The Retirement Tax *Torpedo*

KINGSVIEW WEALTH

*When **"one more dollar"** of income makes more of your Social Security taxable — your effective tax rate can spike.*

How It Works

Provisional (Combined) Income Formula

AGI + Tax-Exempt Interest + ½ of Social Security

Taxation Thresholds (Federal)

Single	Married Filing Jointly
$25,000 or less Social Security typically **not taxable**	**$32,000 or less** Social Security typically **not taxable**
$25,000–$34,000 up to **50%** may be taxable	**$32,000–$44,000** up to **50%** may be taxable
Over $34,000 up to **85%** may be taxable	**Over $44,000** up to **85%** may be taxable

Small Note

These thresholds are not indexed to inflation.

Why It Hurts

Your Tax bracket can act "bigger" in these zones

In the **50% zone**

1.5x

Your bracket can behave **1.5x** bigger

In the **85% zone**

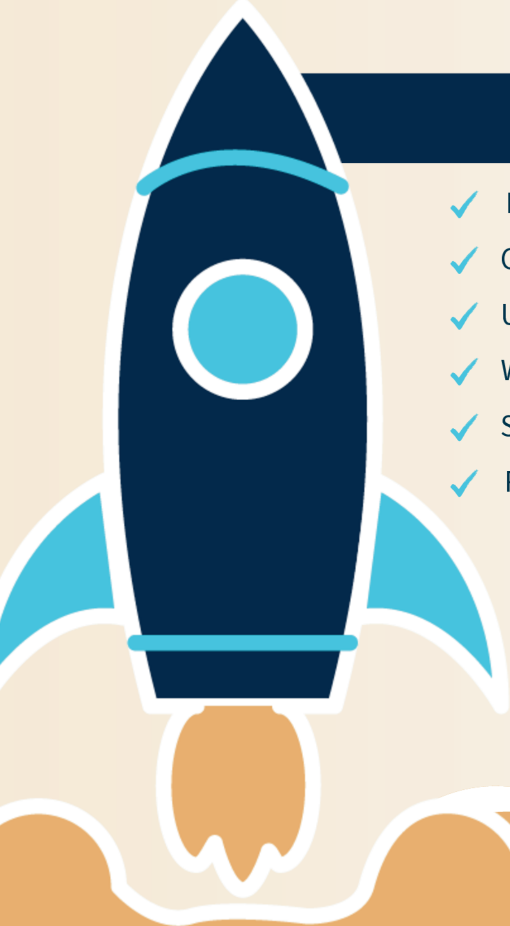
1.85x

Your bracket can behave **1.85x** bigger

Common Triggers

What often pushes retirees into the torpedo

- IRA / 401(k) withdrawals
- Roth conversions
- Required Minimum Distributions (RMDs)
- Investment income (interest, dividends, capital gains)
- Pensions and other fixed income



How to Reduce Blast

- ✓ Plan Roth conversions earlier (often before claiming Social Security)
- ✓ Coordinate which "bucket" you withdraw from each year (taxable / IRA / Roth)
- ✓ Use charitable strategies to lower taxable income (ex: QCDs when eligible)
- ✓ Watch income thresholds before year-end decisions
- ✓ Spread large income events across tax years when possible
- ✓ Run a multi-year retirement tax projection not just a one-year estimate