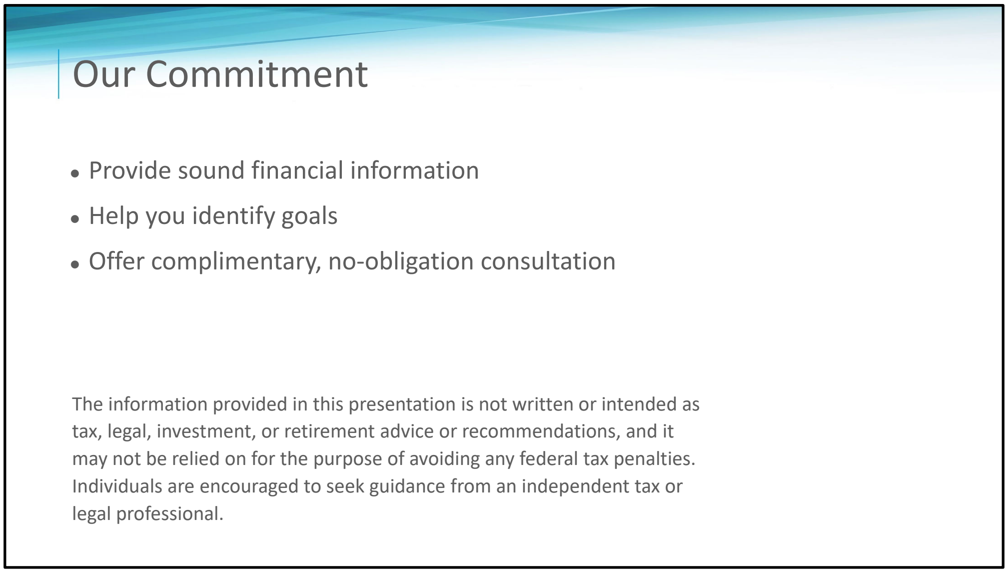
Welcome to our seminar on Tax Planning and Your Retirement. We're glad that you could join us here today.

Before we get started, I'd like to introduce myself and my company.

[Note to presenter: Give a brief personal background, then talk about your organization and give its location. If appropriate, introduce other members of your organization who are in the room and discuss any housekeeping issues.]



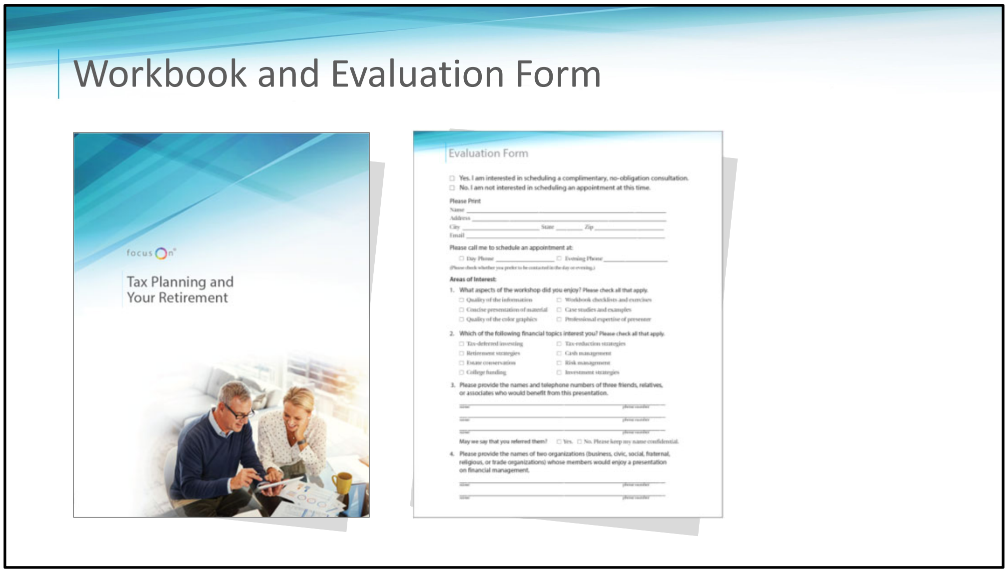
We use seminars like this one to introduce ourselves and to develop strong working relationships with members of the community like you.

Our commitment extends beyond simply offering financial services. We are committed to helping you evaluate your financial situation and giving you tools to help make informed decisions and pursue your financial goals.

We hope that after attending the seminar, you'll want to meet with us in our office. This is a complimentary, no-obligation consultation that we offer to everyone who attends our seminars. During that meeting, we can discuss any questions you have as a result of what we discuss here. If you prefer, we can use that time to examine your specific situation and begin the process of helping you formulate a financial strategy that will suit your needs.

We know that we'll establish a working relationship with you only when *you* are confident that we can be of service. We want you to understand your options and to know how you may benefit from working with us.

The information in this presentation is not written or intended as tax, legal, investment, or retirement advice or recommendations, and it may not be relied on for the purpose of avoiding any federal tax penalties. You are encouraged to seek guidance from an independent tax or legal professional based on your individual circumstances.



Let’s talk about the workbook you received as you entered.

We’ve found that people are more likely to remember something they act on rather than something they only hear about. That’s why we designed this workbook so you can apply what you learn to your situation. In it you’ll find helpful materials that reinforce the seminar’s major points and will be a valuable resource for you.

Feel free to highlight, underline, or make notes in whatever way serves you best.

Inside your workbook, you’ll find an evaluation form just like this one.

[Note to presenter: Pull out an evaluation form for your seminar participants to see.]

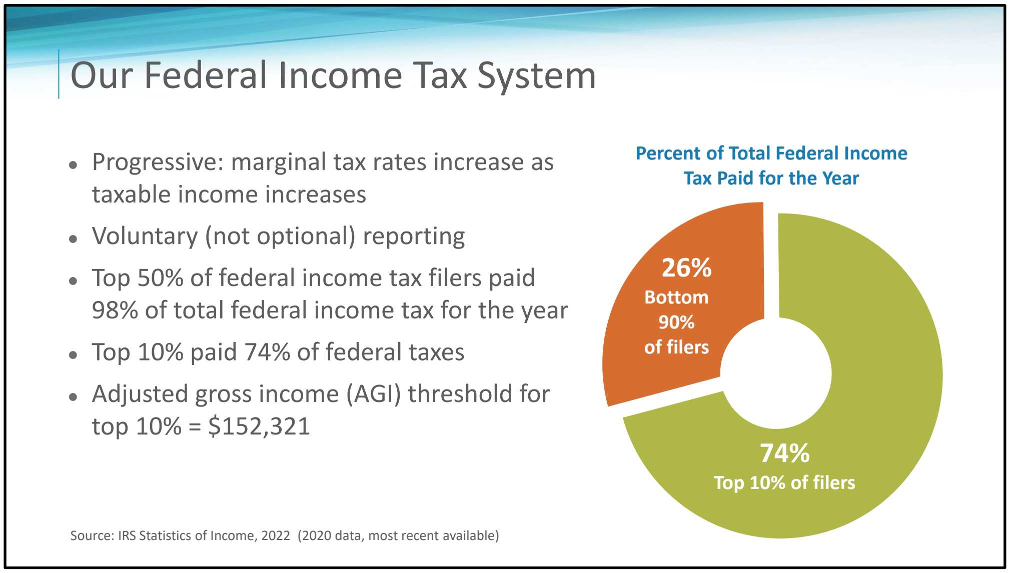
At the end of the presentation, please use this form to tell us whether you’re interested in taking advantage of the complimentary consultation.

We’d like to make you two promises concerning this form. First, if you check “Yes, I am interested in scheduling a complimentary, no-obligation consultation,” we’ll call you in the next couple of days and set up an appointment.

Second, if you check “No, I am not interested in scheduling an appointment at this time,” we won’t call you directly after the seminar.

In exchange for these two promises to you, please promise that you will fill out this form. Many seminar attendees do come in for a consultation, so we’ve set aside time just to meet with you.

When you do come to our office, feel free to leave your checkbook at home. We are very interested in developing working relationships with you, but that decision is yours.



Let's start with some general observations about our federal income tax system.

First, the United States has a progressive tax system. Generally, this means that the higher your overall taxable income, the higher the tax rate that applies to your next dollar of income.

Second, we have a voluntary tax system. That *doesn't* mean you have a choice in whether to pay federal income tax; you *don't* get to opt out. It just means you are responsible for calculating your own taxes, reporting your calculations to the government, and paying any taxes due.

And while virtually everyone complains about paying too much in tax, the truth is that not everyone actually pays federal income tax equally. In fact, for the 2020 tax year, the most recent year for which data is available, the top 50 percent of filers (as measured by reported adjusted gross income) were responsible for paying 98 percent of total federal income taxes.

For that tax year, 74 percent of total federal income tax was paid by the top 10 percent of filers. And what did it take to make that top 10 percent? Not as much as you might think — the top 10 percent includes all those with adjusted gross incomes of $152,321 or more.

Source: IRS Statistics of Income, 2022 (2020 data is most recent available)

Tax Laws Change Constantly

- Small Business Jobs Act of 2010
- Patient Protection and Affordable Care Act of 2010
- Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010
- American Taxpayer Relief Act of 2012
- Tax Increase Prevention Act of 2014
- Protecting Americans from Tax Hikes (PATH) Act of 2015
- Tax Cuts and Jobs Act of 2017
- Setting Every Community Up for Retirement Enhancement (SECURE) Act
- Families First Coronavirus Response Act (FFCRA)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act
- Consolidated Appropriations Act, 2021
- American Rescue Plan Act of 2021
- Inflation Reduction Act of 2022
- Secure 2.0 of 2022

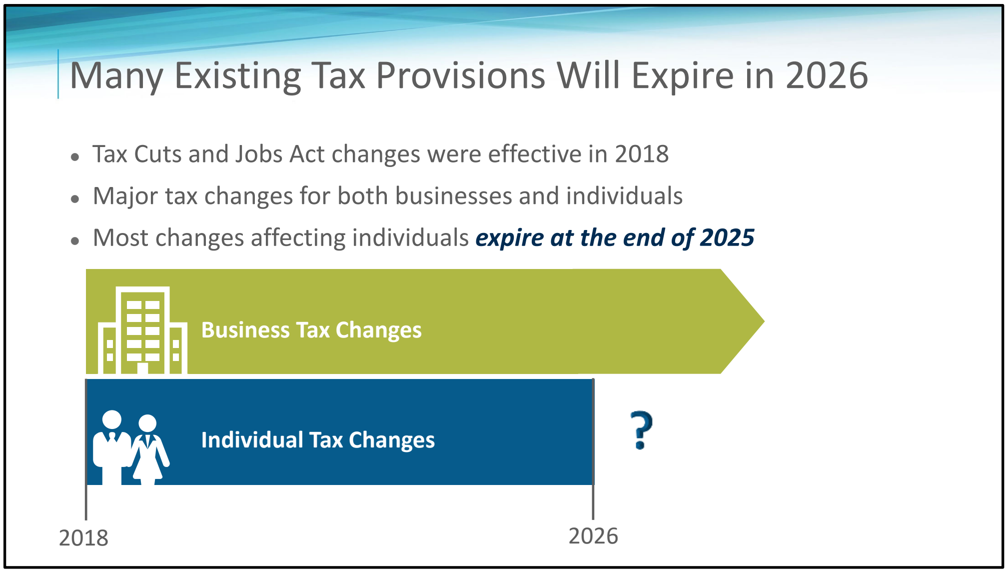
Tax laws change with relative frequency. Listed here are just some of the major pieces of tax legislation that have passed in the last 15 years.

Of course, it wouldn’t surprise me if part of the reason that many of you are here is the tax legislation passed in the last few years, starting with the 2017 Tax Cuts and Jobs Act, a sweeping $1.5 trillion tax-cut package that dramatically reshaped the tax landscape, as well as the SECURE and CARES Acts that were signed into law in late 2019 and early 2020, respectively, and the American Rescue Plan Act of 2021 that included payments to individuals and funding for federal programs, COVID-19 vaccines and testing, state and local governments, and schools.

Last year’s Inflation Reduction Act included a host of health care and energy-related provisions, and the legislation known as “Secure 2.0” that was part of the omnibus spending bill passed in the last days of 2022 made significant changes to retirement plans and IRAs — some effective now, and others in future years.

If these tax laws are part of the reason you’re attending, congratulations on recognizing that tax changes could affect and shape your plans for retirement.

It’s also likely that we’ll see more changes in the near future that could affect your taxes.



We just mentioned the Tax Cuts and Jobs Act, passed in 2017. This major tax legislation made significant changes to the tax rules that govern businesses and that relate to individuals, including federal income tax rates.

For our discussion today, it’s important to note that while most of the business tax changes made by the legislation are permanent, most of the changes affecting individuals automatically expire at the end of 2025. Of course, future legislation could reverse or extend the reach of these provisions, or even make them permanent. However, if that doesn’t happen, starting in 2026, the individual tax changes will revert to the rules that were in effect for 2017.

Keeping this in mind, we’ll look at the expiring provisions and other recent changes might affect you, and then focus on the basics of how — and at what rates — your retirement income will be taxed.

Changes to Required Minimum Distribution (RMD) Rules Made by SECURE 2.0

- Age at which you must start taking withdrawals from traditional IRAs and retirement plans has increased
- Effective 2023, the 50% RMD tax penalty is reduced to 25%
- No lifetime RMDs from Roth retirement plans starting in 2024
- Spouse beneficiaries of employer plans have additional flexibility starting in 2024

Date of Birth	Age RMDs Must Commence
Before July 1, 1949	70½
July 1, 1949, through 1950	72
1951 to 1959	73
1960 or later[1]	75

[1] A technical correction is expected to clarify the transition from age 73 to age 75 for purposes of the required minimum distribution rule. As currently written, it is unclear what the correct starting age is for an individual born in 1959 who reaches age 73 in the year 2032.

Required minimum distributions, sometimes referred to as RMDs or minimum required distributions, are amounts that the federal government requires you to withdraw annually from traditional IRAs and employer retirement plans after you reach a certain age, or in some cases, retire. We're going to discuss required minimum distributions in detail later, but for now I want to highlight some recent changes.

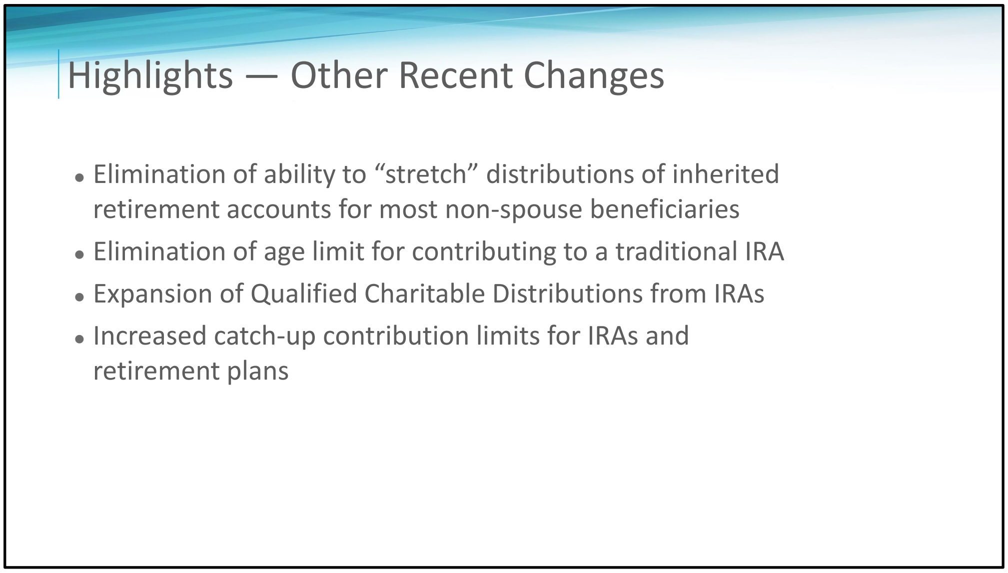
RMDs have historically been required to start after reaching age 70½. That changed in 2020 when the SECURE legislation changed the required starting age to 72 for those who had not yet reached age 70½ before January 1, 2020. The recently-passed SECURE 2.0 legislation again raised the starting age for required minimum distributions to age 73 for those who reach age 72 after 2022. It also increases the age again, to age 75, starting in 2033. The table here shows when you have to start taking RMDs based on your date of birth.

The penalty for failing to take a required minimum distribution is steep — historically, a 50% penalty tax on the amount by which you fell short of the required distribution amount. Starting in 2023, though, the penalty tax is reduced to 25%, and can be reduced further to 10% if you self-correct the under withdrawal under certain criteria.

If you have a Roth IRA, you probably know that you don't have to take required minimum distributions from the Roth IRA during your lifetime. Starting in 2024, the same will apply if you have a Roth employer retirement plan account, like a Roth 401(k) or a Roth 403(b).

And starting in 2024, a surviving spouse who is the sole beneficiary of an inherited employer plan will have some additional flexibility regarding required minimum distributions from the plan.

Again, we'll discuss these changes in more detail shortly.

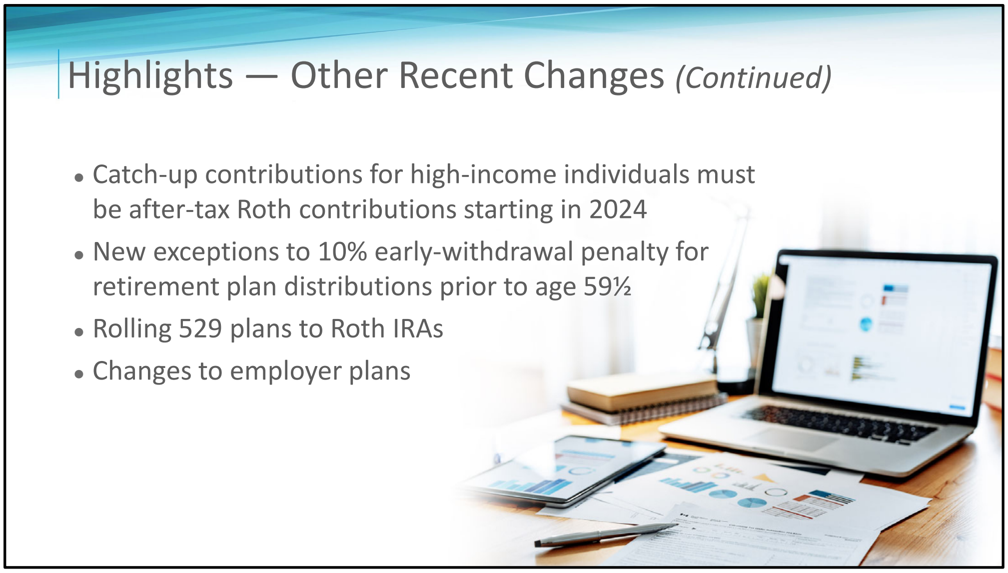


The original SECURE Act eliminated rules that allowed beneficiaries who inherit IRAs and retirement plans to spread distributions over their lifetimes; these popular “stretch” provisions are replaced with a 10-year distribution requirement for most non-spouse beneficiaries.

The same legislation eliminated the restriction on contributing to a traditional IRA after age 70½. Now you can contribute at any age as long as you have earned income.

The more recent SECURE 2.0 Act indexes the $100,000 cap on the amount that can be given as a qualified charitable distribution from an IRA for inflation starting in 2024. In addition, beginning in 2023, individuals will be able to make a one-time charitable distribution of up to $50,000 from an IRA to a charitable remainder annuity trust, charitable remainder unitrust, or charitable gift annuity.

Individuals age 50 and over can currently make an additional catch-up contribution of $1,000 to their IRA. Starting in 2024, this amount will be indexed annually for inflation. Also, starting in 2025, the catch-up contribution for people age 60 to 63 will increase to a minimum of $10,000 for 401(k)s and similar workplace plans, and $5,000 for SIMPLE plans.

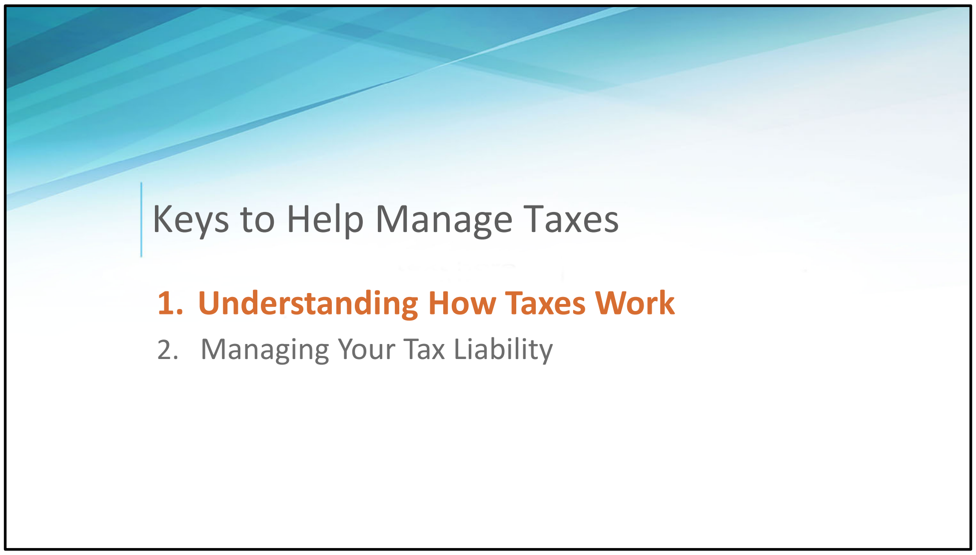


Beginning in 2024, all catch-up contributions for high-income individuals — those with incomes above $145,000 — must be in the form of after-tax (Roth) contributions.

Distributions from retirement savings accounts are generally subject to ordinary income tax. In addition, distributions prior to age 59½ also may be subject to an early-withdrawal penalty of 10%, unless an exception (such as death or disability) applies. The SECURE 2.0 Act adds several new exceptions to the early-withdrawal penalty, including exceptions for an emergency personal expense, terminal illness, domestic abuse, payment of long-term care insurance premiums, and to recover from a federally declared disaster. Amounts, rules, and effective dates differ for each circumstance.

Starting in 2024, 529 college savings plan account beneficiaries will be able to directly roll over up to $35,000 from 529 plan accounts to Roth IRAs, provided the 529 accounts were open for at least 15 years. The rollover amounts will be subject to Roth IRA annual contribution limits ($6,500 in 2023 and indexed for inflation thereafter).

There have also been multiple changes that affect employer plans, including automatic enrollment requirements, employer-matching contributions to Roth accounts, and automatic participation in emergency savings accounts for many employees.



Despite all the tax changes made in recent years, many people feel that there's nothing they can do to improve their tax situations. We don't agree. There are still ways to defer taxes and reduce your income tax liability.

During the seminar, we're going to address these key areas based on current tax law.

First, it's important to understand the tax system and how you will be taxed on all types of income.

Once you have a basic understanding of how taxes work, you can take steps to help reduce your income tax liability. Being aware of the tax implications of your decisions could save you valuable dollars in the future.

Remember, tax strategies and implementation steps should be discussed with your tax professional.