



Minimizing Taxes While Saving for Retirement

LIFETIME INCOME CASE STUDY

Presented by Puplava Financial Services, Inc.
Registered Investment Advisor

Matthew Stark

Important Notice:

This is a hypothetical illustration based on real life examples. Names and circumstances have been changed. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investments or strategies may be appropriate for you, consult with a financial advisor prior to investing.

ESSENTIAL INFORMATION

Client:	Matthew Stark.
Ages:	Matthew is age 57.
Retirement:	He hopes to retire in 7-8 years.
Life expectancy:	Matthew age 90.
Risk tolerance:	Moderate.
Investment objective:	Growth & Preservation of Capital.

WHO IS MATTHEW?



Name: Matthew

Age: 57

Job: Consultant

Matthew has his own small practice and has been successful by keeping his practice focused on a few key clients. He is beginning to think about retiring but is also concerned about taxes. His business has seen large growth over the last couple years and as a result his income has increased as well as the amount of taxes that he is paying. He is planning to retire in another 7-8 years and hopes to save as much as possible. In retirement he is looking to buy a second home near the beach and spend some time there for the beautiful views and plenty of golfing.

MATTHEW'S CURRENT RISK STRATEGY

Most Conservative 1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10 Most Aggressive

Current Risk Score



Portfolio Risk Score



WHAT IS IMPORTANT TO MATTHEW?



**Maintaining the
same lifestyle
through retirement**

Mitigating taxes



**Preparing for
retirement**

Buying a second home



MATTHEW'S CURRENT BUDGET

✓ Essentials:	\$62,000
✓ Discretionary:	\$33,000

TOTAL:	\$95,000
--------	----------

Matthew's Salary:	\$140,000
Surplus:	\$45,000



MATTHEW'S RETIREMENT BUDGET

✓ Essentials:	\$53,000
✓ Discretionary:	\$32,000

TOTAL:	\$85,000
--------	----------

Matthew's Social Security	\$31,000
---------------------------	----------

Shortfall:	-\$54,000
------------	-----------



MATTHEW'S ASSETS

Non-Investment Assets

✓	Primary Residence:	\$700,000
✓	Business Property:	\$250,000

Investment Assets

✓	Matthew's IRAs:	\$1,120,000
✓	Matthew's 401K:	\$985,000
✓	Matthew's Taxable:	\$80,000
✓	Cash and Precious Metals:	\$65,000

Total Investment Assets	\$2,250,000
--------------------------------	--------------------

Total Assets:	\$3,200,00
---------------	------------

Liabilities:	-\$85,000
--------------	-----------

Net Worth:	\$3,115,000
------------	-------------

MATTHEW'S FINANCIAL PLAN CHALLENGES

1. Lowering current taxes.
2. Managing taxes in retirement since most of his assets are in retirement accounts.
3. Buying a second home.
4. Creating predictable income stream in retirement



MATTHEW'S RETIREMENT INCOME STRATEGY

Social Security	\$31,000
-----------------	----------

Investment Income

Matt's IRAs.	\$1.21M	Fixed Income & Dividend Payers @ 3.1% ¹	\$37,510
Matt's 401K	\$985K	Fixed Income & Dividend Payers @ 3.1% ²	\$30,535
Matt's Taxable	\$80K	Fixed Income & Dividend Payers @ 3.1% ³	\$2,480
Matt's Cash	\$65K		
Total Investment Income			\$30,241
Grand Total Income			\$101,525
Less Budget			\$85,000
Surplus			\$16,525

1, 2, & 3: Yields are for current portfolio yields as of 10/25/16. Please see disclosures at the end of this presentation for security risks.

GOAL BASED RECOMMENDATIONS FOR MATTHEW

Goal	Strategy
Mitigating taxes	We recommended that he change from a SEP IRA to a 401k so he can increase his maximum contributions from \$54,000 to \$60,000 for 2017. We also advised that he restructure his business to an S-Corp for income tax purposes.
Preparing for retirement	We encouraged Matthew to continue maxing his retirement accounts by increasing his contribution limits and also saving into a taxable account to begin to diversify his taxes throughout retirement.
Buying a second home in retirement	To avoid the potential impact of making a large purchase in retirement, we recommended that he buy the home now for the potential tax benefits.
Maintaining the same retirement lifestyle	His second home can be rented out for parts of the year since it is associated with his second property in order to create more retirement income. We also advised that he downsize his primary home in retirement to lower his homeowner costs.

Disclosures:

1. *Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.*
2. *The payment of dividend is not guaranteed. Companies may reduce or eliminate the payment of dividends at any given time.*
3. *Fixed annuities are long-term investment vehicles for retirement purposes. Gains from tax-deferred investments are taxable as ordinary income upon withdrawal. Guarantees are based on the claims paying ability of the issuing company. Withdrawals made prior to age 59 1/2 are subject to a 10% IRS penalty tax and surrender charges may apply.*

Puplava Financial Services, Inc.

Registered Investment Advisor

If you have any specific questions or comments, please give us a call at

(858) 487-3939

We're happy to speak with you.

Post Office Box 503147 - San Diego, CA 92150-3147

10809 Thornmint Road 2nd Floor - San Diego, CA 92127-2403

(888) 486-3939 Toll Free (858) 487-3939 Tel (858) 487-3969 Fax