

## What do you get as a client of Planable Wealth?

At Planable Wealth, we are always striving to be the best retirement planning firm around.

In doing so, we consistently aim to add MASSIVE VALUE to our client's lives.

We wanted to share with you some of the ways we currently do that and give you a taste of what it's like to be a client.

Here are some of the services our clients receive year-round:

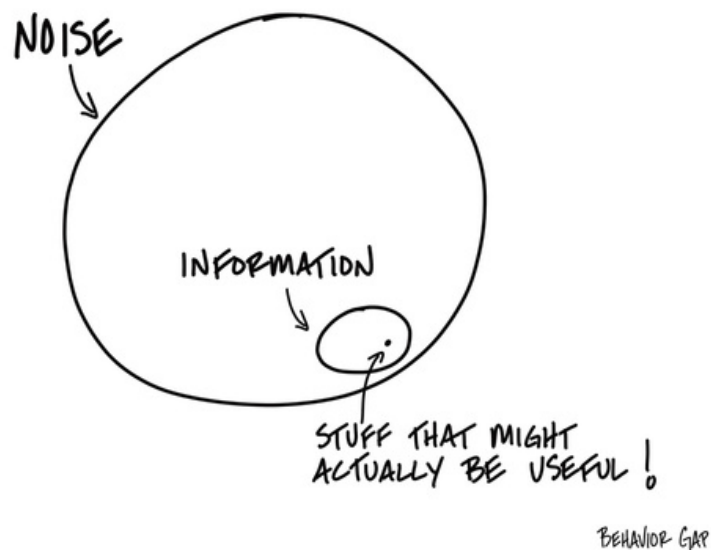
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# The Private Client Newsletter

Each month we write a special newsletter geared just for clients to keep them up to date on the latest tips, strategies, relevant tax laws, and market information, in **LAYMAN'S TERMS**.

We serve as the one stop resource for clients to get the most important and useful information so they don't need to waste time reading hundreds of articles on the internet or their mobile phone's "stock app".



We help clients weed out misinformation and confusion and provide **actionable information**.

The newsletter also serves as one of the primary ways we communicate with clients. Therefore you will hear from us at least on a monthly basis.

Occasionally, we include videos to help explain certain strategies or concepts we want you to understand.





# Asset Bucket & Income Guardrails Report

If you have been following us for quite some time you may be familiar with a **"bucketing"** type of strategy or approach with your investments.

Essentially, this is where you allocate your entire financial portfolio into different "buckets" each with a different **PURPOSE**.

All clients who work with our firm employ this strategy in some form or another. Why? Because it is highly effective at keeping a simplified investment strategy and teaches you how to deal with stressful times in the market (like we are experiencing now).

**Ever wonder what you can take from your investment portfolios without running out of money?**

**Worried that you may take too little and not use the money you spent so many years accumulating?**


**For retirees that take distributions from investment accounts to supplement their income**, we also use an income **"guardrail"** methodology to better the chances that their portfolio lasts them through retirement, while not leaving a pile of cash on the table either...

We regularly provide clients with an updated "Income & Bucket Strategy" report that shows them what they have in each bucket and shows them the income they can take, and when they will get a "raise" in retirement, or have to "tighten the belt" for a small period of time (rare but it happens). This helps portfolio longevity which is increasingly important for retirees.



It looks similar to this:

## Income & Bucket Strategy



This strategy is designed to give you the highest possible monthly income, without jeopardizing your portfolio when (not if) the markets decline. It relies upon five key philosophies:

- Needs-Based Allocation of Cash and Bonds
- Strategic Rebalancing
- Careful Diversification
- Tax Efficiency
- Discipline

PREPARED FOR NEW CLIENT		
	Available	Current**
Portfolio Value	\$1,000,000.00	\$1,000,000.00
Dynamic Distribution Rate	5.50%	4.00%
Upper Guardrail	\$1,200,000.00	\$1,200,000.00
Lower Guardrail	\$800,000.00	\$800,000.00
Base Line	\$1,000,000.00	\$1,000,000.00
Monthly Income	\$4,583.33	\$3,333.33
Upper Income	\$5,041.66	\$3,666.66
Lower Income	\$4,125.00	\$3,000.00

**Total Assets : \$ 1,000,000.00**

"NOW"
"SOON"
"LATER"

\*\*\*All figures referred to as 'Current' were last updated 06/20/2022

**Glossary**

**Dynamic Distribution Rate:** An adjustable portfolio withdrawal rate based on possible portfolio balances indicated by upper and lower "guardrails".

**Base Line:** The starting portfolio value after the most recent adjustment to dynamic distribution rate (*if no adjustments have been made as of yet, this is your initial portfolio value*).

**Upper Guardrail:** The hypothetical portfolio balance that would trigger an increase in portfolio withdrawal rate.

**Lower Guardrail:** The hypothetical portfolio balance that would trigger a decrease in portfolio withdrawal rate.

**Cash:** Investments in this category are typically viewed as actual cash in a bank account(s), money market account(s), certificates of deposit, and short-term fixed income instruments such as Treasury bills. This is your "Now Bucket".

**Income:** Investments in this category typically include short to intermediate term fixed income instruments and potentially a small allocation to dividend paying equity securities. This is part of your "Soon Bucket".

**Annuities:** Any portion of the overall portfolio allocated to an insurance product with some form of income guarantee(s). This is part of your "Soon Bucket".

**Growth:** Investments in this category have a long-term time horizon and typically include equity securities. This is your "Later Bucket".

**Disclaimer**

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We update this report for clients on a semi-annual basis.

**Please note:** There is a specific way to implement and operate this strategy which you cannot see here - that's our expertise. The purpose of the report is to provide you with the details that matter most.



# Personalized Annual Tax Letter

We've all been there...the frustrations of tax time and gathering all of the necessary documents you need in order to sit down and properly prepare your tax return, drive over to your tax preparer's office, or even send to them online these days.

Heaven forbid you are doing your taxes yourself to just save a couple hundred dollars...

We humans hate homework.

Even if you think you have everything, you have this gut feeling that you may be missing something, and sometimes you're right...

**Since you're an investor**, it's usually a missing 1099 tax form for one of your accounts somewhere out there in the universe.

If you file your taxes only to later find out that you forgot to include income from an investment, this means you'll have to amend and re-file your return.

And guess what, the IRS is consistently backed up with millions of returns - those amended returns go to the back of the line...

**NO ONE** wants to deal with this, yet it happens all the time.

So our firm decided to do something about it...

We developed a way to send our clients what we call a "**1099 Letter**" as a courtesy so that they have **more expectations**, and less homework.



## 2022 TAX LETTER

Please provide this letter to your tax preparer. We provide this for you as a value-add service to help make tax season as smooth as possible for you and your tax professional.

### TAX DOCUMENTS

We know of the following income sources and accounts, for which we expect you to receive a corresponding tax document. We recommend checking for each of these and sharing anything you've received with your tax professional.

Account Description	Expected Tax Document
Example Spouse #1: Wages from S-Corp	Form W-2
Example Spouse #2: Wages from S-Corp	Form W-2
From Family Business	Schedule K-1
Example Spouse #1: Sole Prop Side Hustle	Form 1099-NEC
From Installment Sale of Business	Form 1099-MISC
Trust Investment Account	1099 Consolidated
Checking Account	Form 1099-INT
Trust Bank Account	Form 1099-INT
Mortgage Escrow Account	Form 1099-INT
Example Spouse #1: From Roth Conversion	Form 1099-R
Example Spouse #1: Solo(k) Contributions	Form 5498
Example Spouse #1: Non-Deductible Contribution to Traditional IRA	Form 5498
Example Spouse #1: Roth IRA	Form 5498
x4 For all 4 family members	Form 1095-B
Mortgage Servicer: Interest	Form 1098

### CONTRIBUTIONS TO TRADITIONAL/ROTH IRAS

You made contributions to Traditional IRAs and/or Roth IRAs. IRA deductibility is dependent on income and eligibility for qualified retirement plans through an employer. Roth IRA contribution eligibility is dependent on income.

We are aware of the following contributions:

We recommend supplying details of all contributions to your tax professional. Form 5498 may be of help.

Description	Amount
5/4/2022 - Spouse #1: Non-Deductible Contribution to Traditional IRA	\$7,000.00

### ROTH CONVERSIONS

You completed a Roth conversion during the year. These transactions are reported on Form 8606 of the tax return. This is especially critical in cases where there is any after-tax basis in the source account. Note that the end of year balance for all IRAs is needed to determine the percentage of a Roth conversion that is considered after-tax basis vs. taxable.

We are aware of the following Roth conversions:

We recommend supplying details of all Roth conversions and end of year balances to your tax professional.

Description	Amount
5/5/2022 - Spouse #1: Back-Door Roth Conversion (Form 8606)	\$6,000.00

### RE: BACK DOOR ROTH CONVERSIONS

We are including this note because Spouse #1 did Back-Door Roth conversions for 2022 and 2023 on the same day in 2023 (total \$12,500) even though 2023's will be reported next year. We are relaying this for basis tracking purposes when filling out form 8606 for 2022. Thank You!



**One simple report** that shows you which tax forms to expect to receive, and how they will apply for tax purposes.

The example provided only shows one hypothetical retirement account, but for most retirees there are multiple tax forms received each year from various investments, some at different companies as well.

This is particularly helpful if you have done any transfers/direct rollovers, or distributions during the year and will be getting a 1099 tax form from multiple investment companies.

**As an example**, in the case of a direct rollover - which isn't a taxable event - we indicate in our "Notes" column that you should receive the specific tax form from "XYZ Company" to show the money movement, but it isn't a taxable transaction (or shouldn't be)...

Although it is rare, sometimes companies make 1099 tax reporting mistakes, and if caught timely, can usually be fixed. This letter helps us and our clients better identify those potential errors.

**Other examples** may be a **Qualified Charitable Distribution (QCD)** from an IRA or a 1099-Q from a 529 education savings account.

In the case of a QCD from an IRA, a 1099-R won't specifically show that you made a contribution to a charity, you have to show that on your tax return.

In the case of a **529 education savings account**, you will get a tax form only if a distribution is made, but even then the amount on the form may not be taxable if it was used for qualified educational expenses!

We provide clients these details on their report before tax time each year so they know what to relay to their tax preparers.



# Tax Return Review for Future Planning Opportunities

We review all client's tax returns on an annual basis.

Why do we need to do this if you have a tax preparer (CPA, E.A.)?

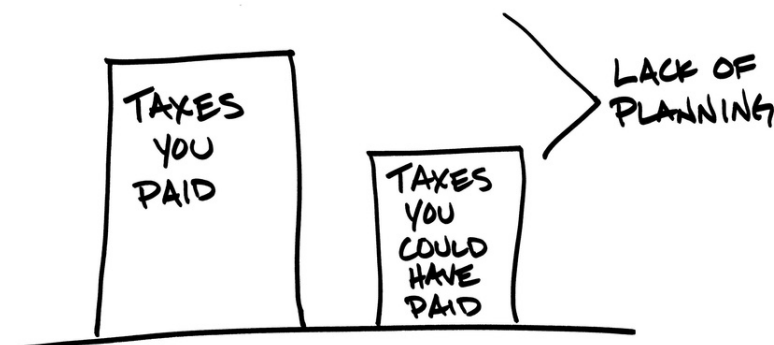
Your tax preparer - while very valuable - looks in the rear-view mirror and reports (prepares your returns) on what already happened in the year prior.

**We do tax planning on the other hand which LOOKS FORWARD at future years.** Most tax preparers do not do this as they are inundated with preparing tax returns for hundreds if not thousands of clients.

By doing tax planning we are able to potentially identify opportunities to **reduce your lifetime tax bill**, or a one-off opportunity that can potentially save you a lot of money!

**There is a tremendous amount of value in tax planning which is why it is a specialization of ours.**

Taxes will be your **LARGEST EXPENSE** for the rest of your life which effects your income in retirement as well as the amount of your savings the IRS will get upon your passing.





We assess your current situation and show you the potential future outcomes if you made adjustments and implemented various strategies.



## Scenario Analysis - Sample

Note - Calculations are not audited and should be reviewed with a tax professional

	SCENARIO 1 Tax Year 2023	CHANGE Scenario 1→Scenario 2	SCENARIO 2 Hypothetical Tax Year 2023 w/ Planning Adjustments
<b>GENERAL INFORMATION</b> .....			
Year	2023		2023
Calculation	Current Law		Current Law
Inflation Assumption	2.00%		2.00%
<b>INCOME</b> .....			
<b>1040 INCOME</b>			
Wages	\$160,000	-\$30,000	\$130,000
Taxable Interest	\$3,000	-\$2,449	\$551
Qualified Dividends	\$11,550	-\$3,950	\$7,600
Total Dividends (incl. Qualified)	\$12,500	-\$4,500	\$8,000
<b>SCHEDULE D INCOME</b>			
Short Term Capital Gains	-\$1,500		-\$1,500
Long Term Capital Gains	\$13,465 <i>LT loss to carry forward: \$0</i>	-\$8,465	\$5,000 <i>LT loss to carry forward: \$0</i>
Total Capital Gains	\$11,965	-\$8,465	\$3,500
<b>SCHEDULE 1 INCOME</b>			
Schedule C Income	\$7,600		\$7,600
Total Income	\$195,065	-\$45,414	\$149,651
Schedule 1 Deductions	\$5,614	+\$4,250	\$9,864
Adjusted Gross Income	\$189,451	-\$49,664	\$139,787
Standard/Itemized Deductions	\$41,450 <i>(itemized)</i>	+\$5,000	\$46,450 <i>(itemized)</i>
QBI Deduction	\$1,229		\$1,229



## Semi-Annual Strategy Meetings

We deliberately hold **two strategy meetings** with clients each year.

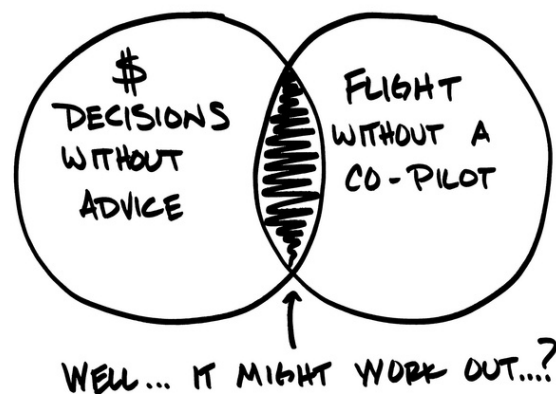
One is held just after tax season so we can review their tax return, and help tax plan for the rest of the year and the following years. This is far different from your tax preparer as they actually prepare your taxes based on what **ALREADY HAPPENED** in the past.

We hold the second meeting just before the holiday season to make sure all of the year-end planning and strategies are executed **BEFORE** you begin spending more time with your family and focusing on better things.

**Our team is also available for ad-hoc investment advice year-round and typically have a 24-hour or less (usually much less) turnaround time for responses and solutions. No call centers here.**

**Online DIY retail investment providers and 401(k) platforms don't provide these types of value-adds to clients.**

**We make life easy on you so you can spend time doing the things you enjoy most, with those you love (the more important things in life) - That's what we're all about.**



# Annual Client Service Calendar

We strive to monitor, adjust, and implement strategies based on your planning needs **year-round**.



## Annual Service Calendar

### Winter Season Planning Areas for Review



Tax Summary Letter



Pay Stubs, Benefits, Salary, Expenses, Cash Levels



RMD/QCD Management and Distribution Planning



Roth Conversions



Retirement Plan Contributions

### Spring Season Planning Areas for Review



Tax Return Analysis & Review



One Page Financial Plan Updates



Spring Review Meetings



Asset Bucket & Income Guardrail Updates



Beneficiary Review & Summary

### Summer Season Planning Areas for Review



Tax Return Review & Preliminary Roth Conversion Analysis



One Page Financial Plan Updates



Insurance Review (Medicare, Life (even years), LTC and P&C (odd years))



Estate Plan Document Review & Flow Chart (Gifting, Deathbed Planning, Estate Tax Law Risk, Charitable Giving)

### Fall Season Planning Areas for Review



Asset Bucket & Income Guardrail Updates



Tax Return Analysis & Review



End of Year Tax Planning Opportunities (Tax loss harvesting, capital gain offset)



Fall Review Meetings



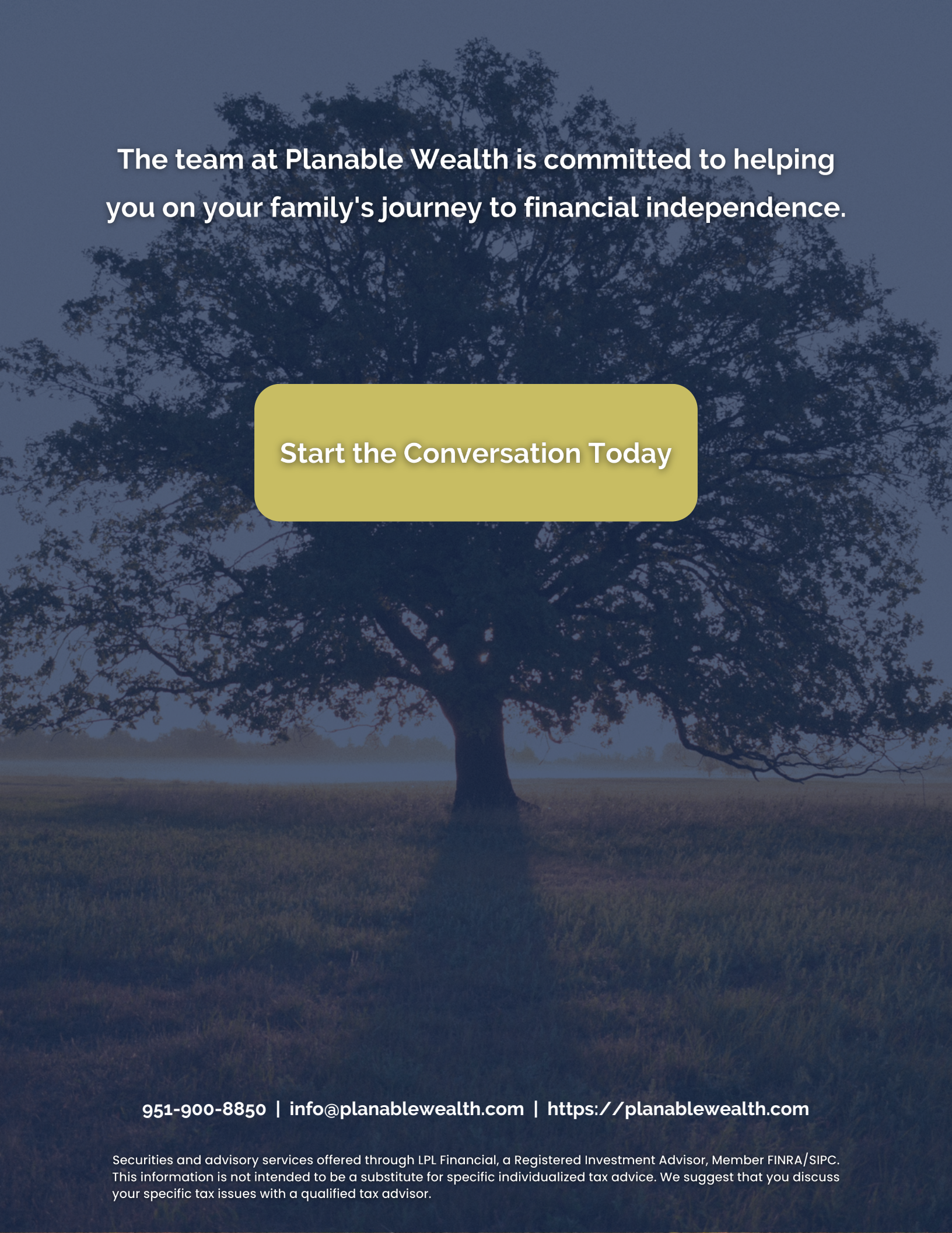
Roth Conversion & Distribution Analysis

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The team at Planable Wealth is committed to helping you on your family's journey to financial independence.

Start the Conversation Today

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