Public

2024 Retirement guidebook

Key insights from the *Modern retirement monthly* report series

UBS Global Wealth Management Chief Investment Office

January 2024

UBS Wealth Way is an approach incorporating Liquidity. Longevity. Legacy. strategies that UBS Switzerland AG, UBS AG and UBS Financial Services Inc. and our advisors can use to assist clients in exploring and pursuing their wealth management needs and goals over different timeframes. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment. Timeframes may vary. Strategies are subject to individual client goals, objectives and suitability.

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2024 Retirement guidebook

This presentation is a one-stop shop for our retirement planning advice whether you are saving for, transitioning to, or already in retirement. It will be updated on an ongoing basis to reflect the changing landscape of taxes and regulations and to incorporate our best advice as detailed in the *Modern retirement monthly* report series. To access the latest version of this presentation, please visit www.ubs.com/retirementguidebook.

Are you saving for retirement? This presentation focuses on the most important concepts for your success: the power of compounding, tax diversification, 2024 retirement plan contribution limits, the "savings waterfall," and strategies for protecting your most valuable resource: your human capital.

If you are transitioning to retirement, you will find advice about the nonfinancial aspects of retirement, building a Liquidity strategy to survive and thrive in bear markets, a rule of thumb for determining if you have enough saved for retirement, Social Security claiming strategies, tax planning considerations, and an overview of healthcare options that may be available to early retirees.

For those of you who are already in retirement, this presentation offers a range of helpful guidance about managing your taxes when tapping your retirement accounts to fund spending, the role of guaranteed income in your retirement plan, Social Security cost of living details, the basics of Medicare, advice regarding planning for long-term care costs, and some estate planning strategies to help you make the most meaningful positive impact on your family and your community.

What's new?

A checklist for your workplace benefits (page 15)

Each year, during your open enrollment period (or when there is a major change in your life), you have the opportunity to adjust your workplace benefit elections. On this slide, we summarize our advice for choosing your health, life, and disability insurance coverage, and for managing your equity compensation.

Required minimum distributions (RMDs) for IRA owners (page 32)

As implied by the name, required minimum distributions are annual withdrawals that you have to take from certain retirement accounts beginning at a certain age. These distributions are nothing new to retirement planning, but they are often a challenging topic for many investors. The calculation can be confusing, they can have adverse effects on taxes, and the penalties for failing to take these distributions can be substantial. With a better understanding of how RMDs work, you'll be better equipped to make these withdrawals work with your financial plan, not against it.

Annuity income analysis (page 34)

Annuity payout yields have dramatically improved along with higher interest rates, even as we expect lower forward-looking returns for traditional stock/bond portfolios due to headwinds from higher stock market valuations. Adding an allocation to annuities can help to increase the spending that is safely supported by your portfolio—particularly if you are trying to boost your financial plan's probability of success.

Uncovering your "why"

The first step towards investing for your future is not selecting products or solutions. It is spending time exploring what's most important to you and how you want your wealth to work for you. Once you understand not only what you own, but why you own it you can take the next step toward financial freedom. Below are some questions to help get you started.

Heart

- What do you want to accomplish in your life?
- Who are the people that matter most to you?
- What do you want your legacy to be?

Mind

- What about money is important to you?
- What keeps you up at night?
- What does risk mean to you?

Wallet

- How do you plan to achieve your life's vision?
- What are the best and worst financial decisions you have ever made?
- How do you decide between spending, borrowing, saving, and investing?

Simplify your financial life with 3 key strategies

The Liquidity. Longevity. Legacy. framework

Liquidity

The next 3–5 years

Cash flow for short-term expenses

To help **maintain** your lifestyle

- Entertainment and travel
- Taxes
- Purchasing a home

Longevity

5 years – lifetime

For longer-term needs

To help **improve** your lifestyle

- Retirement
- Healthcare and long-term care expenses
- Purchasing additional real estate

Legacy

Now – beyond your lifetime

For needs that go beyond your own

To help **improve** the lives of others

- Giving to family
- Philanthropy
- Wealth transfer over generations

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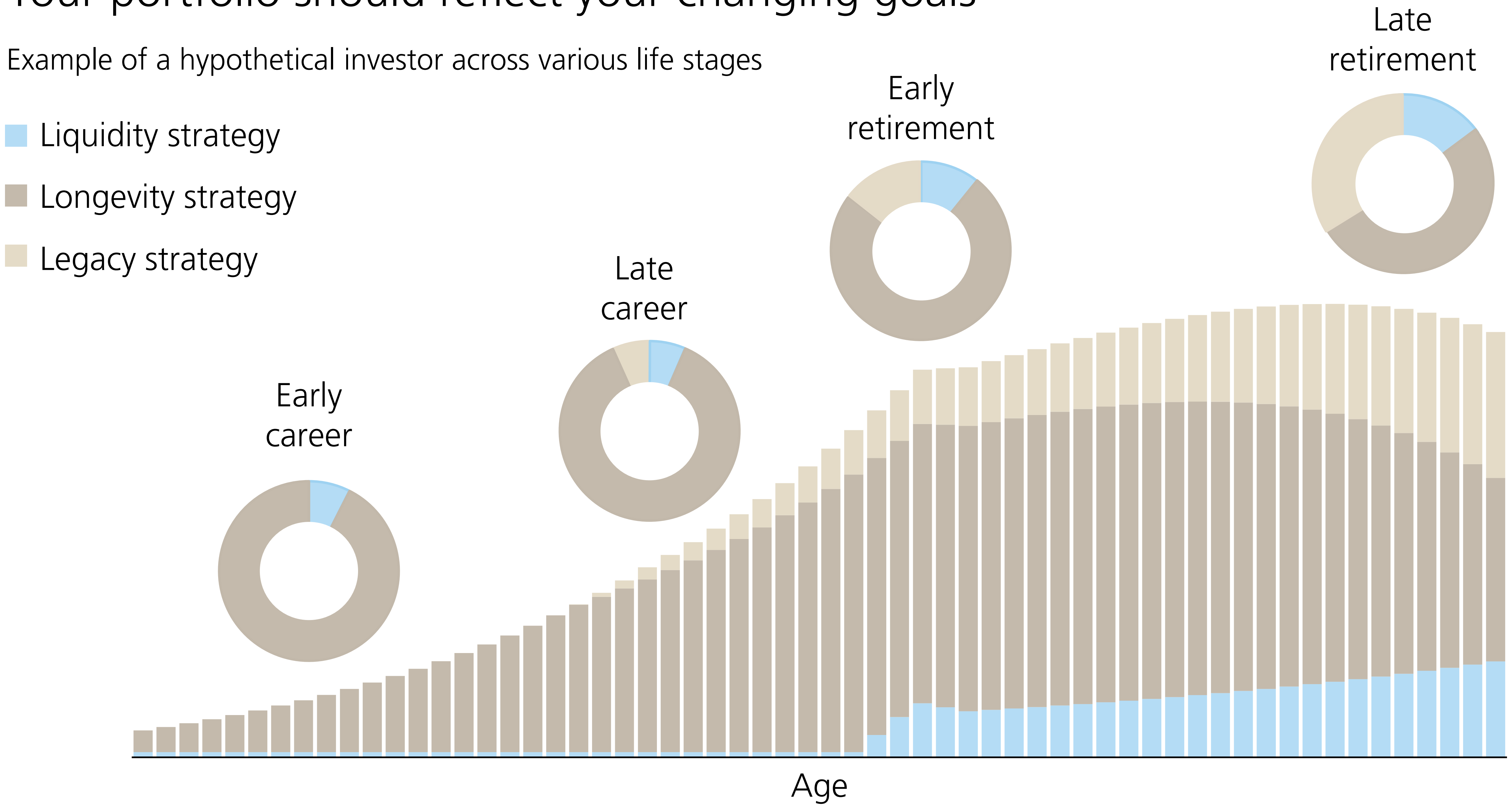
Your portfolio should reflect your changing goals

Example of a hypothetical investor across various life stages



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Time frames may vary. Strategies are subject to individual client goals, objectives and suitability. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved.

Seasons of Planning: Checklists to keep you on the path to success

Financial health check-ups can help you make sure your portfolio and your plan reflect life's latest changes. These *Seasons of Planning* checklists help to make these "important, but rarely urgent" check-ups part of your routine, as a complement to the account review conversations that you usually have with your financial advisor.

Click on each season to download a checklist of items the we recommend addressing at that time of year.

Winter

- Spending and savings review
- Income tax
- Retirement income

Spring

- Financial education
- Estate planning
- Insurance: Disability, life, and long-term care

Summer

- College savings
- Saving for retirement
- Preparing for the transition to retirement

Fall

- Open enrollment
- Gift-giving
- Philanthropy

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Saving for retirement

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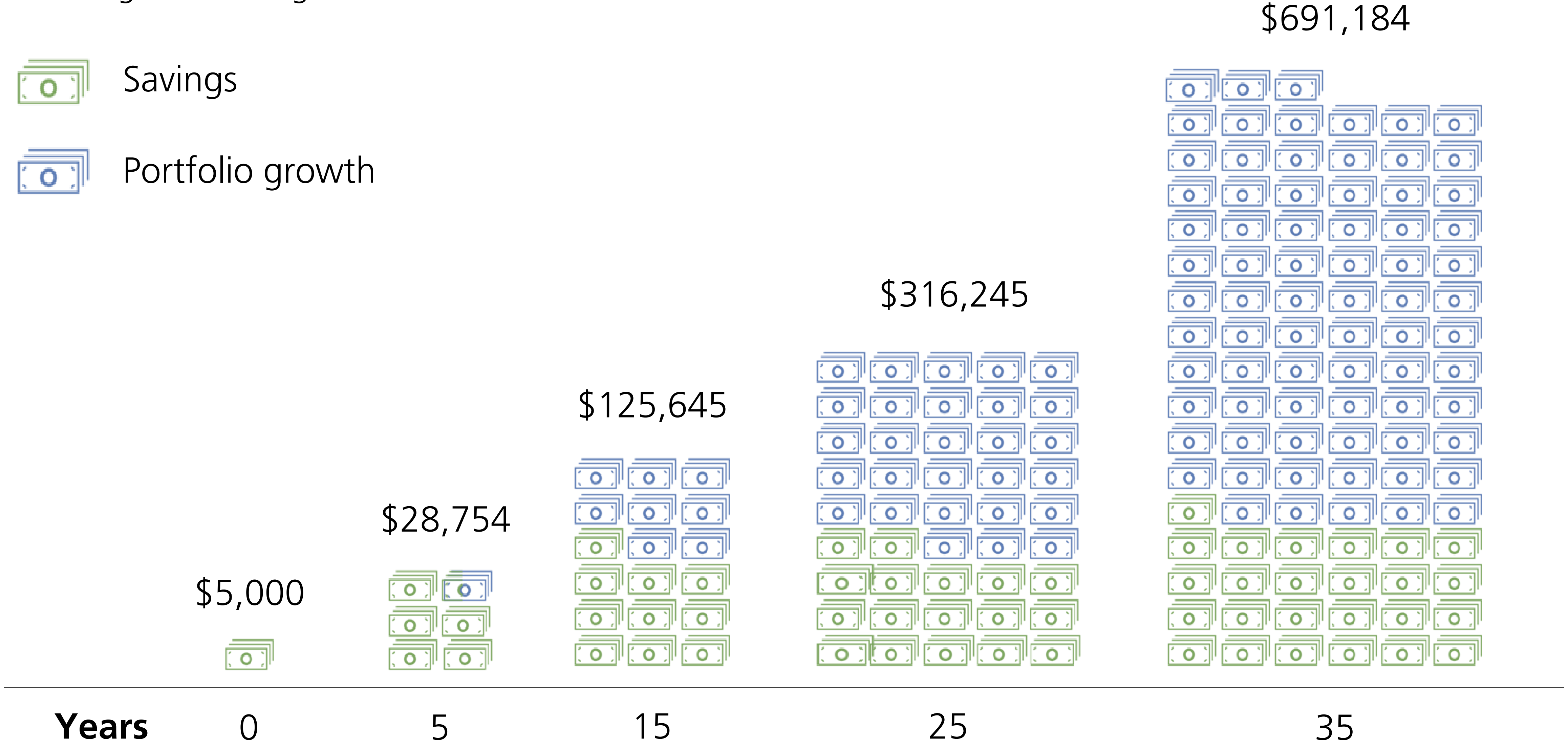
To harness the power of compounding, start saving and investing early

Hypothetical growth of what you could accumulate after 5, 15, 25, and 35 years if you save and invest $5,000 each year assuming an annual growth rate of 7%



Source: UBS. For illustration purposes.

Investors often save in accounts that fall into three categories of tax treatment

Each tax treatment has certain implications when contributing to, and distributing from your accounts

Categories of tax treatments

Taxable assets

Individual accounts (e.g. savings, checking, brokerage, etc)

- Contributions are after-tax
- Interest, dividends, and earnings are taxed annually, or when sold

Tax-deferred assets

(e.g. Traditional 401(k) or Traditional IRA)

- Contributions are pre-tax or tax-deductible
- Investments grow tax-free
- Distributions are taxed as ordinary income

Tax-exempt assets

(e.g., Roth 401(k), Roth IRA, Health Savings Account*)

- Contributions are after-tax
- Investments grow tax-free
- Distributions are tax-free

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Strategies are subject to individual client goals, objectives and suitability.

*HSA contributions are tax-free, and distributions are tax-free if used for qualified medical expenses

2024 retirement plan contribution limits

		Tax treatments					
		Contributions are pre-tax	Investment earnings grow tax-free	Qualified distributions are tax-free	Income restrictions, USD	Contribution limits, USD	Required minimum distributions
Tax-deferred	Traditional 401(k)	X	X		No	23,000 (30,500 if age 50+)	Yes
Tax-deferred	Traditional IRA	X	X		Deduction is phased-out completely if MAGI is at least 87,000 (single) or 143,000 (married filing jointly)*	7,000 (8,000 if age 50+)	Yes
Tax-exempt	Roth 401(k)		X	X	No	23,000 (30,500 if age 50+)	No
Tax-exempt	Roth IRA		X	X	Ability to contribute is totally phased out if MAGI is at least 161,000 (single) or 240,000 (married filing jointly)	7,000 (8,000 if age 50+)	No
Tax-exempt	Health Savings Account (HSA)**	X	X	X	No	Individual: 4,150 (5,150 if age 55+) Family: 8,300 (10,300 if both spouses are age 55+)	No

*If you are covered by a retirement plan at work, your ability to deduct Traditional IRA contributions is affected by your modified adjusted gross income (MAGI). If married filing jointly and only one spouse is covered by a qualified plan, the deduction is phased-out completely if MAGI is at least USD 240,000. If neither you nor your spouse is eligible for a 401(k), the contribution is 100% deductible, regardless of MAGI.

**Must be enrolled in a qualified high deductible health plan (HDHP) in order to be eligible to make contributions to a health savings account (HSA).

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Source: IRS, UBS. For additional details regarding contribution limits, as well as the restrictions for Roth IRA contributions and the ability to deduct Traditional IRA contributions, please see IRS Notice 2023-75.

The tax rates that apply to your income and investments vary by income level

2024 tax rates, income levels in USD

Earned income, ordinary income, and short-term capital gains tax rates

Marginal tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
10%	0 to 11,600	0 to 16,550	0 to 23,200	0 to 11,600
12%	11,600 to 47,150	16,550 to 63,100	23,200 to 94,300	11,600 to 47,150
22%	47,150 to 100,525	63,100 to 100,500	94,300 to 201,050	47,150 to 100,525
24%	100,525 to 191,950	100,500 to 191,950	201,050 to 383,900	100,525 to 191,950
32%	191,950 to 243,725	191,950 to 243,700	383,900 to 487,450	191,950 to 243,725
35%	243,725 to 609,350	243,700 to 609,350	487,450 to 731,200	243,725 to 365,600
37%	609,350 or more	609,350 or more	731,200 or more	365,600 or more

	Single	Head of Household	Married Filing Jointly	Married Filing Separately
Standard deduction*	14,600	21,900	29,200	14,600
Change from 2023	(up from 13,850)	(up from 20,800)	(up from 27,700)	(up from 13,850)

* For single or head of household taxpayers, the annual standard deduction is increased by USD 1,950 if you are age 65 or older or blind (USD 3,900 if both 65+ and blind). For married taxpayers, the deduction is increased by USD 1,550 for each married taxpayer aged 65 or older or blind (e.g. USD 3,100 if one spouse is both 65+ and blind).

Long-term capital gains and qualified dividend tax rates

Maximum tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
0%	0 to 47,025	0 to 63,000	0 to 94,050	0 to 47,025
15%	47,025 to 518,900	63,000 to 551,350	94,050 to 583,750	47,025 to 291,850
20%	518,900 or more	551,350 or more	583,750 or more	291,850 or more
3.8% surtax*	200,000	200,000	250,000	125,000

* Some of your investment income may be subject to a 3.8% surtax. The tax is applied to the lesser of: 1) Your net investment income or 2) The amount that your modified adjusted gross income exceeds these thresholds. Net investment income includes "passive" sources of income such as taxable interest, dividends, realized capital gains, annuities, royalties, and rental income.

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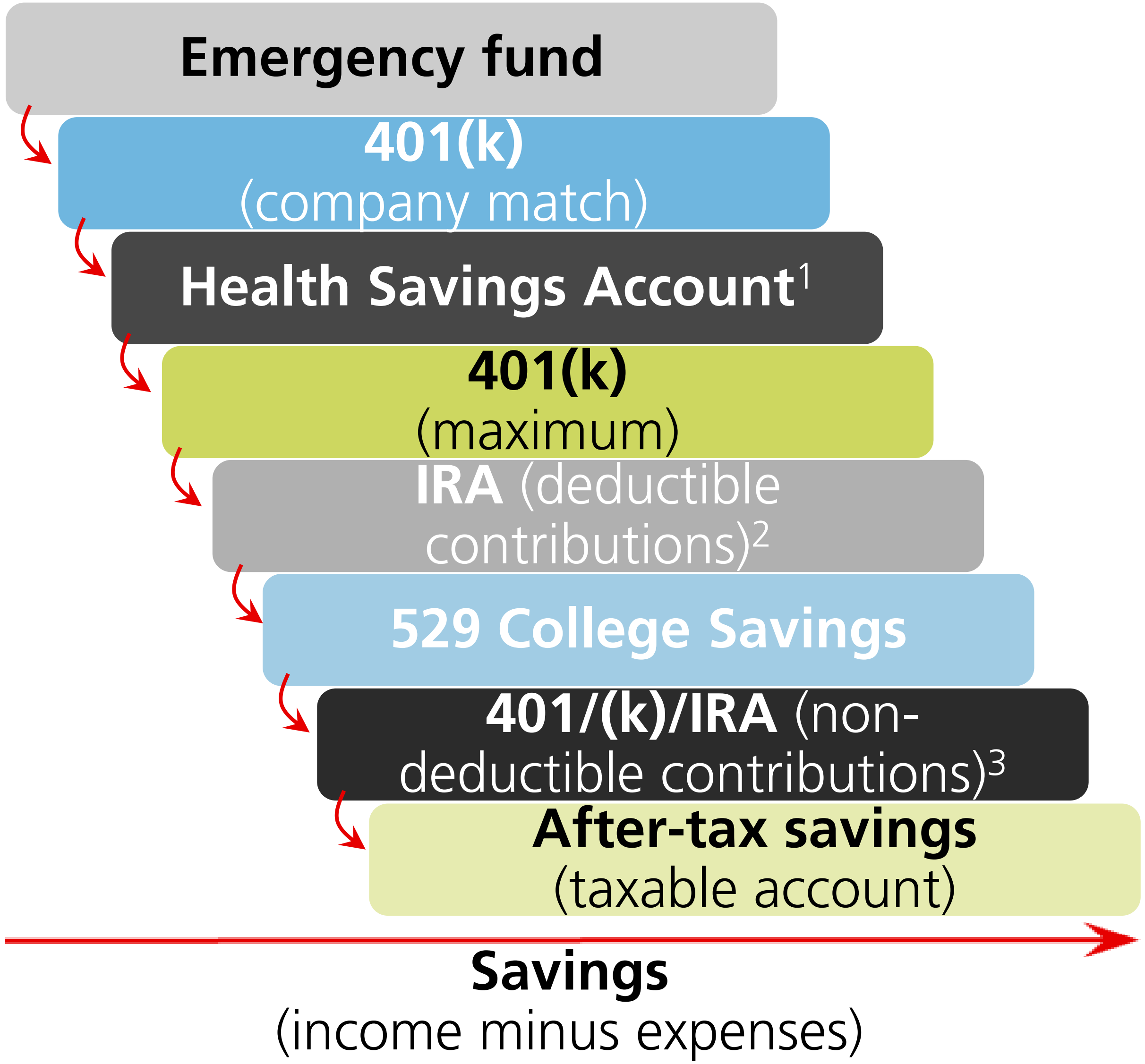
Source: IRS, UBS.

Please see 2024 Tax fact sheet for more information.

Please see 2024 Savings waterfall worksheet for more information.

A "savings waterfall" can help you prioritize your savings

Enhance flexibility by diversifying wealth across taxable, tax-deferred, and tax-exempt accounts



- Work with your financial advisor to determine how much to contribute to each account to align with your overall investment strategy while also helping you to spread taxable income over time
- Balance **Traditional** and **Roth** contributions to maximize your tax-diversification, allowing you to manage your tax bracket during your working years and in retirement[2]
- Keep your **HSA** assets invested to maximize their tax-free growth potential, helping you to fund healthcare expenses in retirement
- Contribute to a **529** College Savings plan only to the extent funds are needed to meet education expenses
- **Nondeductible 401(k)/IRA** contributions may give you an opportunity to add more tax-exempt assets to your balance sheet via a Roth conversion[3,4]

Source: UBS. For illustration purposes. Strategies are subject to individual client goals, objectives and suitability. [1]Eligibility for HSA contributions requires coverage under a qualified high deductible health plan (HDHP).[2] See IRS Notice 2023-75 for details regarding eligibility to deduct Traditional IRA contributions and eligibility requirements for Roth IRA contributions. [3]Not all 401(k) providers allow participants to make after-tax contributions. [4]Not all 401(k) providers offer in-services distributions or conversions.

Three key differences between Traditional and Roth assets

For most families, a balance of Traditional and Roth contributions will provide the best results. However, this doesn't mean that you should contribute to both types of accounts equally each year—you should redirect your contributions as your circumstances change.

	#1: Tax treatment	#2: Required minimum distributions	#3: Wealth transfer considerations
Traditional	Contributions are pre-tax, meaning these contributions will reduce your taxable income that year Investment earnings grow tax-deferred Distributions in retirement are taxed as ordinary income, so all tax-deferred assets represent a ***future tax burden*** to you and your beneficiaries	Beginning at age 73, Traditional IRA/401(k) assets are subject to lifetime required minimum distributions (RMDs)* RMDs can be problematic if you have a larger retirement account balance because larger balances lead to larger distributions, which can push your income into a higher tax bracket, dampening the after-tax growth potential of your retirement accounts	Distributions to beneficiaries will be taxed as ordinary income Most non-spouse beneficiaries will be required to deplete the balance of the inherited account within a 10-year window, meaning this transfer could generate a significant tax cost Estate taxes may be applied depending on the size of your estate
Roth	Taxes are paid at the time of the contribution, so there are no immediate tax savings Investments grow tax-free Distributions in retirement (as long as they are qualified) are tax-free, which can help to ***enhance your tax diversification***	Roth IRA and Roth 401(k) assets are not subject to RMDs during your lifetime	Assets pass to beneficiaries free of income tax, however, depending on the size of your estate, estate taxes may apply

Important note: There are several rules and requirements that you must be aware of before contributing to and distributing from a Traditional IRA/401(k) and a Roth IRA/401(k). For additional details, please see Traditional or Roth?

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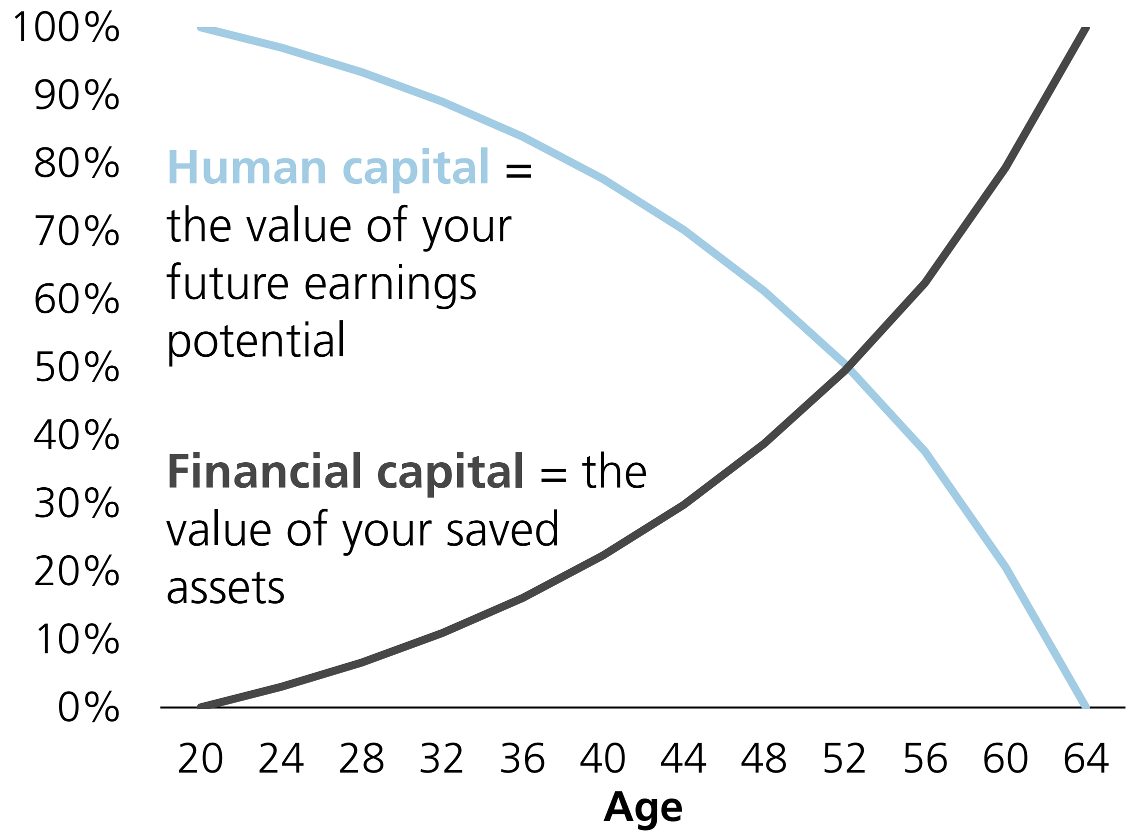
*The required beginning date (RBD) is April 1 of the year after the year the IRA owner attains their applicable RMD age (70½ for individuals who attained age 70½ before 2020; 72 for individuals who attained 70½ in 2020 or after; 73 for individuals who attain 72 in 2023 or later; and 75 for individuals who attain 73 in 2033 or later). Please note that the timing of the increase to age 75 is pending clarification.

Human capital is your most valuable asset. How can you protect it?

"Human capital" encompasses your knowledge, skills, training, and creativity—in other words, the resources that enable you to produce economic value during your career

Without enough human capital protection, you could have considerable value at risk.



Source: UBS. For illustration purposes.

Enough protection allows you to:

- Maintain your lifestyle without draining your savings
- Stay invested, avoiding forced selling of your long-term investments
- Continue saving for retirement and other financial objectives
- Continue providing for your family

Protection strategy based on type of income shock

	Emergency savings	Insurance strategies	Skills training
Job loss	✓		✓
Disability	✓	✓	
Death	✓	✓	

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Please see A guide for selecting your work benefits and ubs.com/benefitsinsights for more information.

A checklist for your workplace benefits

Choose your health insurance

- ❑ **Compare plan costs**. Review the premiums, deductible, coinsurance, copays, and out-of-pocket maximum terms for each plan.
- ❑ **Select a plan** that makes sense for you based on your family's healthcare needs.
- ❑ **If you choose a low-deductible health plan,** contribute to your plan's Flexible Spending Account (FSA) based on how much you will spend on healthcare that year.
- ❑ **If you choose a high-deductible health plan** and have access to a Health Savings Account (HSA), contribute as much as you can afford to save (up to the annual contribution limit) and invest these funds for long-term growth. HSAs offer triple tax-advantaged growth.

Protect your human capital

- ❑ **Calculate your disability and life insurance need.** How much is needed to protect your family?
- ❑ **Compare your need with your current coverage.**
- ❑ **Consider your options for closing the gap.** If your current coverage falls short of your insurance need, speak with your financial advisor about purchasing supplemental disability and/or life insurance coverage either through your employer (if available) or through an insurance provider.

Make the most of your equity awards

- ❑ **Gather the details of your equity compensation plan and share them with your financial advisor.** If you are unfamiliar with your plan's details, ask your employer if they offer educational materials and advice.
- ❑ **Determine the role your equity awards will play in your financial plan** to help you achieve your goals, and make sure you revisit this approach whenever there's a life change.
- ❑ **Monitor the amount of your wealth that's held in your company's stock.** Your financial advisor can help you assess and manage the risks associated with holding a concentrated stock position in your portfolio.

Please see A guide for selecting your work benefits and ubs.com/benefitsinsights for more information.

2024 Retirement guidebook

Transitioning to retirement

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Prepare for the nonfinancial aspects of retirement

As you prepare for the nonfinancial aspects, you'll find that they can have a direct *financial* impact on your retirement plan

1. Take time to reflect
   – What aspects of your work-life did you enjoy?
2. Identify the activities that will fill your free time
   – As you think about how you'll fill your free time, keep in mind the aspects of your work-life that you valued.
3. Determine how you want to transition
   – Will you stop working entirely at once, reduce work hours in your current job, or move to a new role?
4. Establish your life outside of work
   – In the years leading up to retirement, gradually increase your time spent on the activities that will soon become the primary focus of your retirement years.
5. Incorporate these details into your financial plan
   – What you want to do in retirement can have implications on your financial situation.

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Please see What will your retirement look like? for more information.

Funding the Liquidity strategy for retirement

Review your sources of income and near-term spending objectives

Near-term spending needs

— Retirement income

Funds needed in your Liquidity strategy

How much do you plan to spend in the next 3–5 years?

- Day-to-day expenses
- Major purchases (e.g., purchasing a home)
- Health insurance coverage and out-of-pocket cost
- Emergency fund

How much guaranteed income will you receive in the next 3–5 years?

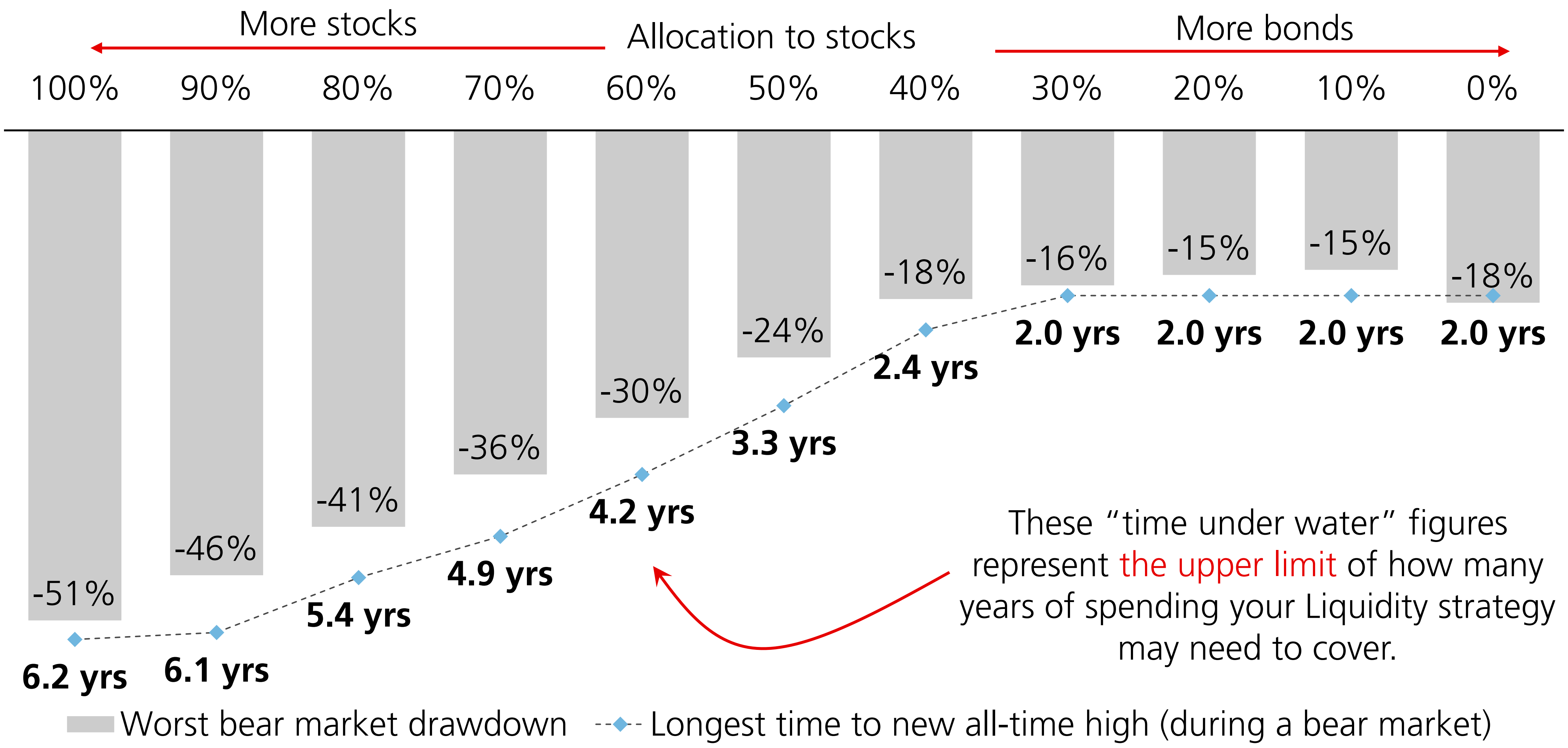
- Pension
- Social Security
- Annuity income

Strategies are subject to individual client goals, objectives and suitability.

For more information, please see Liquidity strategy solutions and Building and refilling the Liquidity strategy.

Build a buffer between your spending needs and your portfolio's volatility

Bear market drawdown and time to full recovery for various asset allocation mixes (US large-cap stocks and intermediate US gov't bonds)



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Source: Bloomberg, MorningstarDirect, UBS, as of 3 January 2024. Strategies are subject to individual client goals, objectives and suitability.

For more information, please see Liquidity strategy solutions and Building and refilling the Liquidity strategy.

What retirees can do during a market downturn

1. **Put returns into context**: Segmenting wealth by purpose can help put investment risk and performance into context.
2. **Hold off on refilling your Liquidity strategy**: Depleting the Liquidity strategy assets during a bear market increases the remaining portfolio's allocation to stocks, helping to position it for the recovery.
3. **Tax loss harvest**: Realize capital losses to help you to reduce tax drag and add to the after-tax return potential of your taxable assets.
4. **Rebalance**: To make sure your portfolio doesn't drift too far from your target allocation, we recommend rebalancing your portfolio periodically using an allocation-based rule of thumb.
5. **Accelerate planned Roth conversions**: Bear markets present an opportunity to accelerate planned Roth conversions for two reasons:
   i. All future gains will be completely income-tax free, instead of just tax-deferred, as long as the assets have been in the Roth IRA for five years, and you are at least age 59½ at the time of the withdrawal.
   ii. It can help you to reduce the tax cost of the conversion, especially if you have both tax-deferred and after-tax dollars in your Traditional IRA.

Please see What retirees can do during a market downturn for more information.

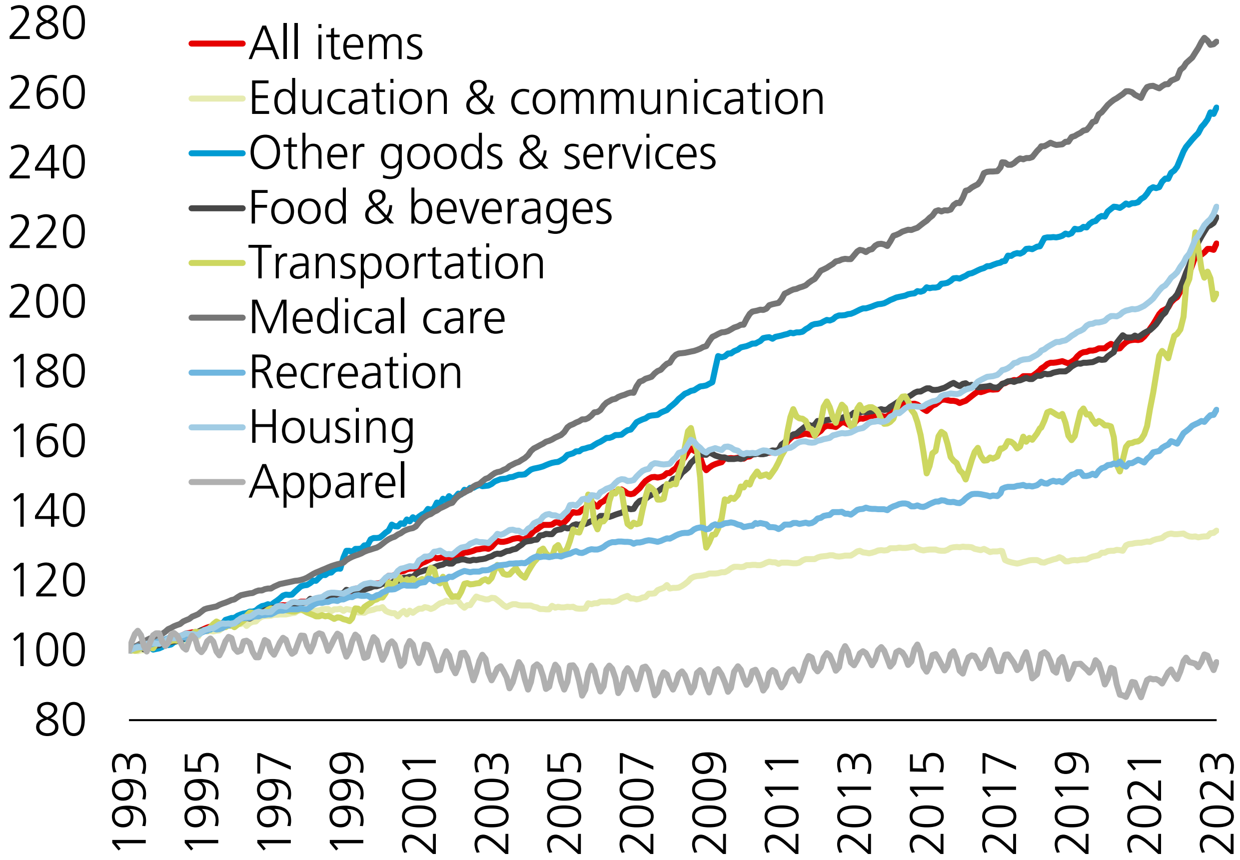
Please see [Beyond the 4% rule: Am I ready for retirement?] for more information.

How will your spending change throughout retirement?

Economy-wide inflation has some influence on retirees' spending, but won't be the most important factor for most families

"Inflation" isn't a single number…

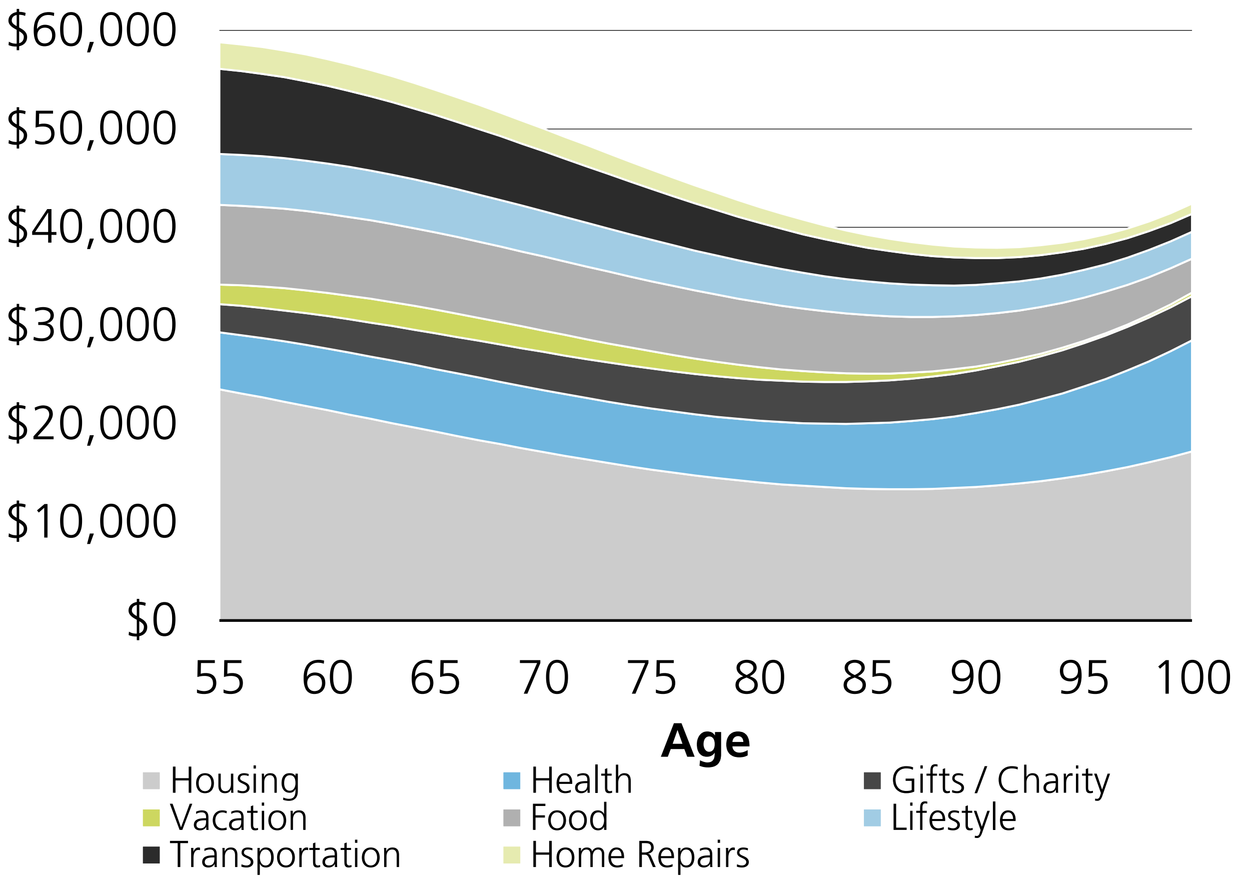
Components of the Consumer Price Index for Americans 62 years of age and older (R-CPI-E), indexed to January 1993



Source: Bureau of Labor Statistics, UBS, as of 14 February 2023.

…and your spending "basket" will change over time

Annual expenditures by age (inflation-adjusted)

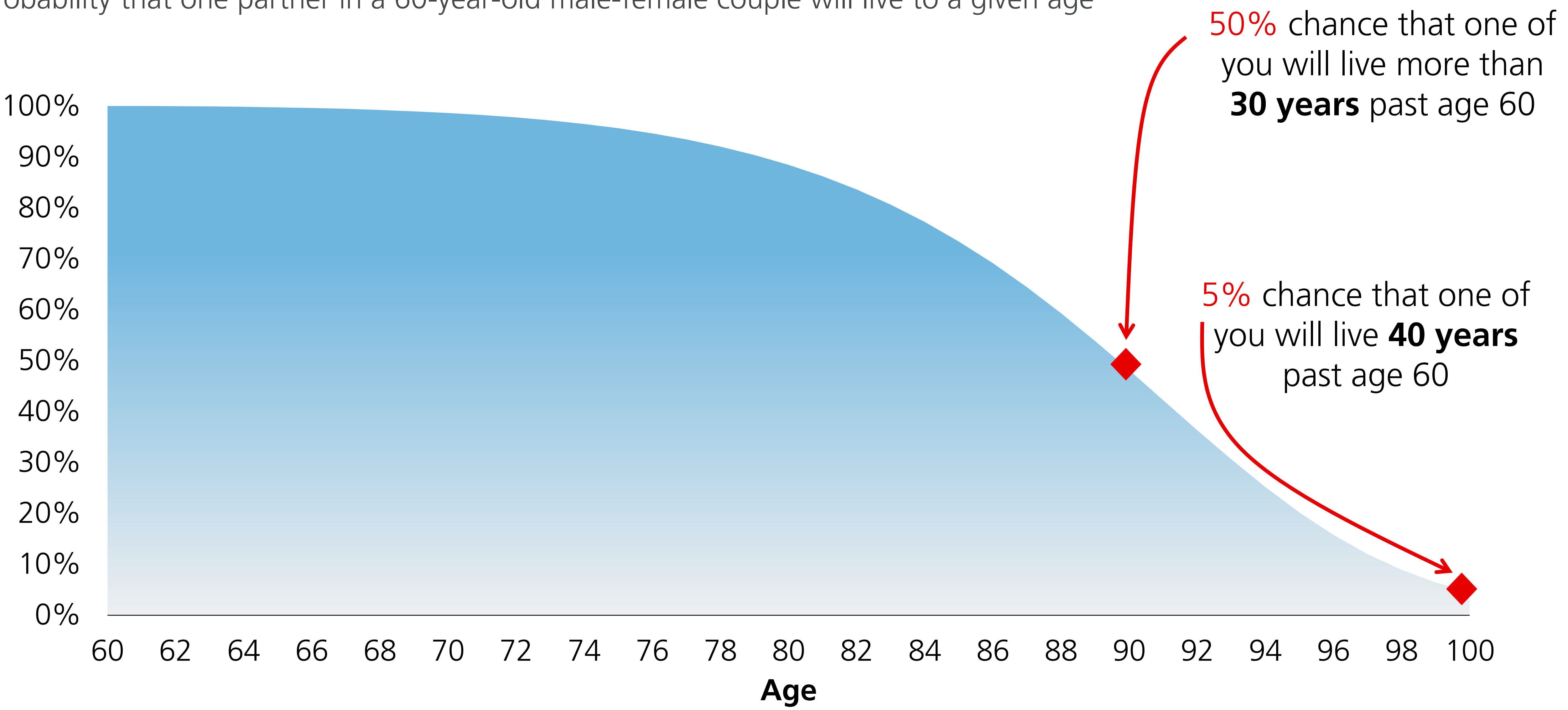


Source: RAND Center for the Study of Aging HRS CAMS, UBS

Please see Beyond the 4% rule: Am I ready for retirement? for more information.

How many years will your retirement last?

Probability that one partner in a 60-year-old male-female couple will live to a given age



Source: UBS, Social Security Administration Period Life Table 2019, as used in the 2022 Trustees Report.

Please see Beyond the 4% rule: Am I ready for retirement? for more information.

Do you have enough saved for retirement?

Estimated wealth-to-withdrawal multiples targeting an 85% probability of success assuming 2.4% annual inflation cost-of-living adjustment

Risk profile / **Years**	Conservative	Moderately Conservative	Moderate	Moderately Aggressive	Aggressive
20	18.6x	18.4x	18.5x	18.9x	19.3x
30	25.6x	25.0x	24.8x	25.0x	25.4x
40	31.4x	30.1x	29.7x	**29.8x**	30.1x
50	36.4x	34.2x	33.2x	32.6x	33.0x

Example: If you plan to withdraw **$300,000 per year** from your portfolio for 40 years of retirement (with a 2.4% annual cost-of-living increase) and you plan to invest in a Moderate Aggressive portfolio, you will need to save and invest about **$8.94 million**. (29.8 x $300,000 = $8.94 million).

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Source: UBS. Note: Longevity strategy portfolios are based on UBS's nontaxable SAAs without nontraditional assets in combination with a three-year Liquidity strategy portfolio holding 50% US cash and 50% US fixed income; all risk and return characteristics are based on UBS's 2023 equilibrium CMAs. Timeframes may vary. Strategies are subject to individual client goals, objectives, and suitability. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved.

Please see Beyond the 4% rule: Am I ready for retirement? for more information.

How much can you afford to withdraw from your portfolio?

Estimated withdrawal rates, targeting an 85% probability of success, assuming 2.4% annual inflation cost-of-living adjustment

Risk profile Years	Conservative	Moderately Conservative	Moderate	Moderately Aggressive	Aggressive
20	5.3%	5.4%	5.3%	5.2%	5.1%
30	3.8%	3.9%	4.0%	3.9%	3.9%
40	3.1%	3.3%	3.3%	**3.3%**	3.3%
50	2.7%	2.9%	3.0%	3.0%	3.0%

Example: If you plan to save and invest **$10 million** in a Moderate Aggressive portfolio to fund 40 years of retirement, this will fund about **$330,000** of spending in the first year, increased annually by 2.4% to account for increases in the cost of living. (3.3% x $10 million = $330,000).

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Source: UBS. Note: Longevity strategy portfolios are based on UBS's nontaxable SAAs without nontraditional assets in combination with a three-year Liquidity strategy portfolio holding 50% US cash and 50% US fixed income; all risk and return characteristics are based on UBS's 2023 equilibrium CMAs. Timeframes may vary. Strategies are subject to individual client goals, objectives, and suitability. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved.

When should you claim Social Security? There are several factors to consider.

Claiming age

Your benefit amount increases the longer you delay claiming

Filing age	Benefits as a percentage of your Primary Insurance Amount (PIA)
62	70%
63	75%
64	80%
65	87%
66	93%
67/FRA	**100%**
68	108%
69	116%
70	124%

Source: Social Security Administration, UBS.

Employment status

Working between age 62 and FRA can temporarily reduce your benefits

Before FRA	At FRA	Beyond FRA
Earnings test exemption: $21,240	**Earnings test exemption**: $56,520	**Earnings test exemption**: No limit
Impact: $1 of Social Security benefits withheld for every $2 of income above limit	**Impact**: $1 of Social Security benefits withheld for every $3 of income above limit	**Impact**: No impact on benefits

Source: Social Security Administration, UBS.

Life expectancy

Breakeven ages show that poor health may be a reason to claim benefits early

	63	64	65	66	67	68	**69**	70
62	80	81	80	81	81	82	82	83
63		83	80	81	82	82	83	83
64			79	80	81	82	83	83
65				82	83	83	83	84
66					84	83	84	85
67						83	**84**	85
68							85	87
69								80

Source: Social Security Administration, UBS. For illustration purposes. Hypothetical breakeven ages for an individual (born in 1960) assuming an annual COLA (2.4%) and investment growth (5%)

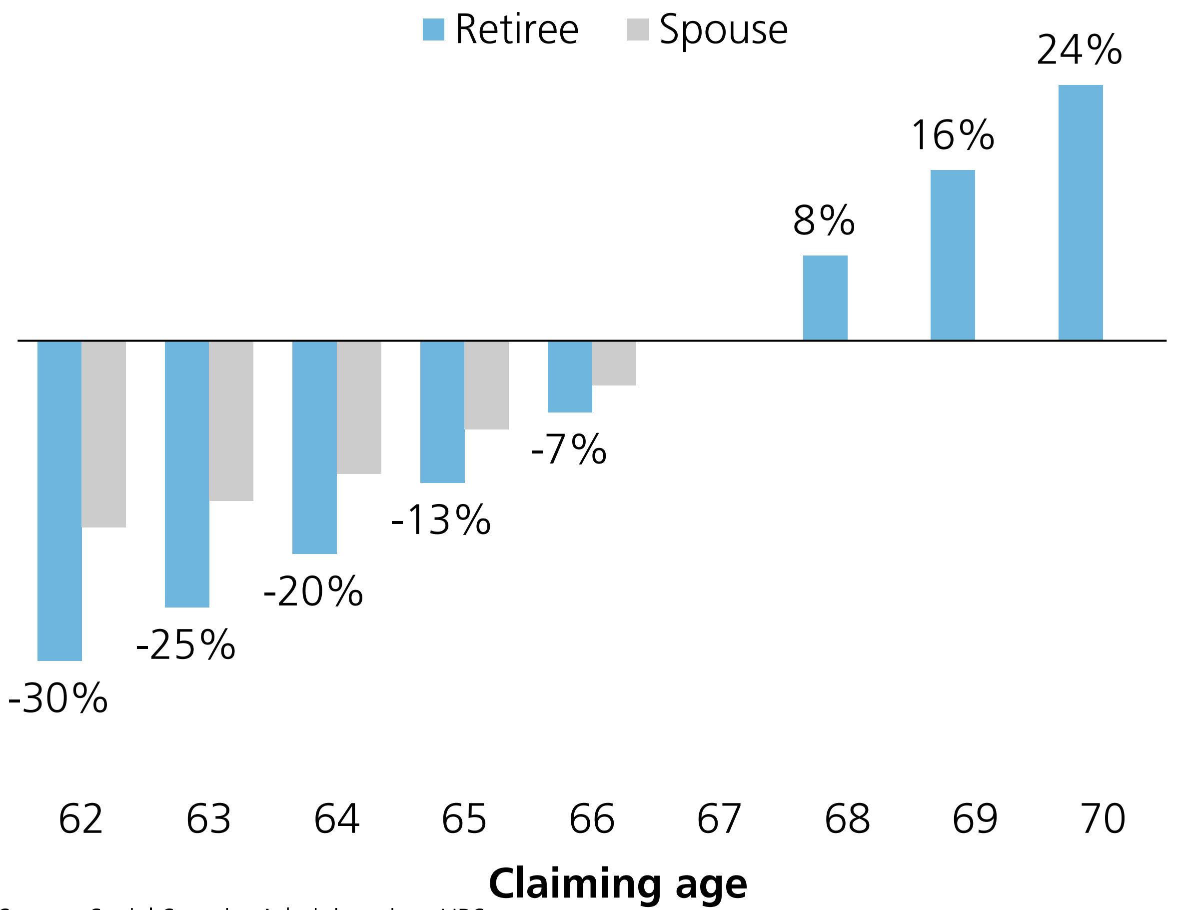
Example: If you're deciding whether to claim at age 67 or 69, then…

- …if you pass away before age 84, you'd be better off claiming at age 67.
- …if you live to or beyond age 84, you'd be better off claiming at age 69.

What should spouses consider when claiming Social Security?

We recommend coordinating the timing of each spouse's Social Security filing to that your family can get the most out of the program's benefits.

Percentage of increase or decrease in benefits by claiming age, relative to claiming at full retirement age (FRA) for a retiree and spouse born in 1960



Source: Social Security Administration, UBS.

Before claiming your benefits, consider the following:

- Spousal benefits do not include any delayed retirement credits that the higher-earning spouse may receive.
- Spousal benefits are reduced if they are claimed before reaching full retirement age.
- Benefits paid to you as a spouse will not decrease your spouse's own retirement benefit.
- In contrast to spousal benefits, survivor benefits reflect the amount that the deceased retiree was receiving when they passed away.

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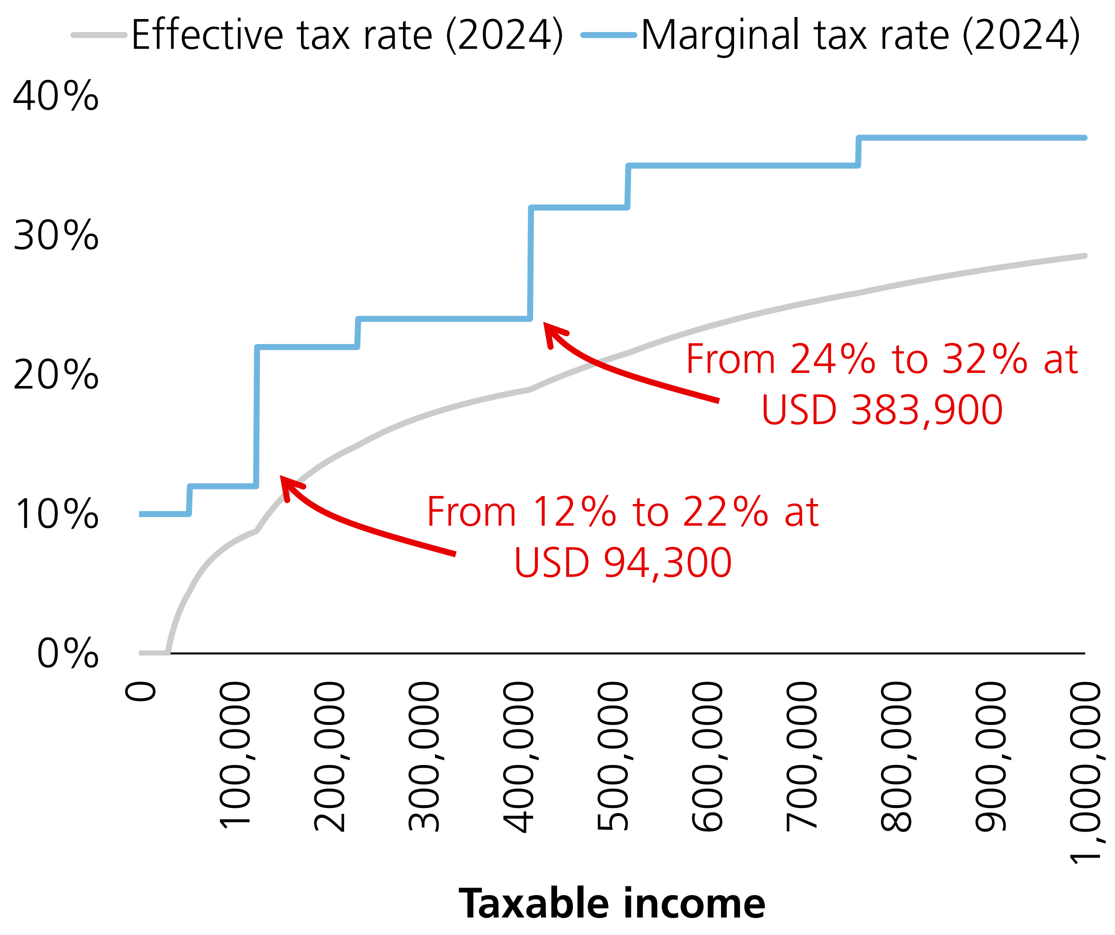
Please see Social Security's spousal and survivor benefits for more information.

Use the marginal income tax breakpoints to your advantage

- There are two tax rates that you should know about:
  - The **marginal tax rate** is amount of tax you pay on your last dollar of income, divided by that dollar of income. As your income goes higher, your "last dollar" gets pushed into a higher tax bracket, and thus this rate goes higher.
  - The **effective tax rate** is the actual percentage of taxes you pay as a percentage of all of your taxable income.
- In your working years, time deductible contributions to stay out of higher tax brackets.
- In retirement, time taxable distributions to "fill up" lower tax brackets—especially in years when you have lower taxable income.

Moving distributions to low-income tax years can help you reduce your taxes

Marginal and effective tax rates, married filing jointly, for the 2024 tax year



Source: IRS, UBS.

Four reasons to consider partial Roth conversions in early retirement

1. **If your estimated future tax rate will be higher** than your tax rate in the current year, then completing partial Roth conversions this year can help you do so at a lower tax cost (i.e., lower tax rate).

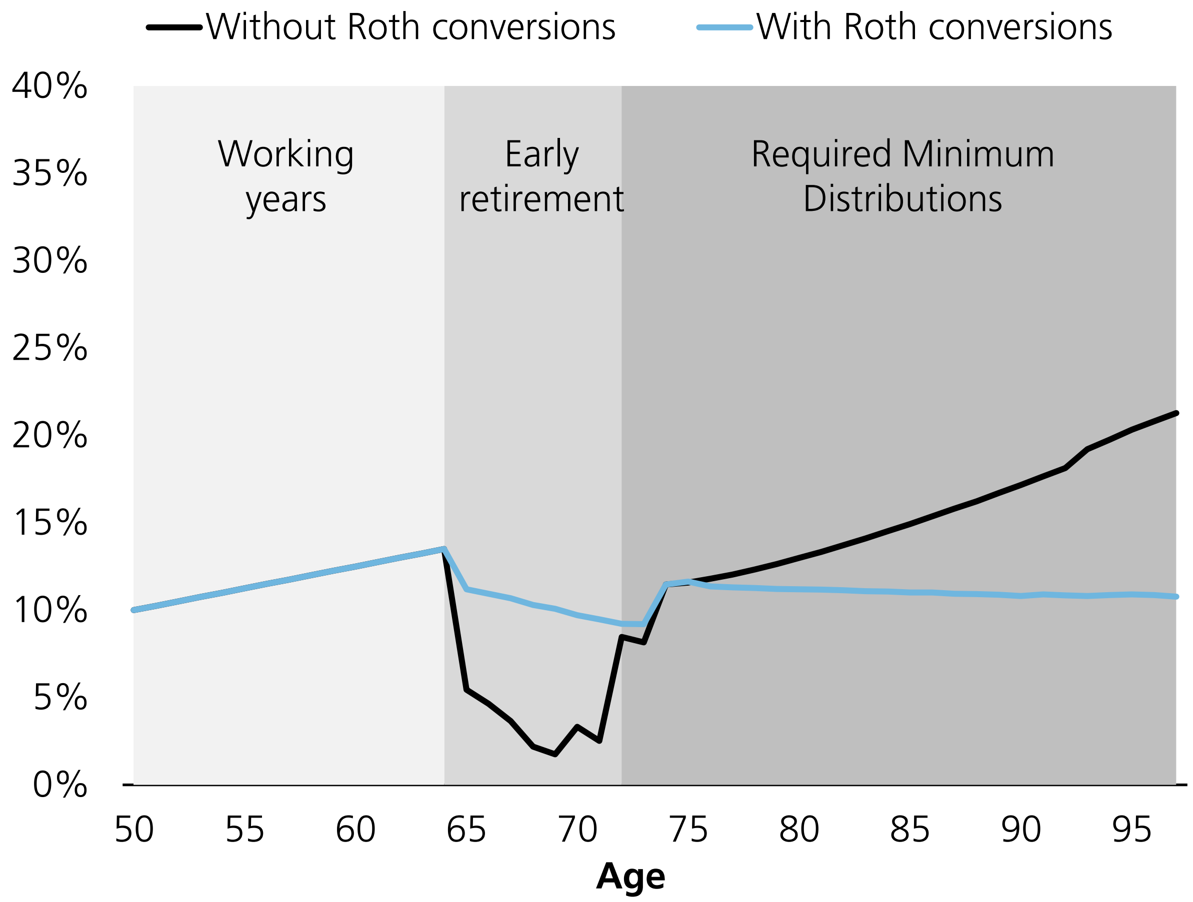
2. **Tax rates will probably be higher in the future**. If the bulk of your wealth is saved in tax-deferred retirement accounts, higher tax rates in the future will likely have an impact on your after-tax wealth.

3. **Roth conversions can enhance your tax diversification** which can help you to decide how much taxable income and investment income you will have in a given year, allowing you to manage your tax burden in retirement more dynamically.

4. **If markets are down**, a partial Roth conversion can allow you to get a "discount" on the tax cost of converting a part of your Traditional 401(k)/IRA assets, and enhance your portfolio's tax-free growth potential when markets rebound.

Partial Roth conversions can help to shift taxable income into years where you will face a lower tax rate

Effective tax rates with and without a series of partial Roth conversions during the early retirement "gap years"



Source: UBS. For illustration purposes.

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Please see Time to consider a partial Roth conversion for more information.

Healthcare options for early retirees

If you're retiring before age 65, you will need to purchase health insurance until you become eligible for Medicare

COBRA

- You can keep your existing network doctors
- Premiums can be expensive
- It generally lasts up to 18 months

Employer-sponsored retiree health plan

- Your employer may subsidize some of the costs
- This type of coverage is uncommon

Health Insurance Marketplace

- There are many options to choose from
- You may be eligible for a premium tax credit

Private insurance

- There may be more comprehensive coverage offered than what's available elsewhere
- Cost of coverage varies

Spouse's workplace health plan

- This could be a more affordable option
- Your coverage may end when your spouse retires

Bridge employment

- This could be a more affordable option
- You may need to work a certain number of hours to become eligible

Retiring before you are eligible for Medicare can have a significant impact on how much you will need to have saved for retirement healthcare costs. For more information, please see Planning for healthcare costs in early retirement

2024 Retirement guidebook

In your retirement years…

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How to manage taxes when refilling the Liquidity strategy

This **"spending waterfall"** can help you manage the taxes that you will face as you refill your Liquidity strategy each year

Required minimum distributions (IRAs/401ks)

Yield & income from taxable accounts

1 For spending needs in excess of guaranteed income, cash should come from here first. After all, this is already taxed as income, whether or not you spend it!

Additional distributions from IRAs/401ks
(in low-income years)

2 Will be taxable, either to you or your beneficiaries, eventually

Sell taxable assets / tap into borrowing strategies

3 Capital gains tax rates are lower than income taxes. You may be able to avoid capital gains taxes if you hold the investment to death.

Resources needed in your Liquidity strategy
(Near-term expenses – guaranteed income)

Strategies are subject to individual client goals, objectives and suitability.

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Please see Three strategies to improve after-tax wealth potential for more information.

Required minimum distributions (RMDs) for IRA owners

When do you need to take your first RMD?

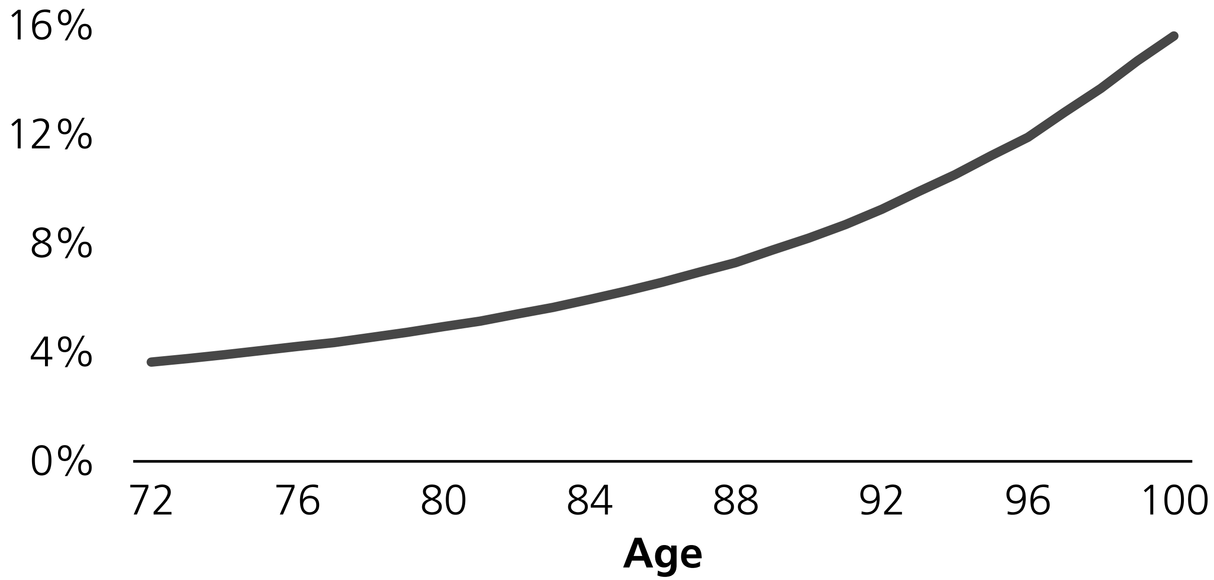
You must take your first RMD by April 1 of the year after the year you attain your applicable RMD age.[1] For every subsequent year, you must take the RMD by 31 December.

Birth year	1951 – 1959	1960 or later
Age when RMD begins[1]	73	75

Example: If you turn age 73 in 2024, you have until 1 April 2025 to satisfy your first RMD (2024's RMD). And you'll have until 31 December 2025 to take your second RMD. Please bear in mind, if you choose to take both RMDs in a single tax year, it could cost you more in taxes by pushing you into a higher tax bracket as both distributions will be taxable in 2025.

How much will the RMD be each year?

Required minimum distributions (RMDs), as a percentage of a Traditional IRA balance, at each age. Uses distribution periods based on the IRS's Uniform Lifetime Table.[2, 3]



Source: IRS, UBS.

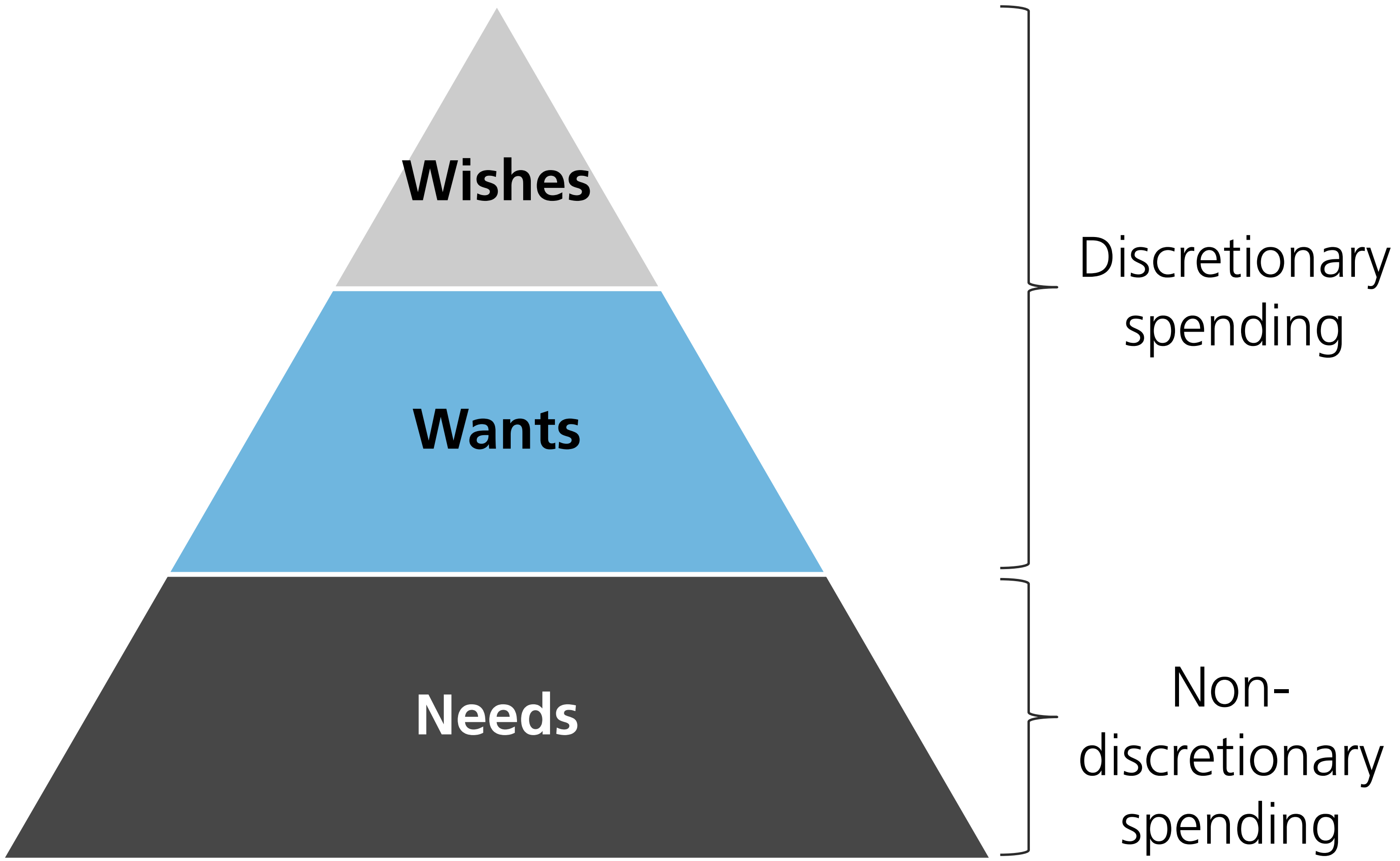
1 Please note that the timing of the increase to age 75 is pending clarification. If you have an employer-sponsored retirement plan, like a 401(k), and you're still working for that employer after your applicable age, your 401(k) assets will generally not be subject to RMDs. As long as you don't own more than 5% of the company where you work, you may be able to delay taking RMDs from that company's plan until 1 April following the year that you retire.

2 Each year, you'll divide your account balance (as of 31 December of the prior year) by your Distribution period, and the result is your RMD for that year. For most IRA owners, your distribution period will be based on the IRS's Uniform Lifetime Table. However, if one spouse is more than 10 years younger than the other and is the sole primary beneficiary of your IRA, you will find your Distribution period by looking up your age and your spouse's age in the IRS's Joint Life and Last Survivor Table.

3 Roth IRAs are not subject to required minimum distributions during the Roth IRA owner's lifetime. Beginning in 2024, Roth 401(k)s will no longer be subject to lifetime RMDs.

Consider annuities as a solution to cover your "Needs" with guaranteed income

A hierarchy of retirement spending objectives



Consider your guaranteed income sources (Social Security, pension income, annuity income).

Are these enough to cover the **Needs** component of your retirement spending?

Source: UBS. For illustration purposes.

Please see [What to know about your 401(k)'s lifetime income illustration] for more information.

Annuities can boost your safe spending potential in retirement

Annual spending supported by a 60% US large-cap stocks and 40% US government bonds, based on 1,000 trials using UBS Equilibrium Capital Market Assumptions

Annuity allocation	Annual spending supported by $5,000,000 portfolio (improvement versus portfolio without annuity) — 35-year probability of success: 85%	90%	95%	99%
No annuity	$170,897	$160,372	$144,951	$118,628
10%	$176,833 (+3%)	$167,044 (+4%)	$153,765 (+6%)	$130,316 (+10%)
20%	$183,523 (+7%)	$174,133 (+9%)	$162,140 (+12%)	$141,229 (+19%)
30%	$189,879 (+11%)	$181,169 (+13%)	$170,247 (+17%)	$151,420 (+28%)

- A married couple (70yr old male, 65yr old female) can now lock in a joint life immediate annuity with a payout rate of approximately 6.9%, representing ~$34,500 of annual income for a $500,000 annuity.
- Annuities help to protect against sequence-of-returns risk, managing the risk of needing to delay retirement or reduce spending during retirement due to poor returns.
- Annuity income is a valuable addition to most financial plans, and is especially effective for families targeting a high probability of success in their financial plan.

Please see Three reasons to seek annuity income for more information.

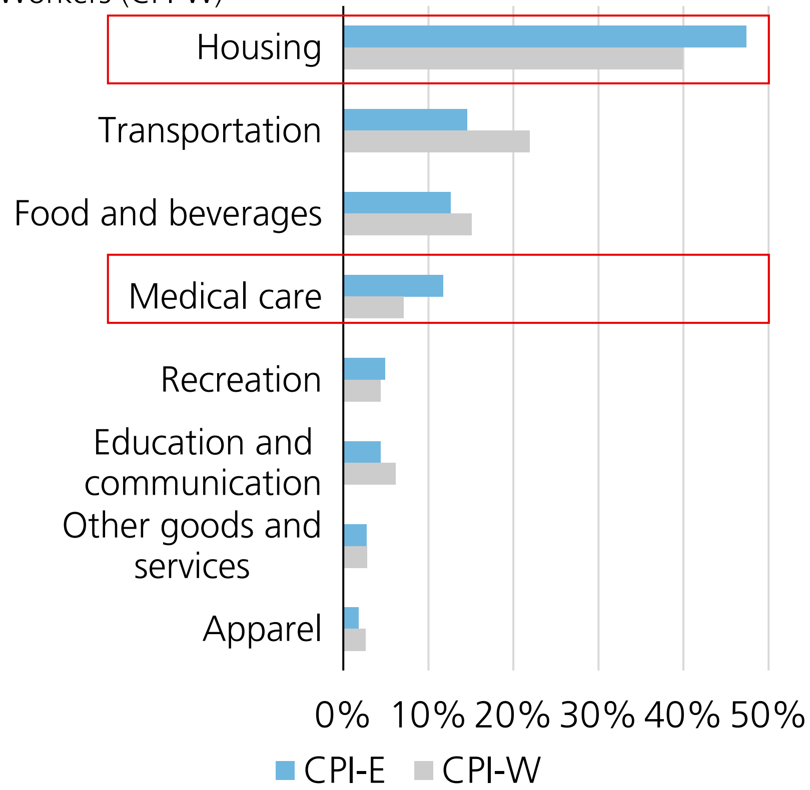
Note: Expected portfolio return 6.0% per year, expected annual portfolio volatility 9.6%. Annuity payout is 6.5% rate, reflecting the terms for a joint life immediate annuity for a 70yr old male and 65yr old female as of 31 August 2023. In this analysis, we assume that the annuity income does not receive a cost of living increase, but spending rises by 2.4% each year to account for inflation.
Source: CANNEX, UBS Wealth Management USA Asset Allocation Committee, as of 31 August 2023.

Social Security's COLA is intended to protect retirees' purchasing power

But there are three things you need to know:

1. Retirees spend differently than pre-retirees

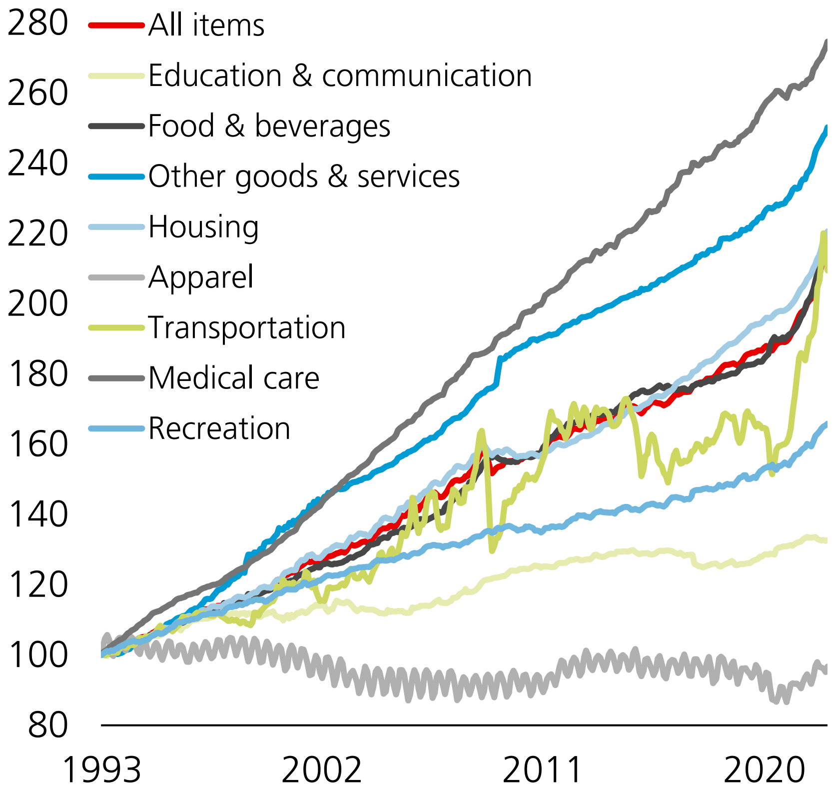
Relative importance of expenditure categories for the Consumer Price Index for the Elderly (CPI-E) and the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)



Source: Bureau of Labor Statistics, UBS.

2. Inflation isn't a single number

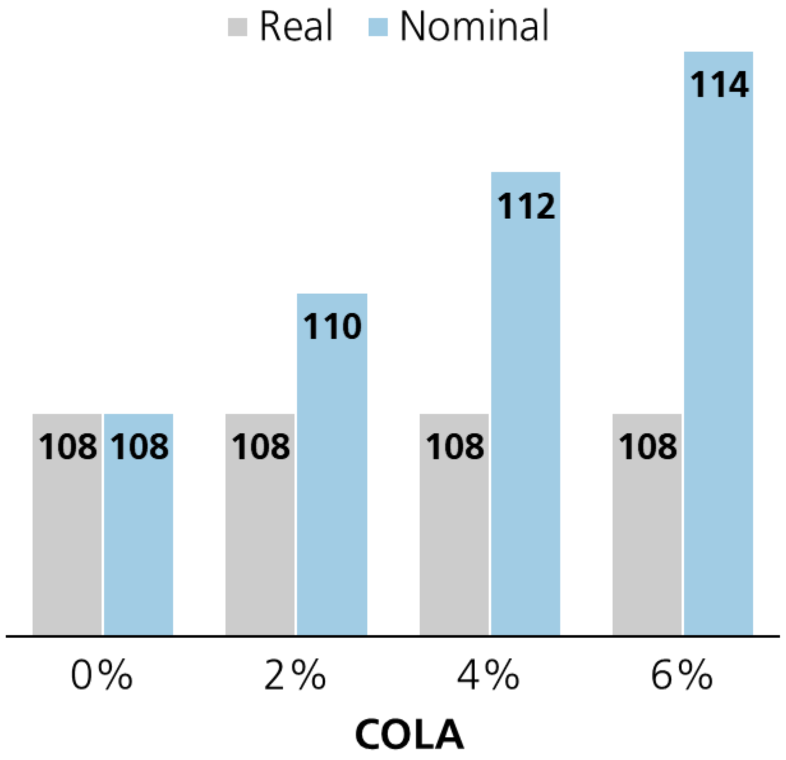
Components of the Consumer Price Index for the Elderly (CPI-E) indexed to January 1993



Source: Bureau of Labor Statistics, UBS.

3. COLAs boost the value of your benefits even before you claim Social Security

Real and nominal growth of USD 100 from delaying one year beyond full retirement age (67), assuming various cost-of-living adjustments (COLAs)



Source: Social Security Administration, UBS.

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Basics of Medicare

Option #1: Original Medicare

Included:

- Part A
  - Hospital insurance
- Part B
  - Medical insurance

Not included (purchased separately):

- Part D
  - Drug coverage
- Supplemental coverage (Medigap)

Option #2: Medicare Advantage (Part C)

Included:

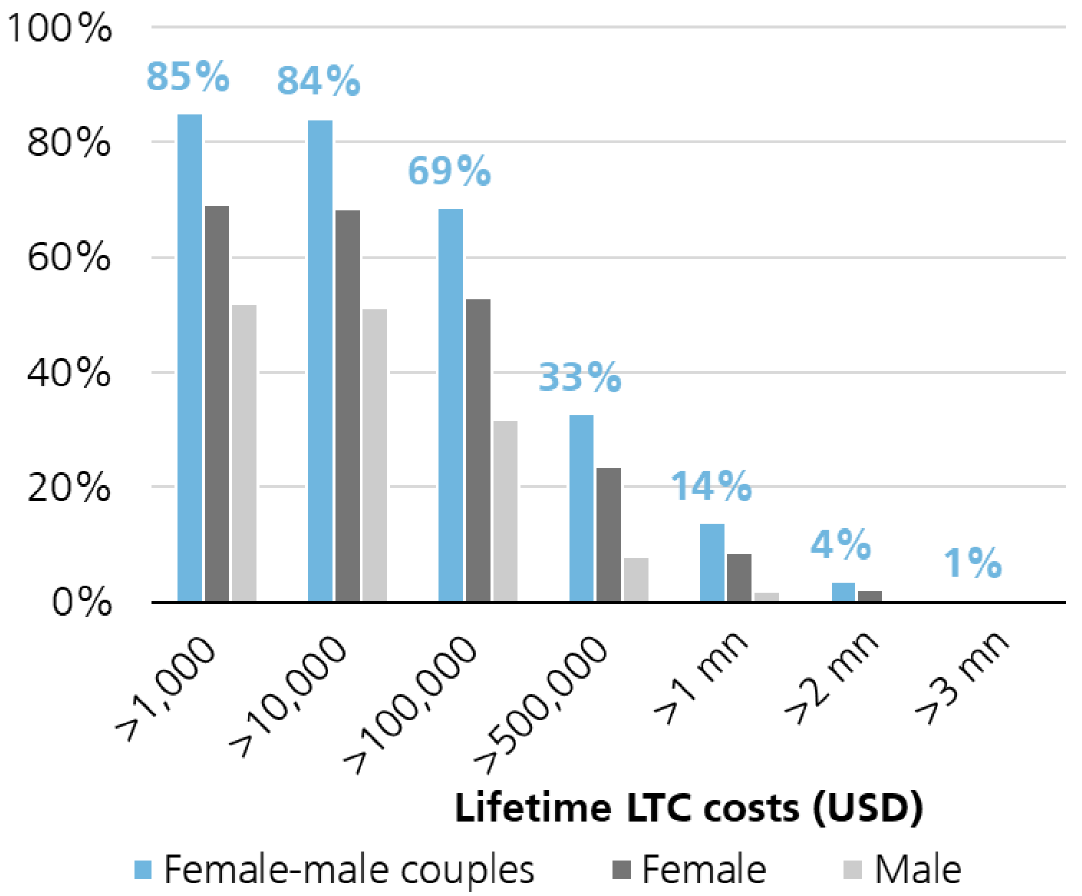
- Part A
  - Hospital insurance
- Part B
  - Medical insurance
- Part D (included in *most* plans)
  - Drug coverage
- Extra benefits (included in *some* plans)
  - Dental
  - Hearing
  - Vision

Please see 2024 Retirement guide for more information.

Include potential long-term care costs into your plan

How much will long-term care cost?

Probability (in %) that long-term care (LTC) spending will exceed each specified amount



- About 33% of 65-year-old couples will spend more than USD 500,000 on LTC during their lifetime
- Costs vary significantly by location and the type of care that you receive
- As a starting point, consider addressing the questions below:
  - If you need care, would you prefer to remain in your home?
  - If at home, who would provide the care?
  - What resources will you use to cover costs, if needed? (e.g., self-funding, HSA, LTC insurance, etc.)

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Source: UBS. Strategies are subject to individual client goals, objectives and suitability.

Please see Long-term care costs and solutions for more information.

2024 Retirement guidebook

Planning your legacy

UBS

Inherited IRAs: Distribution rules for non-spouse beneficiaries

Distribution rules for some non-spouse beneficiaries who inherit retirement assets after 1 January 2020:

If the original account owner died *before* their required beginning date (RBD)[1]:

- The "10-year rule" applies for most non-spouse beneficiaries, which means the beneficiary must withdraw all assets by 31 December of the year containing the 10th anniversary of the owner's death.[2] This 10-year rule applies to both Traditional IRA and Roth IRA assets.
- In this case, beneficiaries can, but are not required to take distributions in years 1 – 9.

If the original account owner died *on or after* their RBD:

- Most non-spouse beneficiaries will be subject to the "10-year rule," which requires annual distributions in years 1 – 9 after the IRA owner's death and a full withdrawal by 31 December of the year containing the 10th anniversary of the IRA owner's death.[2,3]
  - The required annual distributions in years 1 – 9 do not apply to assets inherited from a Roth IRA.

[1] RBD: The Required Beginning Date is April 1 of the year after the year the IRA owner attains age 73 (or age 75, if they were born in 1960 or later).

[2] There are a few exceptions to the 10-year rule. For example, it does not apply to beneficiaries who at the time of the IRA owner's death are disabled or chronically ill; it does not apply to minor children of the IRA owner (in which case the 10-year rule applies when they reach the age of majority); and it also does not apply to those who are not more than 10 years younger than the account holder (e.g., slightly younger or older siblings).

[3] Per IRS Notices 2022-53 and 2023-54, the IRS will not assess penalties for missed 2021, 2022, and 2023 required minimum distributions for beneficiaries (including successor beneficiaries) who are subject to annual distributions in years 1-9 of the 10-year rule. However, the IRS still requires that all assets in these accounts must be withdrawn by 31 December of the year containing the 10th anniversary of the owner's death.

Inherited IRAs: Strategies for owners and beneficiaries

If you are planning to leave retirement assets (IRA, 401(k), etc.) to your beneficiaries, taxes can be an important factor—especially due to the "10-year rule." Here are some of the ways you can manage the income tax burden that you or your beneficiaries will face.

Strategies for IRA owners

- Decide which assets you want to leave, and to whom.
- Leave your Traditional IRA assets to multiple beneficiaries.
- Split the IRA inheritance into two parts (by naming your spouse and children as primary beneficiaries, for example).
- Consider dedicating a portion of your IRA assets to philanthropy.

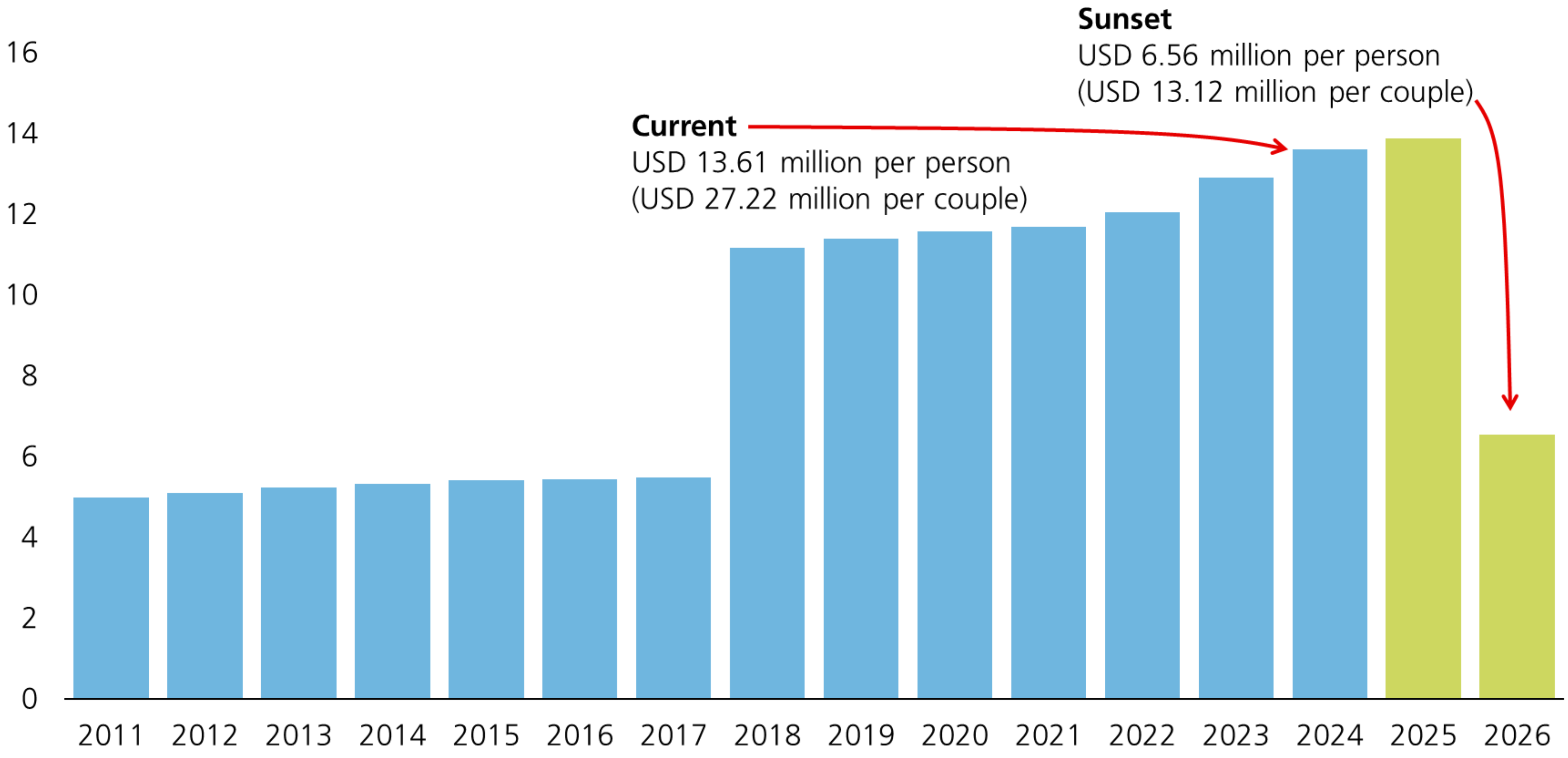
Strategies for IRA beneficiaries

- Spread distributions over time.
- Time taxable distributions to mitigate taxes.
- Defer Roth IRA distributions to maximize tax-exempt growth potential.

Please see 2024 Tax fact sheet for more information.

The window for estate planning may be closing

Lifetime gift and estate tax exemption amounts per individual with projections under current law, USD millions

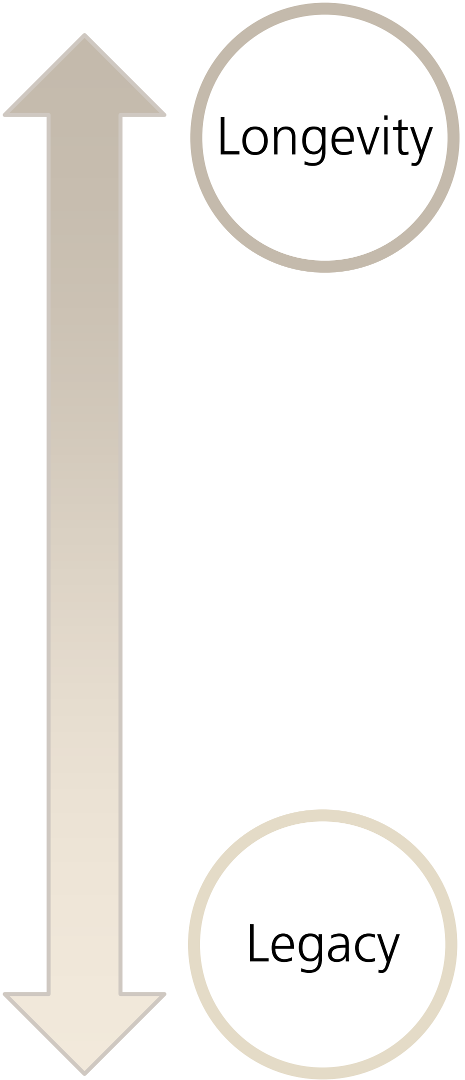


Source: UBS, IRS. *Forecasts for 2025-2026 are scheduled under current law and assume a 2% inflation rate.

Which assets should be earmarked for Longevity vs. Legacy?

Suggested priorities based on tax, cost, and liquidity considerations

Asset	Rationale
Health Savings Accounts	Loses tax-free status if inherited by non-spouse beneficiary
Disability insurance	Human capital insurance (Income replacement in case of disability during working years)
Long-term care insurance	Protects against the risk of significant lifetime LTC expenses
Annuities	Income ends at death
Retirement assets (401(k)s, IRAs, etc.)	Distributions can be earmarked for lifetime spending or lifetime gifting (e.g. through Qualified Charitable Distributions). The residual value can be left to heirs or to philanthropy.
Taxable accounts	If held to death, investments can benefit from step-up in cost basis. Low-cost basis investments can be effective for funding lifetime philanthropic goals.
529 accounts	Tax-advantaged growth for funding education expenses for your kids (Longevity strategy) or future generations (Legacy strategy)
Private market / illiquid investments	Both Longevity and Legacy strategy assets generally have multi-decade time horizons, can afford to tap into illiquidity premium
Life insurance	Human capital insurance (Longevity strategy) or proceeds to fund bequests (Legacy strategy)
Small business stock	To keep control of your small business in the family beyond your lifetime
Estate planning vehicles (e.g. Irrevocable trusts)	Move growth out of your estate, use lifetime gift tax exemption, control/direct the use of funds by your beneficiaries
Real estate & Real assets	Property that you don't plan to sell during your lifetime (your personal residence, vacation home, collectibles, etc.)



To help **improve** your lifestyle

5 years - lifetime

To help **improve** the lives of others

Now – beyond your lifetime

Source: UBS. For illustration purposes. Strategies are subject to individual client goals, objectives and suitability.

In the Legacy strategy, which assets are best for heirs vs. charity?

Rank*	Asset	Would your heirs pay income taxes on liquidation or distribution?**
1	Roth IRA	Distributions are income tax-free. Heirs can keep assets in Roth IRA for a 10-year "stretch" window.
2	Life insurance proceeds	Tax-free
3	Taxable accounts	Tax-free (due to a step-up in cost basis)
4	Real estate & Real assets	Tax-free (due to a step-up in cost basis), but may incur significant transaction costs
5	Traditional IRA	Distributions are taxable. Heirs can spread taxable income over a 10-year "stretch" window.
6	Health Savings Account	Taxable when inherited by a non-spouse beneficiary

Lower income tax burden
Better for **heirs**

Higher income tax burden
Better for **charities**

*Assumes that your heir pays taxes at a higher tax rate than you; if not, your family may be better off if you leave tax-deferred assets for your heirs.
**This ranking considers federal income taxes. You should also consider state income taxes, as well as federal and state estate tax implications.
Source: UBS. For illustration purposes. Strategies are subject to individual client goals, objectives and suitability.

2024 Retirement guidebook

Appendix

Summary of key tax information for 2024

2024 tax rates, income levels in USD

Earned income, ordinary income, and short-term capital gains tax rates

Marginal tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
10%	0 to 11,600	0 to 16,550	0 to 23,200	0 to 11,600
12%	11,600 to 47,150	16,550 to 63,100	23,200 to 94,300	11,600 to 47,150
22%	47,150 to 100,525	63,100 to 100,500	94,300 to 201,050	47,150 to 100,525
24%	100,525 to 191,950	100,500 to 191,950	201,050 to 383,900	100,525 to 191,950
32%	191,950 to 243,725	191,950 to 243,700	383,900 to 487,450	191,950 to 243,725
35%	243,725 to 609,350	243,700 to 609,350	487,450 to 731,200	243,725 to 365,600
37%	609,350 or more	609,350 or more	731,200 or more	365,600 or more

	Single	Head of Household	Married Filing Jointly	Married Filing Separately
Standard deduction*	14,600	21,900	29,200	14,600
Change from 2023	(up from 13,850)	(up from 20,800)	(up from 27,700)	(up from 13,850)

* For single or head of household taxpayers, the annual standard deduction is increased by USD 1,950 if you are age 65 or older or blind (USD 3,900 if both 65+ and blind). For married taxpayers, the deduction is increased by USD 1,550 for each married taxpayer aged 65 or older or blind (e.g. USD 3,100 if one spouse is both 65+ and blind).

Long-term capital gains and qualified dividend tax rates

Maximum tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
0%	0 to 47,025	0 to 63,000	0 to 94,050	0 to 47,025
15%	47,025 to 518,900	63,000 to 551,350	94,050 to 583,750	47,025 to 291,850
20%	518,900 or more	551,350 or more	583,750 or more	291,850 or more
3.8% surtax**	200,000	200,000	250,000	125,000

** Some of your investment income may be subject to a 3.8% surtax. The tax is applied to the lesser of: 1) Your net investment income or 2) The amount that your modified adjusted gross income exceeds these thresholds. Net investment income includes "passive" sources of income such as taxable interest, dividends, realized capital gains, annuities, royalties, and rental income.

Additional Medicare tax

Tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
0.9%	200,000	200,000	250,000	125,000

Note: The 0.9% surtax applies to wages, railroad retirement compensation, and self-employment income over these thresholds.

UBS Source: IRS, UBS.

Please see 2024 Tax fact sheet for more information.

Summary of key tax information for 2024 (continued)

2024 tax rates, income levels in USD

Social Security

Wage base limit	168,600
Change from 2023	(up from 160,200)
Earnings test exemption (below Full Retirement Age)	22,320
Change from 2023	(up from 21,240)
Earnings test exemption (at Full Retirement Age)	59,520
Change from 2023	(up from 56,520)

Note: The Old-Age, Survivors, and Disability Insurance (OASDI) tax—commonly called "the Social Security tax"—is based on a worker's earned income. This 12.4% tax (6.2% paid by the employee, 6.2% paid by the employer) only applies to earned income up to the "wage base". There is also a Medicare withholding tax of 2.9% (1.45% paid by the employee, 1.45% paid by the employer)—this tax applies to all earned income (no wage base limit).

Note: For workers receiving Social Security benefits before reaching full retirement age, Social Security applies a "retirement earnings test" and withhold benefits based on "excessive" income in the years leading up to full retirement age. The test only counts earned income, not "passive" income sources such as capital gains, dividends, interest income, or retirement plan distributions.

For individuals younger than their full retirement age, Social Security withholds USD 1 for every USD 2 of income exceeding the exemption amount. For individuals attaining full retirement age in the year of the earnings test, Social Security withholds USD 1 for every USD 3 of income exceeding the exemption amount.

Gift and estate tax

	Unmarried	**Married**
Gift tax annual exclusion	18,000 per recipient	36,000 per recipient
Change from 2023	(up from 17,000)	(up from 34,000)
Lifetime unified gift and estate tax exemption	13,610,000	27,220,000
Change from 2023	(up from 12,920,000)	(up from 25,840,000)
Maximum federal gift/estate tax rate	40%	40%

Note: Families should think beyond the federal estate tax when considering estate planning. According to research from the Tax Foundation, 17 states currently impose a state-level estate or inheritance tax (including Maryland, which imposes both types of tax). The top state-level estate tax rate is 20%, and state-level taxes can affect estates as small as USD 1 million.

Source: IRS, UBS.

Please see 2024 Tax fact sheet for more information.

What's in the SECURE 2.0 Act?

2023

- RMD age increased to 73
- Reduced penalty for failure to take RMDs
- One-time election allowed for QCDs to split-interest entity
- QCDs limit will be indexed
- Your employer may offer matching contributions on a Roth basis
- Small immediate financial incentives for contributing to a plan

2024

- 529 rollovers to Roth IRAs
- Indexed IRA catch-up limit
- Roth 401(k)s exempt from lifetime RMDs
- New election to treat surviving spouses as employees
- Employers can help employees save for retirement if they have student loans

2025

- Higher catch-up contribution limit will apply to employees ages 60 – 63
- 401(k) and 403(b) plans will be required to automatically enroll eligible participants and automatically increase contributions annually
- Improving retirement plan participant eligibility for part-time workers

Later

- 2026: For individuals earning over a certain amount, catch-up contributions to qualified retirement plans will be subject to Roth tax treatment*
- 2027: Saver's Match
- 2028: Deferral of tax for certain sales of employer stock to ESOPs sponsored by S corporation
- 2028: Certain securities treated as publicly traded in case of ESOPs
- 2033: RMD age increases to 75

***Important update & details**: The provision that subjects catch-up contributions to qualified retirement plans to Roth tax treatment has been delayed to 2026. This means that you can continue to make catch-up contributions to your employer-sponsored plan on a pre-tax or Roth basis (if the plan allows). Beginning in 2026, these catch-up contributions will be subject to Roth tax treatment. However, if your compensation is USD 145,000 or less (indexed to inflation), you will still have the option to choose the tax treatment.

Each provision has its own rules, limits, and restrictions. For more information on some of the 2024 provisions listed above, please see 2024 Retirement guide.

Seasons of Planning: Winter

Spending and saving review

- ❑ **Review last year's spending, estimate next year's spending**. How did your spending change year-over-year? Were there any unexpected expenses that we should factor into your plan going forward?
- ❑ **Fill your Liquidity strategy.** In your working years, keep an emergency fund to cover around 6 months of spending. In retirement, set up a Liquidity strategy to cover 3-5 years of net portfolio withdrawals.
- ❑ **Automate your savings.** Use the Savings waterfall to prioritize where you direct your savings, then use direct deposits and automated investment strategies to put your cash to work straight away.

Income tax

- ❑ **Estimate your taxable income.** Your financial advisor and tax advisor can help to estimate your taxable income and marginal tax bracket for this year.
- ❑ **Manage your tax burden.** Before the year-end deadline, consider actions that could affect your tax bill: realizing capital gains or losses, making IRA distributions, or implementing Roth conversions. You may have until you file taxes in April to make "carryback contributions" that count as prior-year IRA contributions.
- ❑ **Pay your tax bill or invest your tax refund.**

Retirement income

- ❑ **Review your Social Security statement to check for discrepancies.** Inaccurate earnings records could result in reduced benefits.
- ❑ **Review and estimate your retirement income** from Social Security, pensions, and annuities, and consider whether these sources of income will be enough to cover your "Needs" in retirement. Speak with your financial advisor about an annuity review to confirm whether your existing annuity contracts continue to provide their originally intended benefit.
- ❑ **Consider your retirement readiness.** Your financial advisor can help you to make sure that your assets will be enough fund your spending needs for the rest of your lifetime.

Source: UBS. For illustration purposes. Strategies are subject to individual client goals, objectives and suitability.

Please see Seasons of Planning: Winter for more information.

Seasons of Planning: Spring

Financial education

- ❑ **Learn something new.** Ask your financial advisor to explain a finance topic that interests you. If your employer offers a financial wellness program, check to see what financial education resources they offer.
- ❑ **Teach others.** One of the best ways to solidify your knowledge on a topic is to explain it to someone else. Talk with your family and friends about some of the things that you've learned about investing, encouraging them to ask questions and share their perspectives.

Estate planning

- ❑ **Review beneficiary designations.** Make sure your retirement accounts, insurance and annuity policies, and "transfer on death" reflect your wishes.
- ❑ **Who's in charge?** Make sure that you have a living will and written documents that establish who will be in charge of decisions in the event of your death or incapacitation. For example, you should have a healthcare proxy, a durable power of attorney, an executor, a guardian for your minor children, and a conservator to manage your financial affairs. You may also want to designate someone to manage your digital presence.

Insurance

- ❑ **Calculate your disability and life insurance need.** How much is needed to protect your family against income loss?
- ❑ **Assess your long-term care risk.** If you need care, would you prefer to remain in your home? If at home, who would provide the care?
- ❑ **Compare your need with your current coverage and consider options for closing the gap.** If your current coverage falls short of your insurance need, speak with your financial advisor about purchasing supplemental insurance coverage either through your employer (if available) or through an insurance provider.

Source: UBS. For illustration purposes. Strategies are subject to individual client goals, objectives and suitability.

Please see Seasons of Planning: Spring for more information.

Seasons of Planning: Summer

College savings

- **Start to save.** The earlier you start saving, the easier it will be to afford those high costs of college education. We estimate that using a tax-advantaged vehicle like a 529 College Savings Plan can reduce the cost of college by about 17%.
- **Develop an education saving and spending strategy.** Work with your financial advisor to determine how much to set aside in education-specific saving accounts for your family, and to develop a strategy to account for the risk that these accounts will be over- or under-funded relative to your family's college spending needs.

Saving for retirement

- **Check on your savings progress.** Are you taking full advantage of your saving options, and all your workplace benefits? Are your savings diversified across accounts with different tax characteristics (e.g., taxable, tax-deferred, and tax-exempt)?
- **Review your investment strategy** with your financial advisor and ask if there is anything you should change. Remember: If there's something in your portfolio that isn't working right now, that's a good sign that you're diversified!

Preparing to transition to retirement

- **Reflect on your retirement expectations.** Work provides more than just a paycheck, and a successful retirement involves more than just financial security. Identify activities and hobbies that will fill your free time and provide fulfillment, consider a gradual transition that will give you time to adjust.
- **Consider a "practice run."** Either during your summer vacation, or while working remotely, take time to try out a place that you're considering for retirement. For example, rent a beach front home or a house closer to the kids. This practice run can help you to assess the cost of living in the area, and experience what life may be like in the new community before you commit to making it your new home.

Source: UBS. For illustration purposes. Strategies are subject to individual client goals, objectives and suitability.

Please see Seasons of Planning: Summer and How to get the most out of your 529 plan for more information.

Seasons of Planning: Fall

Open enrollment

- **Choose a health insurance plan.** Review the terms for each plan option, considering next year's expected healthcare costs.
- **Choose your disability and life insurance coverage.** How much is needed to protect your family against income loss?
- **Review your equity compensation.** Share the details of your equity compensation plan with your financial advisor, who can help decide when to exercise or sell shares and options.
- **Automate your savings.** Use the Savings waterfall to prioritize where you direct your savings. Set up direct deposits to automate your saving and investing strategy.

Gift giving

- **Put stocks in stockings.** Giving investments to the next generation can be a great way to introduce them to investing. Giving appreciated stocks can also help your family reduce capital gains taxes.
- **Give while you live.** An individual may make lifetime transfers of up to $13.61 million ($27.22 per married couple) before incurring gift or estate taxes. They can also use an annual gift tax exclusion (up to $18,000 per recipient).
- **Help with education costs.** 529 college savings plan allow a family to "front-load" contributions with up to 5 years' worth of annual exclusions.

Philanthropy

- **Use QCDs to donate efficiently.** If you are at least age 70½, you and your spouse may each donate up to $105,000 from your respective IRAs to one or more charitable organizations through a Qualified Charitable Distribution (QCD). QCDs count toward your Required Minimum Distribution (RMD) but aren't subject to federal income tax. Please note that you cannot make a QCD to a Donor Advised Fund or a private foundation.
- **Give now, grant later.** You may want to "bunch" several years of charitable gifts into a single year to make it worth itemizing your taxes. Using a Donor Advised Fund (DAF), you can make a deductible donation while retaining flexibility as to where and when you donate to a charitable cause.

Source: UBS. For illustration purposes. Strategies are subject to individual client goals, objectives and suitability.

Please see Seasons of Planning: Fall, ubs.com/benefitsinsights, and Give to others, not the IRS for more information.

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