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SMART MONEY GUIDE

March 2024

PEAK 65 AND YOUR IRA

Issue 3

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In 2024, more Americans than ever before will reach age 65. By this summer, 12,000 baby boomers will celebrate their 65th birthday each day. This demographic milestone has been called “Peak 65.” If you are in this group, what does Peak 65 mean for your IRA?

Prime Time for Planning

If you are 65, approaching this age or maybe even just passed, this is the prime time to do some planning with your IRA. This is the time when you have the most flexibility with your IRA. When you reach age 59½, the 10% early distribution penalty becomes history. You can take distributions from your IRA for any reason at all and not worry about a penalty. You will still have to pay taxes (unless your withdrawal contains after-tax funds, which is rare), but the early distribution penalty is never an issue.

On the flip side, at age 65 you are not required to take any money from your IRA if you do not want it nor need it. Once you reach age 73, this will no longer be the case. At that time, required minimum distributions (RMDs) must begin. You will have to take money out of your IRA (and pay taxes on it) even if you do not want or need it. The RMD rules will require you to withdraw a specific amount each year. You can take more, but you can never take less. If you do, you will be hit with a penalty on the amount not taken.

How to Take Advantage of Peak 65

If you are at or near Peak 65, take advantage of it! Now, might be the time to take penalty-free distributions from your IRA if you need the money. You no longer have to worry about the early distribution penalty.

You might also consider doing distribution planning now to reduce taxes in the future. With tax reform, tax

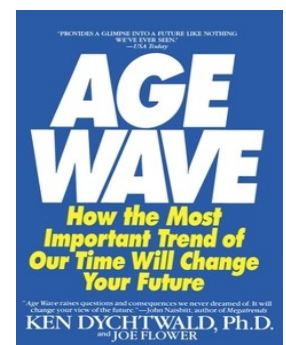
rates are at historic lows. It may make sense to take IRA distributions now to take advantage of the low rates, because no one knows what the future rates will be when your RMDs are required. When you are in your sixties, you can take your money out of your IRA on your own schedule and not the government's.

During your sixties is also a great time to consider a Roth IRA conversion. You can convert your IRA now at today's low tax rates and eliminate any future worries about RMDs. That's because you are not required to take RMDs from your Roth IRA during your lifetime. You would not need to be concerned with the yearly hassle of being sure your RMD was taken and what the tax consequences would be. With a Roth IRA conversion, there is a tax bill and you do need to be aware of “stealth taxes” like the IRMAA surtax, but conversion is a one-time event; the trade-off is tax-free earnings for you and your beneficiaries.

To learn how you can take advantage of Peak 65 to do strategic planning with your IRA, always consult with competent tax, legal & financial professionals. Thanks to Sarah Brenner, JD, Director of Retirement Education with Ed Slott and Company, LLC for providing data for this article.



Recommended Reading:



In observance of Good Friday our office will be CLOSED
Friday, March 29

SCAM ALERT

Watch out! Scammers target everyone.

NATIONAL
SLAM THE SCAM DAY
MARCH 7, 2024



Recognize scammers. They may:

- **PRETEND** to be from an agency or organization you know.
- Say there's a **PROBLEM** or promise a prize.
- **PRESSURE** you to act immediately.
- Tell you to **PAY** in a specific way.



Do not give scammers money or personal information – Ignore them!

How to avoid a scam:

- **Remain Calm.** Talk to someone you trust.
- **Hang up or ignore** the message. **DO NOT** click on links or attachments.
- **Protect your money.** Criminals will insist that you pay in a hard-to-trace manner, such as with a gift card, prepaid debit card, cryptocurrency, wire transfer, money transfer, or by mailing cash.
- **Protect your personal information.** Be skeptical of a contact you didn't initiate.
- **Spread the word.** Share your knowledge of Social Security-related scams. Post on Social media using the hashtag #Slamthescam to share your experience and warn others. Visit ssa.gov/scam for more information. Please also share with your friends and family.

All workshops will take place at:

The Hardin County
Public Library
100 Jim Owen Drive
Elizabethtown, KY 42701

Each workshop will begin at:

4:00 PM

Spring Workshop Series

Seating is limited,
pre-registration is
recommended:

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*NSSA-National Social
Security Advisor

The Nuts & Bolts of Probate: **March 12**
Receive tips on how to make this
trying time manageable
Speaker: Cynthia Griffin, Esq.

Financial Security: **March 19**
The WRIGHT answers, both now
and for the future
Speakers: Austin Wright & Andrew Sargent

Do I Really Need a Will? **March 28**
How to maintain control of your
assets
Speaker: Cynthia Griffin, Esq.

Guardianship Basics: **April 9**
The process from start to finish
Speaker: Mary Burnett, Esq.

Taxes in Retirement: **April 16**
Tips to Reduce Tax Liability
Speaker: Wm. Steve Wright

**Essential Estate Planning
Documents:** **April 25**
Back to the Basics
Speaker: Cynthia Griffin, Esq.

Revocable Trusts: **May 14**
Are my assets protected
if I still maintain control?
Speaker: Cynthia Griffin, Esq.

Social Security: **May 21**
Know Your Options
Speaker: Wm. Steve Wright, NSSA

Irrevocable Trusts: **May 23**
How can it help me
protect my assets?
Speaker: Cynthia Griffin, Esq.

THE WRIGHT WORD SEARCH

WORD LIST

CAMERNISA _____
 EYLPNAT _____
 UNIIMMM _____
 GVAADNTAE _____
 ICHISTRO _____
 SHLEECDU _____
 NONERVCOSI _____
 NSQCCESOEUEN _____
 TTEAHS _____
 MNTPETECO _____



Rearrange the letters in the word list to find the words needed to complete the word search.

Send us your completed puzzle via mail, fax, email or carrier pigeon (that one gets you a double entry) and be entered into a drawing for a \$25.00 Gift Card!

HINT: All words can be found in page one's article!

T	F	S	E	N	N	A	L	S	X	E	Y	D	D	Y	S	I	T	G	T
N	S	A	R	E	S	N	S	O	C	P	S	A	T	N	S	N	O	N	T
C	O	N	T	H	G	I	R	W	I	O	N	P	O	U	X	P	E	S	C
L	W	S	E	G	A	T	N	A	V	D	A	I	B	R	L	M	N	S	I
O	S	R	A	C	O	C	C	S	E	C	N	E	U	Q	E	S	N	O	C
Y	T	C	I	H	I	I	O	E	N	T	T	T	W	I	D	O	R	C	
N	T	L	M	G	T	R	R	S	N	A	R	S	I	R	I	N	E	A	U
P	R	E	C	L	H	O	N	V	E	V	N	T	O	I	M	E	T	L	M
R	O	U	L	O	B	T	H	T	N	A	E	E	M	G	P	V	N	I	C
S	T	D	H	E	M	S	N	S	C	O	N	R	E	H	A	N	E	Z	T
E	L	S	M	U	M	I	N	I	M	Y	I	M	S	T	O	X	T	O	A
S	P	F	I	I	T	H	R	C	C	N	T	T	T	I	N	E	E	M	B
S	L	A	W	L	S	E	O	T	O	H	E	L	T	E	O	T	P	N	E
U	R	E	L	D	M	N	C	C	G	A	S	I	A	I	U	N	M	M	S
C	P	T	B	A	V	U	S	I	L	T	D	S	R	N	O	V	O	G	L
R	N	U	R	E	D	H	R	T	E	H	E	L	U	D	E	H	C	S	O
I	O	X	R	D	G	W	H	N	Q	G	D	A	S	R	T	P	T	O	R
C	A	S	D	L	E	I	C	I	U	I	C	P	R	E	Y	E	D	Y	N
S	U	T	E	D	M	E	P	S	E	R	U	T	I	D	N	E	P	X	E
C	O	S	E	Q	U	E	N	N	N	W	N	P	T	P	R	E	H	N	I

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NAME: _____
 ADDRESS: _____

CONGRATULATIONS to **CINDY HARTLEY** for winning the FEBRUARY 2024 WRIGHT WORD SEARCH, and to **RICHARD GARDNER** for getting the WRIGHT's count right! (30)

PUZZLE ENTRY DEADLINE:
FRIDAY, MARCH 29

BONUS: For an extra chance to win an ADDITIONAL \$25 Gift Card count how many times the word WRIGHT is found in this ENTIRE publication (**INCLUDING THE WORD SEARCH**) AND ENTER IT HERE> _____. GOOD LUCK!