

SPECIAL FEATURE

Brought to you by: **Optivise Advisory Services**
www.optiviseria.com/investor



Understanding RMDs – Making Your Retirement Money Work for You

Retirement should be a time to enjoy life, not worry about confusing rules. But if you have an IRA or retirement plan, you've likely heard the term RMD, or Required Minimum Distribution. RMDs are the minimum amounts you must withdraw from certain retirement accounts once you reach a specific age. These withdrawals are important because the IRS requires them and they are taxed as income. Understanding how RMDs work can help you make smarter choices, avoid penalties, and even save money on taxes. Here are five key points every investor should consider.

1. Know Your RMD Starting Age

The SECURE 2.0 Act updated the rules for RMDs. If you were born between 1951 and 1959, you must start taking RMDs at age 73. For those born in 1960 or later, the starting age increases to 75. The IRS sets a Required Beginning Date, which is April 1 of the year after you reach the starting age. Knowing your age and timing can prevent missed distributions and penalties.

2. Understand How RMDs Are Calculated

RMDs are based on your account balance on December 31 of the previous year and a life expectancy factor provided by the IRS. The idea is to slowly withdraw your money so your account lasts through retirement. Your first year is special – you can delay until April 1 of the following year, but then you'll have to take two distributions the next year. Knowing how the RMD is calculated helps you plan withdrawals efficiently.

3. Consider Your Tax Implications

RMDs are taxed as regular income, not capital gains. This means taking out large amounts at once could bump you into a higher tax bracket. Planning RMD withdrawals carefully can help manage your tax bill. Some investors spread distributions throughout the year or use tax-advantaged strategies to reduce the impact.

4. Use Options to Make RMDs Work for You

You don't always need the money immediately. RMDs can be deposited into a bank account for living expenses or left in an after-tax account to continue growing. Charitable investors can use a Qualified Charitable Distribution (QCD) to satisfy their RMD directly to a charity, reducing taxable income. Exploring your options can maximize your retirement funds and even help charitable causes.

5. Don't Forget Employer Plans

If you're still working and have a retirement plan with your current employer, you might be able to delay RMDs until you retire, unless you own 5% or more of the company. This exception can help you keep more money invested longer and grow your savings.

RMDs may sound complicated, but with some planning, they can work in your favor. By knowing your starting age, understanding calculations, planning for taxes, exploring distribution options, and considering employer plans, you can make smart choices for your retirement. Navigating IRS rules often requires professional guidance. Contact our office today to receive a copy of our proprietary RMD flow-chart report, which makes the process clear and simple. Proper planning could save you thousands and give you peace of mind as you enjoy your retirement years.

— Michael Wallin, Certified Financial Planner™. For more information, please see www.panthrex.com or call 615-236-2220.



Chinese New Year Concert

STEINWAY PIANO GALLERY
STEINWAY & SONS



THURSDAY, FEBRUARY 12th

5:30PM or 7:30PM SHOWTIME

4285 SIDCO DRIVE, NASHVILLE

Free admission, food, wine, music,
business casual

BENEFITING WANG FOUNDATION FOR
SIGHT RESTORATION

FOOD WINE MUSIC

Chinese Violin Erhu
Dr. Ming Wang, MD, PHD
DRMINGWANG.COM

Cello
DEIDRE EMERSON, MA
PROFESSOR OF CELLO
AT TSU

Guitar
CARLOS ENRIQUE, MA
CARLOSENRIQUE.COM



About the Host, Dr. Ming Wang, MD, PhD

The Angel Studios' film "Sight" (FREE LINK: sight.drmingwang.com), starring Greg Kinnear, is based on the autobiography "From Darkness to Sight" of Dr. Ming Wang, Harvard & MIT (MD, magna cum laude); PhD (laser physics).

As a teenager, Ming played the Chinese violin erhu to escape labor camp and came to America with only \$50. He became a world-class surgeon and has performed over 55,000 laser vision surgeries (including on over 4,000 doctors). Dr. Wang invented the Amniotic membrane contact lens which has helped millions.

Wang Foundation for Sight Restoration has helped patients from over 40 states in the U.S. and 55 countries, with all sight restoration surgeries performed free-of-charge. Dr. Wang was named the Kiwanis Nashvillian of the Year for his lifelong dedication to help blind orphan children around the world.

FREE ADMISSION

RSVP: Ella Morrissey,
ella@wangvisioninstitute.com,
(615)-525-3314