# Meeting Transcript - Retirement Planning Discussion

### Client Consultation with Vantage Financial

Date: February 12, 2025

Location: Vantage Financial Office (Virtual Meeting via Zoom)

Attendees:

- Client: John Doe (Age: 58, Current Salary: $120,000/year)
- Financial Advisor: Sarah Thompson (Vantage Financial)
- Tax Specialist: Michael Carter (Vantage Financial)

## Tax Planning Meeting Transcript

[00:00] Sarah Thompson (Vantage Financial): Good afternoon, John. Thank you for meeting with us to discuss tax planning strategies for your upcoming retirement. Our goal today is to ensure that your tax liabilities are minimized while maximizing your retirement income. To start, could you outline your income sources and expected withdrawals?

[00:30] John Doe: Sure. My anticipated income sources in retirement include:

- 401(k) Withdrawals: Planned withdrawals of $40,000 per year
- Roth IRA Withdrawals: Approximately $10,000 per year
- Social Security: $2,800/month starting at age 67 (or $2,520/month if I claim at 65)
- Dividend & Interest Income: Estimated at $8,000 per year

[01:30] Michael Carter (Vantage Financial): Based on this, our goal is to balance taxable and tax-free income streams. Have you considered Roth conversions before you begin withdrawing from Social Security?

[02:00] John Doe: I haven?t looked into it in depth. How would that benefit me?

[02:30] Sarah Thompson: Roth conversions can be a strategic move to reduce Required Minimum

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Distributions (RMDs) later on. Since RMDs begin at age 73, shifting funds from your 401(k) into a Roth IRA now, while you're still working, could lower your future tax liability. Currently, your marginal tax bracket is 22%.

[03:30] Michael Carter: If you do a Roth conversion of $50,000 per year before Social Security kicks in, you could reduce your taxable income in later years, keeping more of your Social Security benefits tax-free.

[04:00] John Doe: That sounds beneficial. What about capital gains taxes on my brokerage account?

[04:30] Sarah Thompson: Great question. Since your income will decrease when you retire, you might qualify for the 0% capital gains tax bracket on long-term investments if your total taxable income stays below $47,025 (for single filers). We can strategically sell appreciated assets while minimizing taxes.

[05:00] Michael Carter: Another key point is Medicare premiums. If your Modified Adjusted Gross Income (MAGI) exceeds $103,000, you could face IRMAA surcharges on Medicare Part B and D. Keeping your taxable income below this threshold will help you avoid extra costs.

[06:00] John Doe: I hadn't considered that. So, my action plan should be:

1. **Gradual Roth Conversions**: $50,000 annually before Social Security.
2. **Tax-Bracket Management**: Avoid crossing into higher brackets by timing withdrawals carefully.
3. **Harvesting Capital Gains**: Selling assets strategically in years where my income is lower.
4. **Medicare Surcharge Avoidance**: Keeping my income below the IRMAA threshold.

[07:00] Sarah Thompson: That sounds like a great strategy. We?ll prepare a detailed tax-efficient withdrawal plan and send it over this week.

[07:30] John Doe: Thank you both! I appreciate the insight and guidance.