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Welcome to the PlanVision Podcast, where we share simple, straightforward investment and planning ideas for normal people. The description in this podcast is for informational purposes only. Do not construe this as personal tax, financial, or legal advice for your situation.

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Hello. This is Mark with the PlanVision Podcast, and in this episode, I'm gonna talk about taxes for retirees and their impact. But I wanna talk about this, uh, in light of some of the terms that I hear about taxes. I hear ter- the most popular one is the tax bomb or the tax torpedo or the widow's tax. I've heard of those. Are there any others? Do you know of any others? You can share them with, with us. I hear them from clients, and even if I don't hear the terms when we visit with our clients, when I visit with our clients, some people are just obsessed with this. Now, to go back to the terms, they're just dumb. They're just stupid. Stop it with the ridiculous nonsense about the terms here. We work with people that have great plans, and they obsess with their taxes in retirement. And the terms that are being used are promoted in many respects by those in the financial services industry that have advice or a product they want you to buy, and they use all this ridiculous hyperbole, it's unnecessary, about this to promote this advisement and these products. Otherwise smart people are just wasting their time trying to fix something that's not broken. I've reviewed thousands of plans. I cannot remember a single plan, one, that went south from taxes. Taxes for many retirees include deferred income. You set aside money, many times at a higher tax rate, and it continues to grow without being taxed all those years, and you understood that many, many years. It was smart for you to do this, and it was good for you to do this. It's great for your plan. And now you're gonna take it out later, likely at a lower tax, marginal tax bracket, and you're just gonna manage your withdrawals. There are a few people that are in higher tax brackets in retirement, and guess what? Their plans are fantastic. Along the way in retirement, you could very well pay some capital gains taxes. Your pension could be taxed, too, but that was likely something that was deferred as well. You're gonna pay tax on Social Security. We'll point out, this is one area where double taxation can, can occur. If you have money in HSAs or Roth, that growth is tax-free. When you review your plan with a professional or on your own, taxes are an important part of the plan, but they don't warrant hysteria and the obsessive concern that some have. And by the way, this is not a comment at all on our tax code. I'm not passing judgment on the pros and cons and the amount of taxes and whether or not a flat tax would be better than a progressive tax or a consumption tax or the rate of corporate tax or any of that. That's-- This is not about that at all. You want a real tax bomb, by the way? Win the lottery. How about that? Produce something that millions of people want. You can make millions of dollars year after year. Uh, there's your tax bomb. Somebody offers you a job for 5 1000000 dollars. "Ooh, I won't take that. Think about the taxes I'll have to pay." They're gonna give you 100 1000000 dollars for the lottery. "No, you can keep it. I don't want the tax bomb." Of course, you know I'm making a point here, right? It's smart to evaluate your taxes and manage them at all stages of your life. That's prudent and the way you should do it. And you wanna look for ways to enhance your tax performance during retirement. It's very wise to do this. But don't buy into this stupid obsession that is promoted about taxes for retirees. I hope as you learn more about this, as you progress through your life and on into retirement, that you have a better perspective and don't buy into these hysteric terms that are thrown around for retirees and planning for taxes.

00:03:30,700 --> 00:03:38,920 [Speaker 0]

[instrumental music] Thank you for listening to the PlanVision Podcast. Let us know if you have any questions or comments on the topics covered. [instrumental music]