10 Common Retirement Distribution Mistakes		
Mistake	**Potential Consequences**	**Remedy**
1. Collecting Social Security too early	Loss of $20,000 or more annually for life	Use bridging ideas to delay collection of benefits until age 70, if appropriate.
2. Failing to use creative Social Security claiming strategies	Loss of $60,000 or more over a lifetime	Familiarize yourself with the concepts to open the dialog and engage experts to assist.
3. Failing to balance tax-free distributions from DRAs or Roth IRAs with taxable distributions	Additional income taxes on Social Security benefits Higher income tax rates	Engage internal resources or client's tax professional to balance the distributions.
4. Using a rollover instead of a direct transfer	Income tax and penalty if 60 day deadline is missed 20% withholding if funds originate from a qualified plan	Use a direct transfer.
5. Failure to protect net unrealized appreciation (NUA)	Loss of long-term capital gains treatment	Contact the plan administrator to determine if NUA exists. Avoid rollover or transfer of NUA to an IRA. Engage internal resources or client's tax professional to ensure all requirements are met.
6. Failure to plan the exercise of ISOs	Loss of long-term capital gains treatment	Ensure holding period requirements are met ISOs should be exercised within 90 days of termination of employment.
7. Commingling rollover or conduit IRAs with other IRAs	Potential loss of unlimited protection from personal creditors in bankruptcy	Keep rollover or conduit IRA funds separate from other IRA funds.
8. Failing to consider a Roth IRA conversion	Loss of balancing ability between taxable and tax-free distributions	Consult with a tax professional to analyze all of the issues.
9. Taking premature distributions	10% premature distribution penalty PLUS income tax	Wait until age 59½ (IRAs) or age 55 (qualified plans if separated from service) or (preferably) take funds from other sources.
10. Failing to take RMD timely and fully	50% under distribution penalty	Ensure the RMD is taken timely and calculated by a trustee, custodian, CPA, or other tax professional.

Greene Consulting