FIDELITY WEALTH MANAGEMENT WEBINAR

Insights Live: Tax-smart strategies for retirement

January 12, 2023

Our Speakers

Ally Donnelly
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Ally Donnelly is the editorial and content lead for digital content here at Fidelity. Her work focuses on innovative video and audio projects that connect and communicate with Fidelity's clients in relevant and accessible ways.

Justin Bailey, CFP®
Regional Vice President, Fidelity Investments Life Insurance Company
Justin Bailey is a 24-year Fidelity veteran. Throughout his career, he has held a variety of positions, including financial consultant, retirement consultant, regional planning consultant, vice president of national sales for Fidelity Life Insurance Company, and regional vice president supporting advisors in eight western states. He currently supports over 300 Fidelity advisors in the branch and regional center channels, focusing on financial planning solutions that include asset protection, tax planning, and retirement income planning.

Michelle Caffrey, CFP®
Vice President, Advanced Planning, Fidelity Investments
Michelle Caffrey joined Fidelity in November 2015 as a wealth planning specialist, and in this role she educates both clients and the broader Fidelity organization on wealth planning strategies, including asset allocation, insurance, estate, trust, gifting, and charitable planning.

Mitch Pomerance, CFP®, CFA®
Vice President, Financial Consultant, Fidelity Investments
Mitch Pomerance is a vice president and financial consultant at Fidelity Investments and is based in Danvers, Massachusetts. In his role at Fidelity, he helps high-net-worth clients develop comprehensive plans to efficiently gather, spend, and protect their wealth. He works with clients on income planning, asset protection, risk management, and investment policy. He has coauthored *Fidelity Viewpoints®* articles on topics that include Roth conversions and net unrealized appreciation.

SECURE Act 2.0: changes to the age retirees must start taking RMDs

Turning 73 in 2023 or later?	Turned 72 prior to 12/31/22?	Turned 70½ prior to 6/30/19?
RMD required in the year turning 73*	RMD can be taken as scheduled	RMD can be taken as scheduled

Looking ahead?

- Beginning January 1, 2033, the RMD age will increase to 75

*Note, first RMD could by delayed until April 1 of the following year. If RMD is delayed, then two RMDs would be required that year.

The change in the RMDs age requirement from 72 to 73 applies only to individuals who turn 73 on or after January 1, 2023. After you reach age 73, the IRS generally requires you to withdraw an RMD annually from your tax-advantaged retirement accounts (excluding Roth IRAs, and Roth accounts in employer retirement plans accounts after December 31, 2023). Please speak with your tax advisor regarding the impact of this change on future RMDs.

Roth conversion example: Creating long-term, tax-free nest egg

Client: Married couple, age 60/61

Time horizon: 30 years

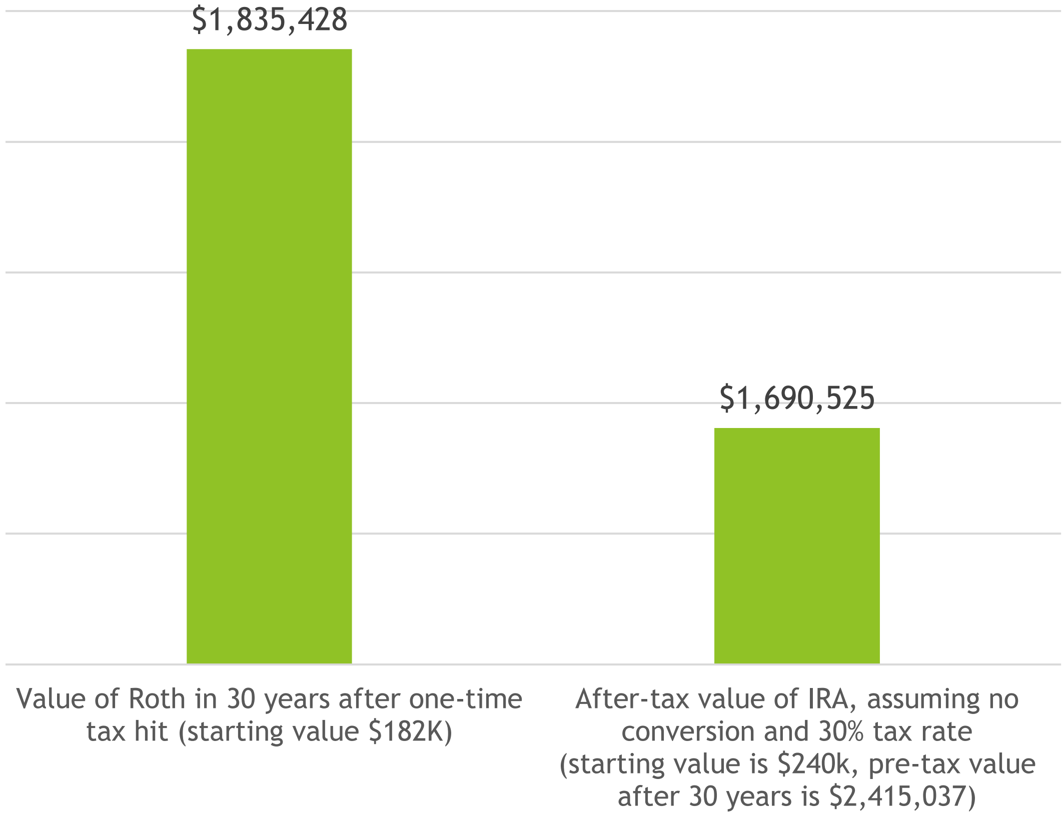
Roth conversion amount: $240,000 ($182,400 after taxes)

Hypothetical growth rate: 8%

Current tax rate: 24%

Hypothetical tax rate in 30 years: 30%

In this hypothetical example, a **one-time Roth conversion of $240K could add approximately $145K** in tax-adjusted growth over 30 years



This chart is for illustrative purposes only and does not represent actual or future performance of any investment option and does not reflect actual client data. A Roth conversion is an irrevocable election. Once you process a Roth conversion you cannot undo the conversion and tax impact. You should consult with a tax advisor before deciding to execute a Roth conversion.
This hypothetical example assumes an 8% growth rate compounded annually, no contributions or withdrawals made during the 30 year growth period, a 24% current year federal tax rate, and a 30% future year federal tax rate. This example does not consider state tax, inflation, or fees. If it did, amounts would be lower. Please see Important Information for additional assumptions made regarding this hypothetical example.

Inherited IRAs: Eligible designated beneficiaries

- A surviving spouse
- An eligible minor child of the original owner
- A person no less than 10 years younger than the original owner
- A disabled or chronically ill person

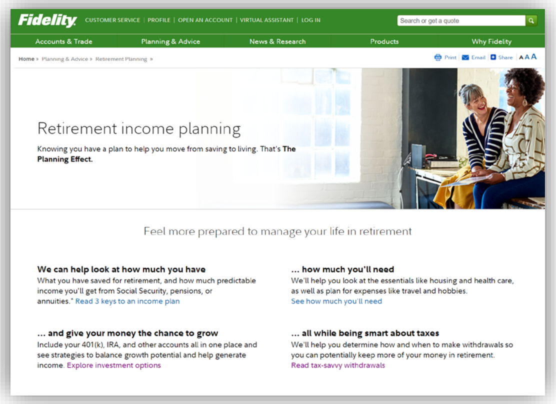
Inherited IRAs: Rules for ineligible designated beneficiaries*

For deaths occurring after 2020:

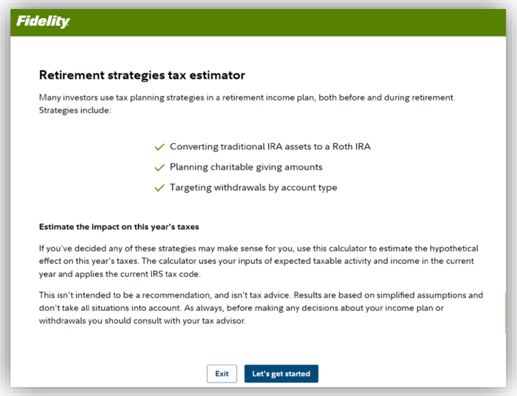
- Must withdraw all funds by December 31 of the year that includes the 10th anniversary of the owner's death

*Application of the rules above are subject to change pending final regulation from the IRS. Proposed regulations could require distributions prior to year 10.

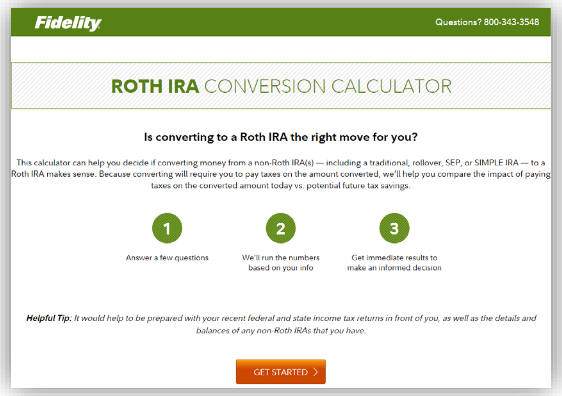
Additional Helpful Resources



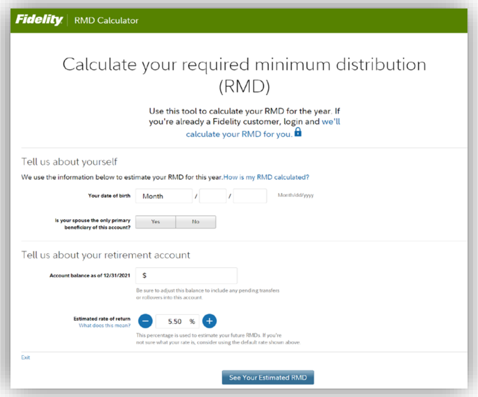
[Retirement income planning]



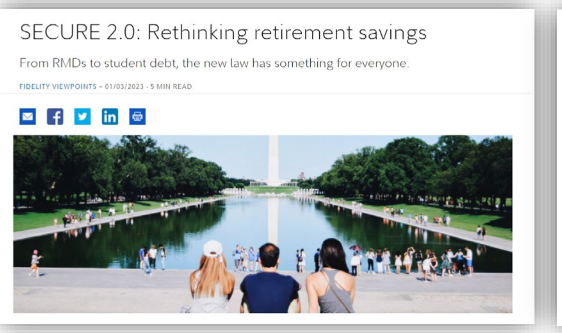
[Retirement strategies tax estimator]



[Roth IRA Conversion Calculator]



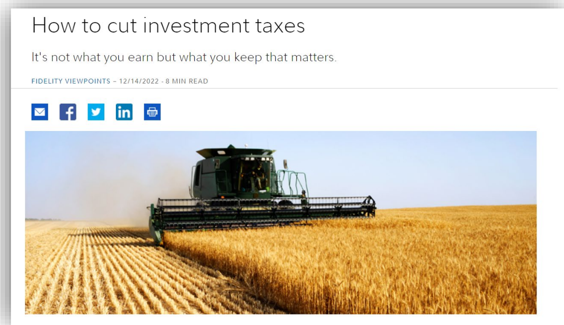
[RMD Calculator]



[SECURE 2.0: Rethinking retirement savings]

[How to cut retirement income taxes]

[Focused conversion: A strategy for IRAs]



[How to cut investment taxes]

Screenshots for illustrative purposes only.

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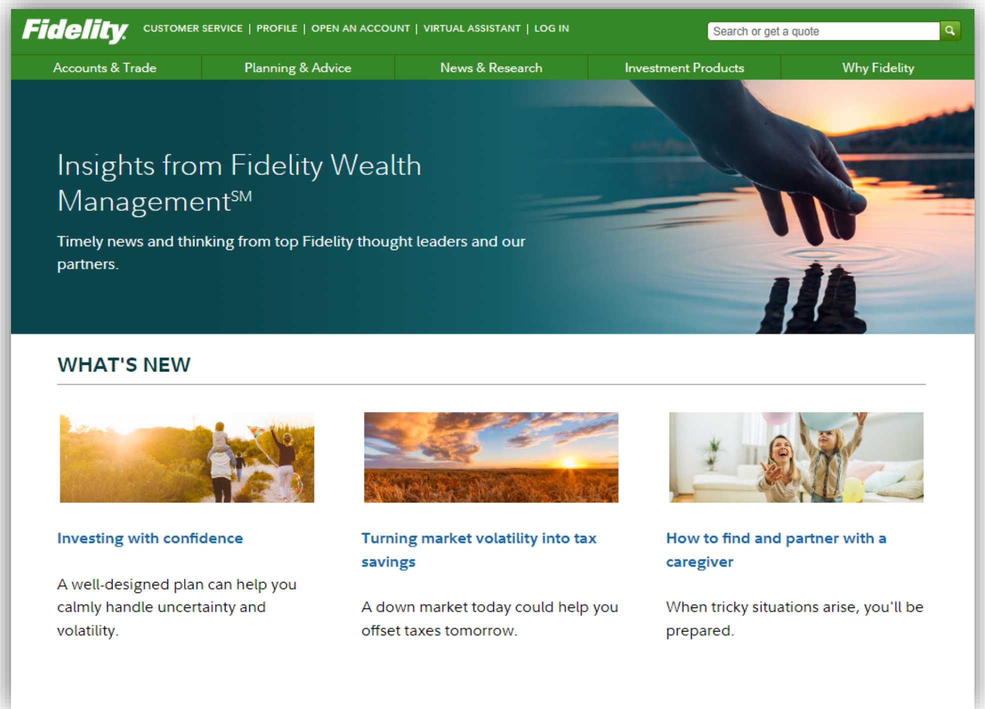

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Important Information

Investing involves risk, including risk of loss.

Past performance is no guarantee of future results.

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Roth conversion example:

The hypothetical example also assumes that there have been no non tax-deductible contributions to the originating IRA, and all withdrawals after 30 year growth period will be taxed at a 30% federal tax rate. It also assumes taxes due on the conversion are paid using the IRA assets, which reduces the converted amount from the original $240,000 amount to the $182,000 after tax amount. It assumes only qualified distributions are made from the Roth IRA after the 30 year growth period. This example is for illustrative purposes only and is not meant to reflect actual or future performance of any investment option. Please consult a tax advisor for information specific to your own situation.

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