



# *Retire Secure! Pay Taxes Later*

<http://www.retiresecure.com>

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## A “Pay Taxes Later” Primer: 14 Steps To A Secure Retirement

Excerpted from *Retire Secure! Pay Taxes Later: The Key to Making Your Money Last as Long as You Do* (Wiley) by James Lange.

*If you are still working, please:*

1. Contribute the maximum amount to your retirement plan that your employer is willing to match or partially match.
2. Contribute the maximum allowed to Roth IRAs.
3. If you can afford it, contribute nonmatching funds to your retirement plan, a Roth 401(k) if available.
4. Deduct retirement plan contributions on your tax return, form 1040 (another way to look at it is that you don't have to pay income taxes on the wages earned that are contributed to the retirement plan).
5. Allow these funds to grow income tax deferred.
6. Continue to make new contributions.
7. Continue deferring taxes by deferring distributions.

*At retirement when you need money:*

8. Spend nonretirement assets (money you already paid income tax on) before you spend your retirement plan money.
9. Spend your Roth IRA last.
10. Plan for needed or required minimum distributions during your lifetime.
11. Keep your minimum required distributions to a minimum.
12. Pay income taxes only when retirement funds are distributed to you.

*When you are ready for serious planning:*

13. Put in place a specially drafted Change of Beneficiary Form for your retirement plan and IRAs. The plan recommended in *Retire Secure!*, Lange's Cascading Beneficiary Plan™, could allow continued tax deferral up to two generations after your death while at the same time providing or over-providing for your surviving spouse or other heirs.
14. Determine if you are eligible for a Roth IRA conversion, and if so, determine whether it would be advantageous.