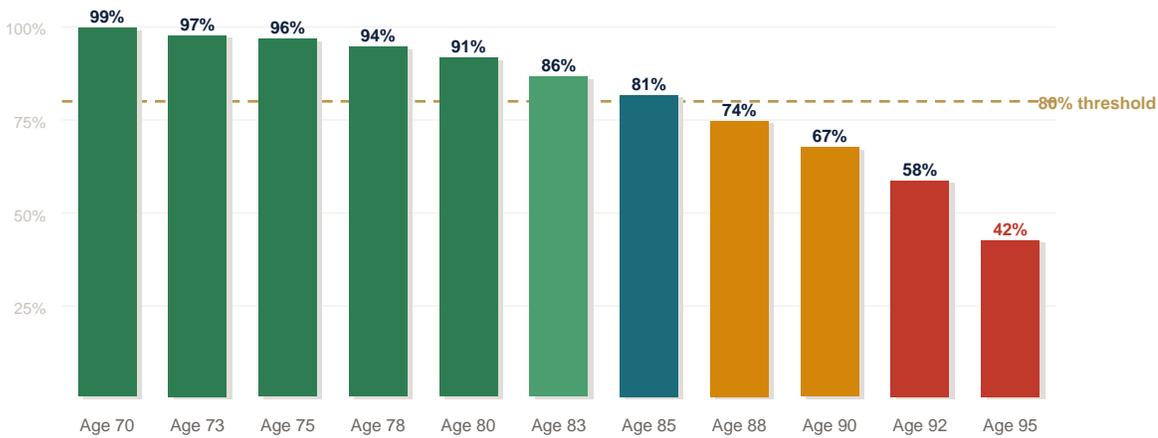
AGE	YEAR	TRAD. IRA	ROTH IRA	BROKERA GE	SS INCOME	TOTAL	EST. TAX
67	2026	\$24,000	\$18,000	\$6,000	\$45,200	\$93,200	\$8,400
68	2027	\$26,000	\$16,000	\$6,000	\$45,200	\$93,200	\$9,100
69	2028	\$28,000	\$14,000	\$6,000	\$45,200	\$93,200	\$9,700
70	2029	\$30,000	\$8,000	\$4,000	\$61,200	\$103,200	\$12,300
71	2030	\$34,000	\$6,000	\$4,000	\$61,200	\$105,200	\$13,100
72	2031	\$38,000	\$6,000	\$4,000	\$61,200	\$109,200	\$14,200
<b>73*</b>	<b>2032</b>	<b>\$48,000</b>	<b>\$4,000</b>	<b>\$0</b>	<b>\$61,200</b>	<b>\$113,200</b>	<b>\$16,800</b>
74	2033	\$46,000	\$4,000	\$0	\$61,200	\$111,200	\$16,100
75	2034	\$44,000	\$6,000	\$0	\$61,200	\$111,200	\$15,800
78	2037	\$38,000	\$8,000	\$0	\$61,200	\$107,200	\$13,900
80	2039	\$34,000	\$12,000	\$0	\$61,200	\$107,200	\$13,100
83	2042	\$28,000	\$16,000	\$0	\$61,200	\$105,200	\$11,800
85	2044	\$22,000	\$18,000	\$0	\$61,200	\$101,200	\$9,900

\* Age 73: RMDs begin. Roth conversions reduced the RMD base by \$168,000 (saving ~\$6,200/yr vs. no conversion plan).

PORTFOLIO SURVIVAL ANALYSIS

# Monte Carlo Probability of Success

1,000 simulated market scenarios were run using your optimized withdrawal sequence. The chart shows the probability your portfolio sustains your target income through each age. The 80% threshold is the industry standard for a 'comfortable' retirement plan.



## Scenario Comparison

SCENARIO	AGE 80	AGE 85	AGE 90	AGE 92
Current Plan (No Changes)	83%	71%	52%	38%
<b>Optimized Plan (This Report)</b>	91%	81%	67%	58%
Conservative (+10% Spending)	88%	74%	59%	47%
Market Downturn at Age 70	84%	72%	55%	42%

ACTION ALERTS

## Critical Dates & Tax Milestones

2026 · NOW	<b>Begin Roth Conversion Year 1</b> Convert \$42,000 from Robert's Traditional IRA. Pay taxes from taxable brokerage. Do not exceed — crossing \$201,050 MAGI (MFJ) enters the 24% bracket.
2027–2029	<b>Complete 4-Year Roth Conversion Window</b> Continue \$42,000/year. Total converted: \$168,000. Estimated tax cost: \$36,960. Net benefit vs. paying at higher future rates: +\$47,200. Do NOT skip a year.
2028 · Age 65	<b>Margaret Claims Social Security</b> File for Margaret's SS benefit at 65. Break-even analysis does not favor delay. This provides household income during Robert's SS deferral period.
2029 · Age 67	<b>Verify IRMAA Lookback Before Robert Claims SS</b> IRMAA is assessed on 2027 income. If 2027 MAGI exceeded \$212,000, file SSA-44 for IRMAA relief based on life-changing event (retirement reduces income).
2030 · Age 70	<b>Review LTC Coverage Gap</b> Confirm existing policy inflation rider remains active. Median cost for memory care in your area is ~\$11,400/month. Minimum target: \$7,000/month with 3% inflation rider.
2032 · Age 73	<b>RMDs Begin — Optimized</b> Your RMDs are projected at ~\$24,800/year (not \$31,000) due to Roth conversions. Consider QCDs (\$105,000/yr limit) to reduce taxable RMD if charitable giving is a goal.

YOUR NEXT STEPS

# Immediate Action Path

1

**THIS WEEK**

Log in to SSA.gov and verify both your and Margaret's earnings records. Errors in earnings records are surprisingly common and can permanently reduce your benefit if uncorrected.

2

**THIS MONTH**

Calculate your 2026 Roth conversion amount — confirm the exact number that fills the top of your 22% bracket without crossing into 24%. Then execute before year-end.

3

**60 DAYS**

Contact your Medicare advisor to review IRMAA lookback implications for your 2026 income. File SSA-44 proactively if your income dropped significantly from 2024 to 2025.

4

**90 DAYS**

Review your LTC policy for inflation rider status and current coverage. Request a care cost survey for your specific zip code to determine if a coverage gap exists.

### Unlock the Full Value of This Plan: Book Your Advisor Session

For **\$197**, work 1:1 with a RetireIQ-vetted fiduciary advisor for a 60-minute strategy session. They'll walk through your personalized Roth conversion ladder, confirm your SS deferral strategy, answer implementation questions, and give you confidence before you execute any step.

**Book at: [retireiq.com/advisor-session](https://retireiq.com/advisor-session) · Available within 5 business days**

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