Retirement Distribution Analysis

Married Filing Jointly · Ages 67 & 66 · · Tax Year 2026

Prepared for: Sample Adviser

TOTAL PORTFOLIO	RECURRING INCOME	DISTRIBUTION GAP	TAX BEFORE WITHDRAWALS
$2.50M	**$94K**	**$66K**	**$2K**

INCOME SOURCES

Social Security	$54,000
Pension income	$18,000
Part-time work	$12,000
Taxable interest	$10,000
Total recurring income	**$94,000**

ACCOUNT BALANCES

Cash reserve	$100,000
Taxable brokerage	$800,000
— Cost basis	$560,000
— Unrealized gain	$240,000
IRA / 401(k)	$1,200,000
Roth IRA / 401(k)	$400,000
Total portfolio value	**$2,500,000**

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SCENARIO ANALYSIS — DISTRIBUTION STRATEGIES

LOWEST TAX Scenario 1 — Tax-smart blend

TAXABLE INCOME	EST. FEDERAL TAX	MARGINAL BRACKET	EFFECTIVE RATE
$75,300	$8,072	12%	10.7%

IRA draw: $33,000 Roth draw: $20,000 Brokerage: $13,000

Observation: Drawing $33,000 from the IRA, $20,000 tax-free from the Roth, and $13,000 from the brokerage keeps the marginal rate at 12%. The Roth draw adds spendable cash with zero additional federal tax impact. Estimated federal tax: $8,072.

BASELINE Scenario 2 — IRA-first withdrawal

TAXABLE INCOME	EST. FEDERAL TAX	MARGINAL BRACKET	EFFECTIVE RATE
$104,514	$12,417	22%	11.9%

IRA draw: $66,000 Roth draw: $0 Brokerage: $0

Observation: Drawing $66,000 from the IRA alone puts taxable income at $104,514 in the 22% bracket, with federal tax of $12,417 - $4,345 more than the tax-smart blend. The blend also delivers additional spendable cash from Roth and brokerage draws.

STRATEGIC Scenario 3 — Strategic 4% Roth taper

TAXABLE INCOME	EST. FEDERAL TAX	MARGINAL BRACKET	EFFECTIVE RATE
$81,400	$8,912	12%	10.9%

IRA draw: $40,000 Roth draw: $16,000 Brokerage: $10,000

Observation: Taking a 4.0% draw ($16,000) from the Roth extends longevity while keeping it invested. Combined with $40,000 IRA and $10,000 low-gain brokerage, taxable income is $81,400 with federal tax of $8,912.

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SUMMARY COMPARISON

Strategy	IRA draw	Roth	Brokerage	Taxable inc.	Bracket	Fed tax	Eff. rate
Tax-smart blend	$33,000	$20,000	$13,000	$75,300	12%	$8,072	10.7%
IRA-first	$66,000	$0	$0	$104,514	22%	$12,417	11.9%
Strat. 4% taper	$40,000	$16,000	$10,000	$81,400	12%	$8,912	10.9%

TAX OBSERVATIONS PER SCENARIO

Tax-smart blend

Taxable income: $75,300 · Marginal bracket: 12% · Est. federal tax: $8,072 · Effective rate: 10.7%

IRA-first withdrawal

Taxable income: $104,514 · Marginal bracket: 22% · Est. federal tax: $12,417 · Effective rate: 11.9%

Strategic 4% taper

Taxable income: $81,400 · Marginal bracket: 12% · Est. federal tax: $8,912 · Effective rate: 10.9%

Modeled Scenario Observations

Scenario 1 (Tax-smart blend) models the lowest estimated federal tax of $8,072, a difference of $4,345 versus the highest-tax scenario. Scenarios differ in total spendable cash delivered. Modeled observations for tax year 2026:

- Roth withdrawals of $20,000 are modeled with no additional federal tax impact in this scenario.
- In this scenario, IRA withdrawals above $62,400 would cross into the 22% federal bracket.
- Brokerage sales up to $13,000 are modeled at the long-term capital gains rate in this scenario.