



RETIREMENT / INSIGHT

Presented by Melfa Wealth Management

MONTHLY NEWS AND INFORMATION FOR CURRENT AND FUTURE RETIREES

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"All that is gold does not glitter, not all those who wander are lost; the old that is strong does not wither, deep roots are not reached by the frost."

- J.R.R. Tolkien

HEALTH TIP

Small changes could subtly contribute to better health

Set a goal to go for a 15-minute walk or bike ride each day. Replace a soda with a glass of water. Eat a piece of fruit rather than a dessert.

BRAIN TEASER

Playing Card Puzzler

Three playing cards lie face down on a table. A jack is to the left of a queen. To the left of a spade is a diamond. A king is left of a heart. A spade is right of a king. What are the three cards?*

DID YOU KNOW?

Apples were once mostly grown to make alcoholic beverages

Before the early 1900s, they were primarily harvested for

3 Important Retiree Tax Considerations

After you retire, your tax situation will change. Recognizing that oncoming change is crucial. Some ideas that may seem smart from a pre-retiree standpoint might be ill-advised once you have transitioned into retirement. Other retiree tax concerns may not yet be on your mind.

For example, tax-loss harvesting can be handy when your capital losses outdo your capital gains - when that occurs, you can use up to \$3,000 of losses annually to offset ordinary income. You can also carry forward losses exceeding \$3,000 to upcoming years to offset future income. If a bear market strikes when you are 40, this tactic has great merit - but if you incur, say, a \$60,000 bear market loss in your seventies, it will take you 20 years to get the full tax benefit from harvesting since you can only carry forward a maximum of \$3,000 in losses, annually. Consider that Social Security income is partly taxable once your provisional income (adjusted gross income + tax-free interest + 50% of Social Security benefits) tops thresholds of \$25,000 (single filer) and \$32,000 (joint filers). Lastly, while most retirees never withdraw more than the Required Minimum Distribution from a traditional IRA each year, you may want to if your IRA is large, out of concern for your heirs. They might face a big tax bill if they withdraw an entire Inherited IRA balance.

¹

Where Is the Best Place in America to Have a Healthy Retirement?

The financial website 247WallStreet.com set out to find the answer late last year, analyzing county-specific data compiled from a joint project of the Robert Wood Johnson Foundation and University of Wisconsin Population Health Institute.

use in hard cider and seldom eaten. The rise of the temperance movement amounted to bad PR for farmers with apple orchards. In response, farmers extolled the benefits of eating apples: "An apple a day keeps the doctor away." ⁴

Based on its analysis, America's 25 healthiest places for seniors seem to be found along its perimeter - counties out west, in Florida, and in New England are conspicuous in the ranking. The #1 pick: San Juan County, Washington, noted for its low obesity and smoking rates and high physical activity rate. Beaufort County, South Carolina finished second, with its preventive care rates ranking high. Similar factors elevated Jefferson County, Washington to the third-highest ranking. The analysis looked at myriad factors, from physicians per capita to percentage of seniors reporting themselves physically active and receiving preventive medical care to rates of diabetes diagnoses. ²

On the BRIGHT SIDE

According to the most recent Federal Reserve Survey of Consumer Finances, the median balance in tax-advantaged retirement savings accounts for investors aged 55-64 rose to \$135,000 in 2016, up from \$111,000 in 2013. ³

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*** BRAIN TEASER ANSWER: Stumped? Contact me for the answer! 508-366-6040**

CITATIONS.

1 - kiplinger.com/article/retirement/T055-C032-S014-3-big-tax-planning-mistakes-retirees-often-make.html [12/13/17]

2 - tinyurl.com/y82p8twv [12/21/17]

3 - marketwatch.com/story/the-good-news-and-bad-news-about-americas-retirement-accounts-2017-10-25 [10/25/17]

4 - todayifoundout.com/index.php/2010/10/johnny-appleseed-was-a-real-person/ [10/29/10]

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