



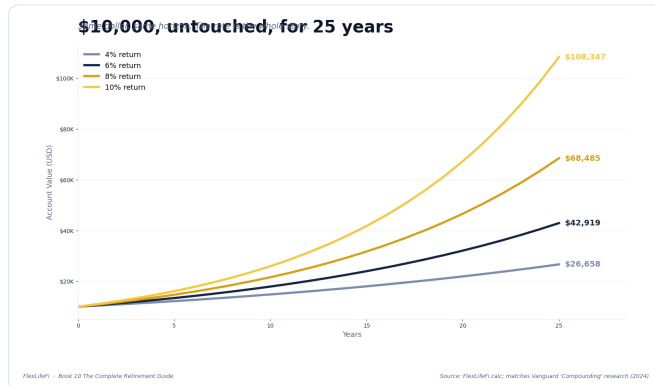
The Complete Retirement Guide

*Accumulate. Convert. Drawdown.
The whole roadmap, from age 25 to age 95.*

THE BIG PICTURE

Three numbers. Three phases. One ladder.

*Retirement planning has more moving parts than any other corner of personal finance — eight account types, contribution rules, ordering rules, tax rules at every stage. This book turns it into **three named phases** and a ladder you climb one rung at a time.'*



Captain Compound's first lesson. \$10,000, untouched, 25 years. The rate is the whole story.³¹

Three numbers worth memorizing

\$23,500

2026 401(K) LIMIT

Employee elective deferral. Catch-up at 50+ adds \$7,500. Super-catch-up at 60–63 adds \$11,250.^{1,11,17}

4%

BENGEN / TRINITY SWR

Initial safe withdrawal rate that survived every rolling 30-year window. Morningstar 2024 pegs it at 3.7%.^{24,25,30}

73 → 75

AGE RMDs BEGIN

Born 1951–1959: 73. Born 1960+: 75 (phase-in 2033). Miss one — 25% penalty.^{15,17}

THE PHASE RIBBON

Find your phase. Start there.

- 1. ACCUMULATE** (pp 3–4) — fill the right buckets in the right order. Match → Roth IRA → 401(k) → HSA → taxable → Backdoor → Mega.
- 2. CONVERT** (pp 5–6) — the Roth conversion ladder, the 5-year rule, and which years to convert (the gap years between work and Social Security).
- 3. DRAWDOWN** (pp 7–8) — sequence the withdrawals: Taxable → Traditional → Roth. Add 4% rule, RMDs, 72(t).

The whole game in three moves

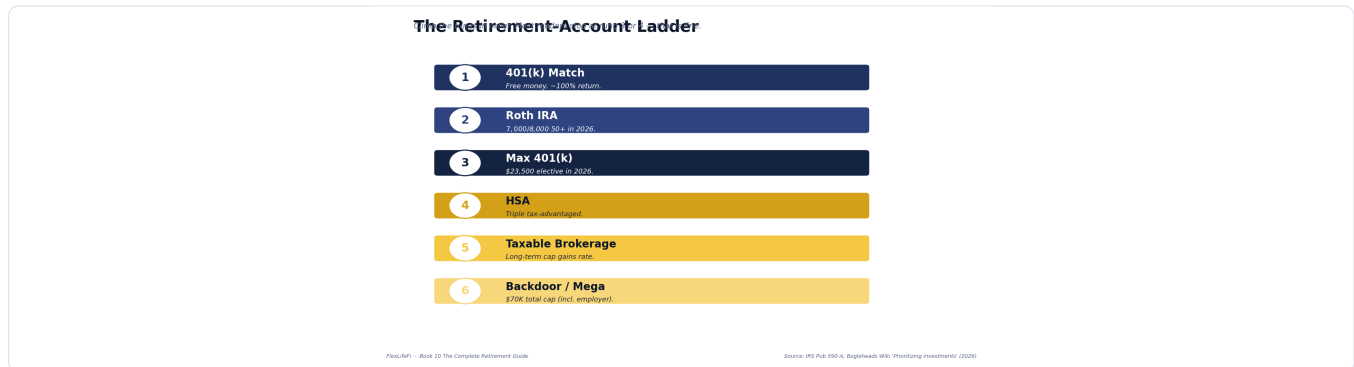
- 1. Climb the ladder** — fund accounts in the order that maximizes free money and tax breaks.
- 2. Choose the bucket** — Traditional, Roth, or both, based on today's bracket vs. tomorrow's.
- 3. Build the drawdown** — order withdrawals so taxes stay flat and the portfolio lasts.

Catchphrase — Captain Compound:
"Compounding doesn't care if you're watching.
It just keeps working."

PHASE ONE · ACCUMULATE

ACCUMULATE · climb the ladder in order.

Eight rungs. Climb them in order. Most readers stop at rung 3 or 4 — that is fine. The order matters, not the height.^{4,6,31}



The first six rungs. The next two — Backdoor Roth and Mega Backdoor Roth — sit on top for high earners and Solo 401(k) holders.^{10,13}

1 | Capture the full 401(k) match.
If the match is 100% on the first 4%, contribute 4%. That's a guaranteed 100% return. The most expensive mistake the W-2 worker makes is walking past it.³¹

2 | Max the Roth IRA.
\$7,000 in 2026, \$8,000 if 50+. Pay tax now, never again. Single phase-out \$150K–\$165K MAGI; MFJ \$236K–\$246K.^{2,3}

3 | Fill the 401(k) to \$23,500.
Add a Roth/Traditional split based on your bracket. 22% or below — Roth. 32%+ — Traditional. 24% — split.^{1,33}

4 | Max the HSA (if HDHP).
2026 limits: \$4,400 self / \$8,750 family. \$1,000 catch-up at 55+. The only triple-tax-advantaged account in the U.S. tax code.⁸

5 | Taxable brokerage.
No contribution limits. LTCG (0/15/20%) usually beats ordinary income.¹⁴

6 | Backdoor + Mega Backdoor Roth.
Non-deductible Trad → Roth (Form 8606). Mega adds up to \$46,500 after-tax 401(k) space (under the \$70K total cap).^{10,11,37}

SOURCE-DIRECT — IRS PUB 590-A

"Earned income — you can contribute."

Phase-outs restrict the deduction, not the contribution. — IRS Pub 590-A (2026).⁴

THE TRAP

Pro-Rata on the Backdoor.

Have \$93k in a rollover IRA + a fresh \$7k non-deductible? **93% of the conversion is taxable.** Roll the pre-tax IRA dollars into your 401(k) first — 401(k)s aren't in the pro-rata pool.^{5,10}

Quick Check 1 — Accumulate

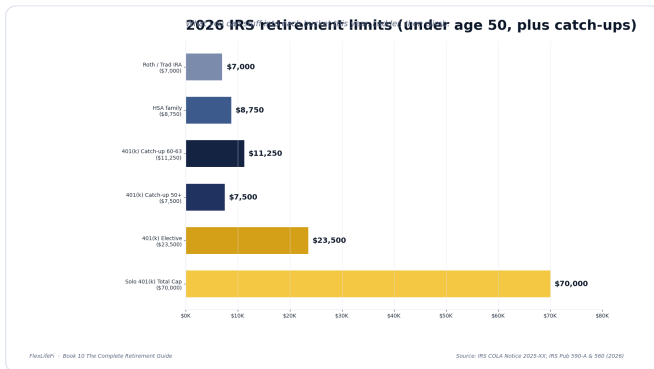
- 1. Your 401(k) matches 50% of the first 6%. You make \$80k. What's the smallest contribution that captures the full match?**
- 2. Income is \$250K, MFJ. Can you contribute directly to a Roth IRA in 2026? If not, what's your move?**
- 3. You're 32, 22% bracket. Roth or Traditional 401(k)?**

Answers in the footer of page 4 →

PHASE ONE · ACCUMULATE

2026 IRS limits — what fits in each bucket.

Every limit on this page is from the IRS 2026 cost-of-living adjustment notice and Pub 590-A / Pub 560 / Pub 969.^{1,2,4,6,8,11} Verify in writing before you fund — limits change each November.



2026 limits side-by-side. Solo 401(k) on top because it stacks employee + employer contributions in one account.⁶

Filing status	Workplace plan?	Trad IRA deduction phase-out (MAGI)
Single	Yes	\$79,000 – \$89,000
MFJ	You covered	\$126,000 – \$146,000
MFJ	Spouse covered, you not	\$236,000 – \$246,000
MFJ	Neither covered	No limit — fully deductible

IRS Pub 590-A 2026 phase-outs.⁴

WORKPLACE-PLAN FAMILY

401(k) vs 403(b) vs 457(b) vs TSP.

401(k) — private employer. **403(b)** — non-profit, hospital, public school (often annuity-heavy — choose the index option). **457(b)** — state/local gov; no 10% early-withdrawal penalty after separation. **TSP** — federal/military with rock-bottom expense ratios (~0.04%).^{12,23}

The 457(b) trick: public-sector workers can stack a full \$23,500 in a 403(b) AND another \$23,500 in a 457(b) — \$47,000 of pre-tax space before catch-ups.¹²



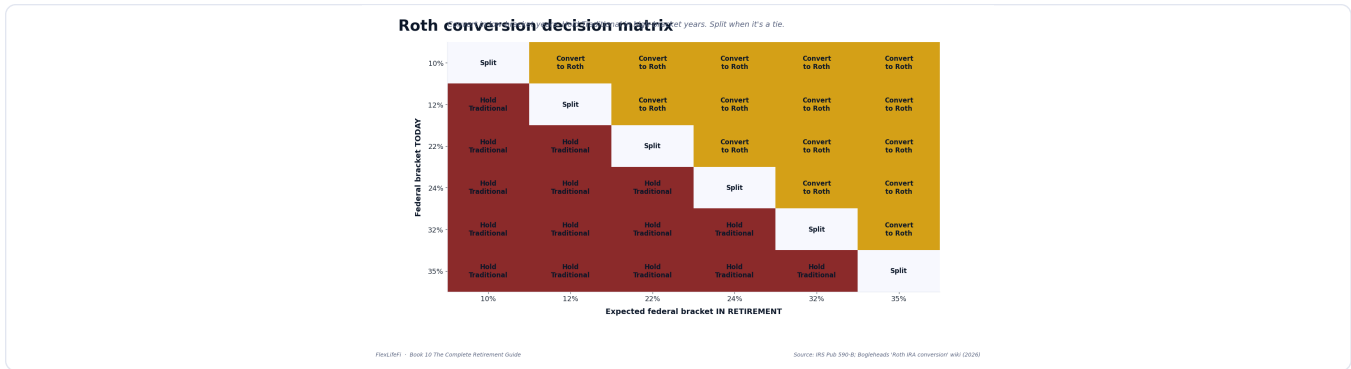
CAPTAIN COMPOUND

"Match before tax bucket. Tax bucket before doors. Always."

Page 3 answers: 1) 6% of \$80k = \$4,800 captures the full 50% match; 2) No, you're above the \$246K phase-out — use the Backdoor Roth, but roll any pre-tax IRA into your 401(k) first; 3) Roth — 22% bracket favors paying tax now.^{1,3,10}

PHASE TWO · CONVERT**CONVERT · the Roth ladder + the 5-year rule.**

*A Roth conversion moves money from Traditional IRA to Roth IRA. You pay ordinary income tax on the converted amount in the year you convert. **After 5 tax years**, that converted principal is withdrawable without penalty or tax — even if you're under 59½.^{5.38}*



The single rule, simplified. Convert in **low-bracket years**. Hold Traditional in high-bracket years. Split when it's a tie. **5,33,37,38**

- 1 | Map your low-tax window.**
Between retirement (60–62) and RMD age (73 or 75), taxable income often drops. **That** is when you convert.

- 2 | Convert to the top of a bracket.**
Each year, fill the 12% or 22% bracket — not over. Past the line is wasted bracket.

- 3 | Pay the conversion tax from outside the Roth.**
Use taxable-account cash. Paying it from the Roth defeats the purpose.⁵

- 4 | Each conversion has its own 5-year clock.**
Started Jan 1 of the conversion year. A December 2026 conversion clears Jan 1 2031.³⁸

- 5 | Form 8606 every year.**
Reports the conversion and any non-deductible basis. Skip this and the IRS may double-tax you.¹⁰

SOURCE-DIRECT — IRS PUB 590-B

"You generally can convert."

"You can convert amounts from a traditional IRA to a Roth IRA in any of the following three ways: rollover, trustee-to-trustee transfer, same-trustee transfer." — IRS Pub 590-B (2026).⁵

THE TRAP

Converting in a high-income year.

Converting \$50K in a 32% year = \$16,000 tax. The same \$50K in a 12% gap year = \$6,000 tax. Same Roth balance, \$10,000 extra in your pocket. **Convert in low years.**

Quick Check 2 — Convert

- 1. You retire in 2026 at 50. Pull the trigger on conversions immediately or wait 12 years until 62?**
- 2. You convert \$40K in December 2026. When does that money clear the 5-year clock?**
- 3. True or false: paying the conversion tax FROM the Roth is fine.**

Answers in the footer of page 6 →

PHASE TWO · CONVERT

The early-retiree's Roth conversion ladder.

You retire at 50 with \$1M in a Traditional IRA. Need \$40K/year. Have \$200K in a taxable brokerage to bridge. Build the ladder once, harvest it forever.^{5,38}

Year	Age	Live off	Convert (12% bracket)	5-yr unlock
2026	50	Taxable \$40K	Traditional → Roth \$40K	2031 (age 55)
2027	51	Taxable \$40K	Traditional → Roth \$40K	2032 (age 56)
2028	52	Taxable \$40K	Traditional → Roth \$40K	2033 (age 57)
2029	53	Taxable \$40K	Traditional → Roth \$40K	2034 (age 58)
2030	54	Taxable \$40K	Traditional → Roth \$40K	2035 (age 59)
2031	55	Roth (2026 conversion) \$40K — tax-free, penalty-free	Convert another \$40K	2036 (age 60)
2032+	56+	Roll the ladder. Each year a new conversion unlocks.	\$40K (top of 12%)	+5 yrs

BOGLEHEADS-DIRECT

"The ladder is the early-retiree's secret weapon."

"A series of partial conversions can give you tax-free, penalty-free access to your traditional IRA five years before age 59½." — Bogleheads Wiki, "Roth IRA conversion," verified 2026-04-25.³⁸

THE TRAP

The ACA cliff.

If you're getting Affordable Care Act subsidies before Medicare, every dollar of conversion income reduces your subsidy. Project the AGI impact before you click convert.



CAPTAIN COMPOUND

"Each conversion runs its own 5-year clock. December conversions get a free head start."

FIVE-YEAR CLOCK CHEATSHEET

Conversion clock: 5 tax years from Jan 1 of the conversion year. Lets you withdraw the converted principal penalty-free pre-59½.^{5,38}

Roth contribution clock: 5 tax years from Jan 1 of your first Roth contribution. Lets the earnings come out tax-free at 59½.

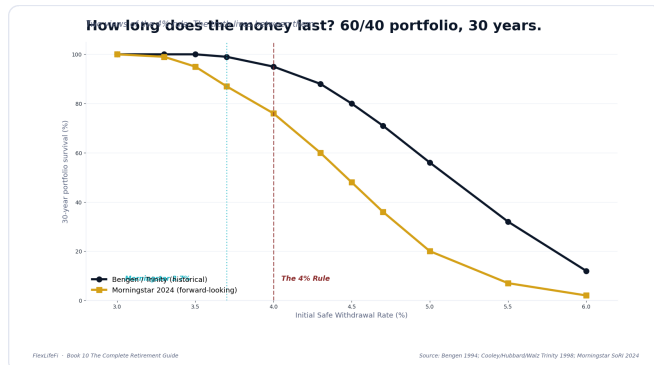
Inherited Roth: 10-year rule for most non-spouse beneficiaries (SECURE Act 2019; SECURE 2.0 left this alone).¹⁷

Page 5 answers: 1) Pull the trigger immediately — the 12% gap years are too valuable to waste; 2) Jan 1, 2031 (clock starts on conversion-year Jan 1); 3) FALSE — pay the tax with outside cash so the full Roth keeps compounding.^{5,38}

PHASE THREE · DRAWDOWN

DRAWDOWN · sequence the buckets, watch the first decade.

Three buckets in retirement. Drawn in the right order, they stretch farther — and tax stays flat.^{32,34,36}



The 4% rule is a planning anchor, not a guarantee. Bengen/Trinity says ~4% is safe historically; Morningstar 2024 forward-looking says 3.7%.^{24,25,29,30}

1 | Standard sequence: Taxable » Traditional » Roth.

Lets the tax-advantaged accounts keep compounding. LTCG (0/15/20%) is usually cheaper than ordinary income on Trad withdrawals.^{14,32}

2 | Hybrid w/ Roth conversions.

Pull from Taxable, and convert Trad → Roth up to the top of the 12% or 22% bracket every year of the gap. Lower lifetime tax for most retirees.³⁶

3 | Build a 2-year cash bucket.

So you never have to sell stocks in a down year. Sequence-of-returns risk concentrates in the first decade.^{26,27}

4 | Use guard rails.

Cut spending 10% in down years; raise it when markets are good. Guyton-Klinger rules let an inflation-adjusted plan outlast almost any historical drawdown.²⁶

5 | Delay Social Security if you can.

Every guaranteed inflation-adjusted dollar is a dollar you don't pull from a depressed portfolio. See p11.¹⁸

SOURCE-DIRECT — VANGUARD

"Withdrawal order materially impacts after-tax wealth."

"For most investors, the conventional wisdom of withdrawing from taxable accounts first, tax-deferred second, and Roth last results in greater after-tax wealth in retirement." — Vanguard Research, "From Assets to Income," 2023.³²

THE TRAP

Sequence-of-returns risk.

Same average return, different order — vastly different outcome. -10/-10/+5 in years 1-3 + \$40k/yr withdrawals can sink a portfolio that would have survived with returns reversed.^{27,28}

Quick Check 3 — Drawdown

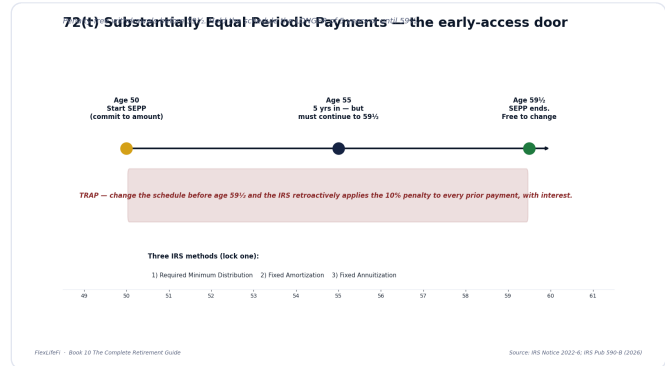
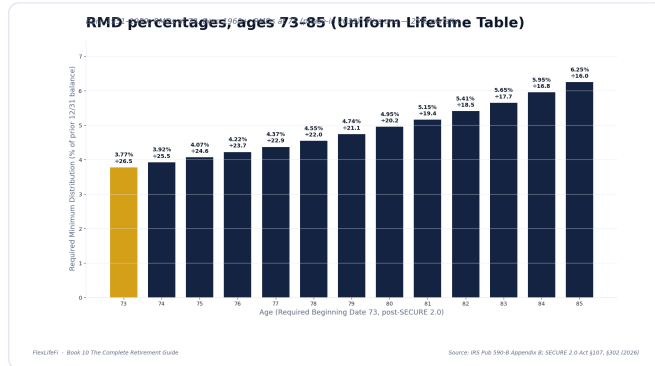
1. Three buckets — taxable, Traditional, Roth. Which one do you usually spend last? Why?
2. Down market year, year 1 of retirement. Where does the cash come from?
3. What's the SECURE 2.0 RMD age for someone born in 1965?

Answers in the footer of page 8 →

PHASE THREE · DRAWDOWN

RMDs (post-SECURE 2.0) and 72(t) early-access.

Eventually the IRS wants its tax. The vehicle is the **Required Minimum Distribution**. And if you need penalty-free access before 59½, IRC §72(t) is the door. ^{5,15,16,17}



RMD = prior 12/31 balance ÷ Uniform Lifetime divisor.
Roth IRAs (and Roth 401(k)s post-SECURE 2.0) have **no** RMDs for the original owner. ^{15,17}

72(t) Substantially Equal Periodic Payments — penalty-free withdrawals before 59½. Hold the schedule the longer of 5 yrs or until 59½. ¹⁶

QCDS — THE MOST TAX-EFFICIENT GIFT

\$108,000 in 2026, direct to charity.

Age 70½+, transfer up to \$108K/yr from your IRA directly to a qualified charity. **Counts toward your RMD. Not taxable income.** Lowers AGI — which can reduce IRMAA, SS taxation, and NIIT. ^{5,15}

THE TRAP

Forgetting an RMD.

The SECURE 2.0 penalty is **25% of the missed amount** (down from 50%). Self-correct in two years: 10%. Most custodians compute it — but YOU are responsible. ¹⁷

Page 7 answers: 1) Roth — tax-free growth means it should be the last dollar you touch (and the dollar you leave to heirs); 2) The 2-year cash bucket; 3) 75 (born 1960+). ^{15,17,32}

REAL STORY · SUSANNE & JONATHAN

An RN pension + a Solo 401(k) holding mineral rights.

The Wildys' actual portfolio — assembled across 22 years of Susanne's RN service, Jonathan's 1099 healthcare income, and a slow pivot into real estate and TX/CO mineral rights.



SUSANNE WILDY

"I worked twenty-two years as an RN. Money is a tool — not a master. I needed someone who spoke its language."

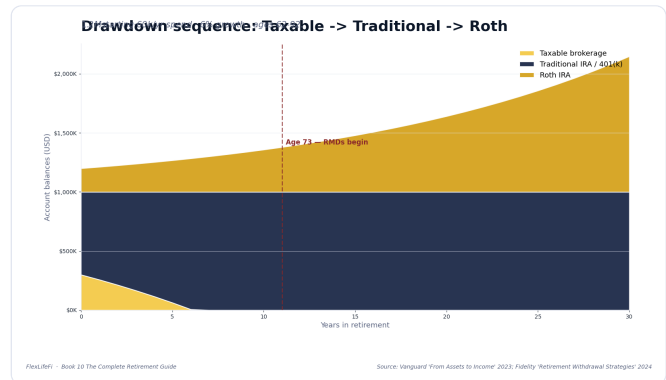
The four buckets we ended up with.

- 1 | Susanne's RN pension.**
 Reduced at 55, full at 60. We waited until 60 — guaranteed inflation-adjusted income delays portfolio drawdown by 5 years.

- 2 | 403(b) → IRA → Roth ladder.**
 Rolled the 403(b) at retirement. Conversions during low-income gap years (2026–2032) at the top of the 12% bracket.

- 3 | Solo 401(k) holding TX/CO mineral rights.**
 Custom plan doc holds royalty interests. Royalty checks land tax-deferred inside. Cross-ref Books 09 + 05.

- 4 | our boutique hotel cash flow + taxable brokerage.**
 Hotel covers spending; brokerage funds Roth conversions; Solo 401(k) and IRA stay invested.



\$1.2M starting · \$60k/yr spend · 6% growth. Taxable runs out near year 8; Traditional carries the next 18 years; Roth survives all 30 with growth left over. **32,34,36**

"Mom claimed Social Security at 62 because she needed the cash. Dad waited until 70 because his pension covered the gap. They both made the right call for their lives. You cannot copy someone else's Social Security strategy any more than you can copy their marriage."

SUSANNE WILDY · FAMILY-MONEY NOTE

REAL STORY · WORKED NUMBERS

The drawdown order — actual lifetime tax.

Captain Compound, 62, single. \$1.2M total: \$300K taxable, \$700K Traditional IRA, \$200K Roth. Wants \$60K/year. Three drawdown strategies — three lifetime tax bills.

Strategy	Years 62–72 plan	Year-73 RMD	Lifetime tax (illustrative)
Pure taxable-first	Spend taxable, then start IRA	RMD on \$1.0M+ Trad	HIGH — RMDs hit 22% / 24% bracket
Hybrid + Roth conversions	Spend taxable + convert \$40k/yr to Roth	RMD on \$400K Trad	LOWER — fills 12% bracket each year
Roth-first	Tax-free now, RMDs untouched	RMD on \$1.2M+ Trad	WORST long-run — biggest RMDs ever

THE MATH, IN PLAIN ENGLISH

The Roth conversion ladder during gap years saves real tax.

By age 73, the Hybrid strategy has shrunk Trad to ~\$400K — RMDs ~\$15K/yr. Pure-taxable-first leaves the same Trad over \$1.0M — RMDs ~\$38K/yr, often in the 22% bracket. **\$5,000+ of tax difference per year, every year, until death.**

THE TRAP

Cashing the 401(k) on a job change.

~41% of workers tap their 401(k) when leaving a job — 10% penalty + ordinary income tax = 30%+ haircut, plus the lost compounding.³¹

Always roll over. Direct trustee-to-trustee, never a check in your hands.



CAPTAIN COMPOUND

"This is where a \$1,500 fee-only CFP plan saves you \$20,000+ over a 30-year retirement. Math don't care."

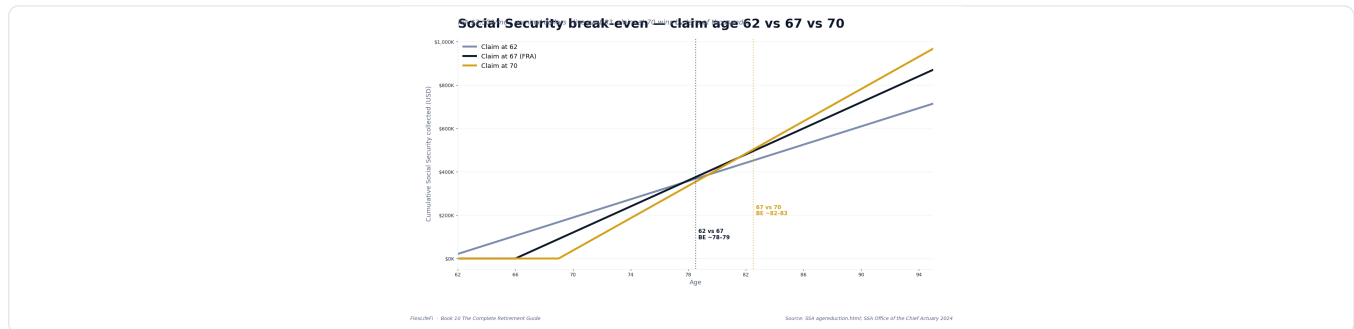
SUSANNE'S FAMILY-MONEY NOTE

"The only thing harder than building the buckets was deciding which one to drain first. The CFP told us: 'spend cash, fill the 12% bracket every year, leave the Roth alone.' Five years in, we're below our planned tax bill by 20%."

SOCIAL SECURITY · THE LONGEVITY DECISION

Claim at 62, 67, or 70 — run YOUR numbers.

Social Security is longevity insurance you've already bought. The choice is when to start collecting. Reduced ~30% at 62 · 100% PIA at 67 · +24% at 70.^{18,19}



PIA \$2,500/mo · nominal dollars. Live past 83 — claiming at 70 wins by tens of thousands.^{18,19,22}

Age	Claim @ 62	Claim @ 67	Claim @ 70
78	\$357K	\$360K	\$335K
83	\$462K	\$510K	\$521K
85	\$504K	\$570K	\$595K
90	\$609K	\$720K	\$781K

SSA bend-point formula + delayed-retirement-credit table.^{18,19}

SOURCE-DIRECT — SSA

"As much as 8% per year of delayed retirement credits."

"If you start receiving retirement benefits at age 70, your benefit will be 132% of the monthly benefit if you started at full retirement age." — SSA, "When to Start Receiving Retirement Benefits" (2026).¹⁸

SPOUSAL & SURVIVOR STRATEGY

Higher earner delays. Lower earner claims earlier.

Survivor keeps the higher of the two checks — not both. Delaying the higher earner's benefit is buying inflation-adjusted longevity insurance for the surviving spouse. Adds \$100k+ in lifetime household benefits for most couples.²⁰

THE TRAP

Working while claiming early.

Earn over \$23,400 (2026) and SSA withholds \$1 for every \$2 over the limit until FRA.²¹

Three actions before you file

1. Pull statement at ssa.gov/myaccount — screenshot 62 / 67 / 70.
2. If married, run the spousal/survivor scenario — higher earner delaying often wins by \$100K+. ²⁰
3. Confirm bridge income (Roth ladder, taxable, pension) covers the delay years before committing.

SSA: 800-772-1213 (TTY 800-325-0778) — verified 2026-04-25.

TOP COMPANIES & DIRECT CONTACTS

Twelve phone numbers worth saving today.

All phones + URLs verified 2026-04-25. Consumer-facing main lines. No call-center traps.

Agency / Custodian	Phone	Website	What to ask for
Social Security Administration	800-772-1213 · TTY 800-325-0778	ssa.gov	PIA estimate · claim-age strategy · myAccount login
Medicare	800-633-4227 (800-MEDICARE)	medicare.gov	Part A/B/D enrollment · IRMAA appeals
Vanguard	800-523-1036	vanguard.com	IRA · Roth · Solo 401(k) · advisory
Fidelity	800-343-3548	fidelity.com	IRA · Roth · Solo 401(k) · HSA · NetBenefits
Charles Schwab	800-435-4000	schwab.com	IRA · Roth · Backdoor mechanics · 401(k) rollover
TIAA (educators / non-profits)	800-842-2252	tiaa.org	403(b) menus · annuity vs. mutual fund
Thrift Savings Plan (federal)	877-968-3778	tsp.gov	TSP fund election · withdrawal options
CFP Board	800-487-1497	letsmakeaplan.org	Find a fee-only Certified Financial Planner
CFPB Consumer Help	855-411-2372	consumerfinance.gov	File complaint vs. broker · custodian · plan
AARP Financial Helpline	888-227-7669	aarp.org/money	Retirement counseling · fraud protection
IRS (individual line)	800-829-1040	irs.gov	RMD penalty waiver (Form 5329) · Form 8606
HSA Bank	800-357-6246	hsabank.com	Open / transfer HSA · investment threshold

HOW TO USE THIS PAGE

Call the custodian. Then call the agency.

1. Call your 401(k) — confirm the match. **2.** Fund the Roth IRA. **3.** If 60+, call SSA for the PIA statement.
- 4.** Custodian uncooperative? CFPB at 855-411-2372.³⁹



CAPTAIN COMPOUND

"At \$500k+ portfolio, a \$1,500 fee-only CFP plan typically saves \$20k+ in lifetime tax. Bring this book."

THE TRAP

Commission "advisors."

Pay a **fee-only CFP** \$1,500–\$3,500. Avoid commission salespeople pushing whole life or variable annuities.³⁹

ACTION PLAN · 30 DAYS

Seven dated steps. One month. Real progress.

Tear this out. Tape it to the fridge. Check the boxes as you go. The first reporting cycle after a clean accumulation sweep is where 6–12 months of compounding starts working for you.

- DAY 1-3** **Audit every account.**
 List every 401(k), IRA, HSA, pension, annuity. Pull current balances + contribution rates. Lost an old 401(k)? Search at unclaimedretirementbenefits.com.³⁹
- DAY 4-7** **Capture the match.**
 Log into your current 401(k); confirm 100% of the employer match. Raise the deferral percent today if you're not. Highest-return move in the book.³¹
- DAY 8-14** **Open / fund the Roth IRA.**
 Vanguard / Fidelity / Schwab. Auto-deposit toward \$7,000 (or \$8,000 50+) for 2026. Over the income limit — plan a Backdoor Roth (Chapter 5).^{2,3,10}
- DAY 15-18** **Check the HSA.**
 If you have an HDHP, confirm you're funding the HSA. If the balance is sitting in cash, invest the portion above the cash floor.⁸
- DAY 19-22** **Run the Roth-vs-Trad decision.**
 Use your current marginal bracket. 22% or below — Roth. 32%+ — Traditional. 24% — split. Adjust your 401(k) split accordingly.³³
- DAY 23-25** **Pull your SSA statement.**
ssa.gov/myaccount. Screenshot projected benefits at 62, 67, 70. Within 10 years of claiming — read the SS spread on p11.¹⁸
- DAY 26-30** **Map drawdown buckets & book a CFP visit.**
 Total taxable / Trad / Roth. If 5+ yrs from retirement, just write it down. If within 10 yrs, schedule a fee-only CFP plan (\$1,500–\$3,500). Cross-check: letsmakeaplan.org / 800-487-1497.³⁹

**CAPTAIN COMPOUND SAYS**

"Compounding doesn't care if you're watching."

"It just keeps working. Your job is to put dollars in front of it. The ladder tells you which dollar goes where."

\$1,500

FEE-ONLY CFP PLAN

Routinely saves \$20k+ over 30-yr retirement at \$500k portfolio.³⁹

GLOSSARY

Twenty-six terms — defined in plain English.*Every term in this book that has more than one syllable.***401(k)**

Employer-sponsored, tax-advantaged retirement plan for private-sector workers. 2026 elective limit \$23,500.¹

403(b)

Same idea, for non-profits, hospitals, public schools. Often annuity-heavy — find the index option.

457(b)

Government deferred-comp plan. No 10% early-withdrawal penalty after separation.¹²

TSP

Federal/military 401(k) equivalent with rock-bottom fees (~0.04%).²³

Traditional IRA

Tax-deductible going in (sometimes), tax-deferred growth, ordinary-income tax out.⁴

Roth IRA

No deduction in, tax-free growth, tax-free out after age 59½ + 5-year rule.^{3,5}

HSA

Health Savings Account. Triple tax advantage. Requires HDHP coverage.⁸

HDHP

High-Deductible Health Plan. Required to fund an HSA.⁸

Solo 401(k)

One-participant 401(k) for self-employed with no employees. Top-tier vehicle for 1099 workers.⁶

SEP IRA

Simplified Employee Pension. Cheaper to administer than a Solo 401(k); no Roth option.⁶

Backdoor Roth

Non-deductible Traditional IRA contribution + immediate conversion to Roth.¹⁰

Mega Backdoor Roth

After-tax 401(k) contributions converted to Roth, up to the \$70K total limit.^{11,37}

Pro-Rata Rule

IRS rule that taxes Backdoor Roth conversions if you have other pre-tax IRA money.⁵

Form 8606

IRS form that tracks non-deductible IRA basis. Required for Backdoor Roth.¹⁰

MAGI

Modified Adjusted Gross Income. Determines IRA deduction and Roth contribution limits.

PIA

Primary Insurance Amount. Your Social Security benefit at Full Retirement Age.¹⁹

FRA

Full Retirement Age. 67 for anyone born 1960 or later.¹⁸

RMD

Required Minimum Distribution. Mandatory withdrawal from tax-deferred accounts starting age 73 or 75.^{15,17}

QCD

Qualified Charitable Distribution. Direct IRA-to-charity gift up to \$108,000 in 2026.⁵

SECURE 2.0

2022 federal law that raised RMD age, lowered missed-RMD penalty, added super catch-ups.¹⁷

4% Rule

Bengen / Trinity safe initial withdrawal rate from a balanced portfolio over 30 years.^{24,25}

Trinity Study

1998 academic update to Bengen 1994; confirmed ~95% historical success at 4% SWR over 30 years.²⁵

Sequence-of>Returns Risk

The risk that bad early-retirement returns + withdrawals destroy long-run portfolio survival.²⁷

72(t) SEPP

IRS-approved penalty-free early-withdrawal series before age 59½.¹⁶

Roth Conversion Ladder

Multi-year Roth conversions used to access Traditional IRA money penalty-free pre-59½.³⁸

IRMAA

Income-Related Monthly Adjustment Amount. Medicare premium surcharge for higher earners.

FAQ

Twelve questions every reader asks.

If your question isn't here, call your custodian or the agency — every number on p12 is a real human, verified 2026-04-25.

1. I'm 30 and just got my first 401(k). What now?

Sign up for the match. Pick a target-date fund. Capture 100% of the match. Open a Roth IRA at Vanguard / Fidelity / Schwab and auto-fund \$300/month. Come back in five years.

2. I'm 65 with \$400K Trad, \$100K Roth, \$50K cash. Where do I draw from first?

Cash first for the next year of expenses. Then small Trad withdrawals to fill the 12% bracket. Save Roth for last (and for tax-free heirs). At this scale a \$1,500 CFP plan saves \$20K in lifetime tax.

3. Income is \$250K — can't contribute directly to a Roth — what now?

Backdoor Roth. Roll any pre-tax IRA into your 401(k) first to avoid pro-rata. File Form 8606 with your 1040.^{5,10}

4. Roth or Traditional 401(k)?

22% or below — Roth. 32%+ — Traditional. 24% — split. Use your current marginal bracket today, your projected one tomorrow.³³

5. Should I claim Social Security at 62 or wait to 70?

Depends on health, marriage, need. Live to 85 — waiting wins by tens of thousands. See bonus file [social_security_break_even.md](#).¹⁸

6. Is the 4% rule still safe?

Roughly. Morningstar 2024 says 3.7%; Bengen 2020 said 4.7%. Treat 4% as anchor; build flexibility (guard rails, cash bucket, delayed SS).^{29,30}

7. What's the deal with the HSA?

Best retirement account most people ignore. Triple tax break. No RMDs. Pays Medicare premiums tax-free after 65. Max it.⁸

8. I left my job — should I roll my 401(k) to an IRA?

Usually yes for control + lower fees. NO if you plan Backdoor Roths (rolled-over money triggers pro-rata). NO if you might use the rule-of-55 (penalty-free 401(k) withdrawals if you separate at 55+).⁵

9. What is a Roth conversion ladder?

Multi-year Trad-to-Roth conversions designed to access Trad money tax-free 5 years later. The early retiree's secret weapon. See pp 5–6.³⁸

10. When do I have to start RMDs?

Age 73 if born 1951–1959. Age 75 if born 1960 or later. Roth IRAs and Roth 401(k)s have **no RMD** for the original owner.^{15,17}

11. Can I have a 401(k) AND an IRA?

Yes — the limits are separate. Max one or both as the ladder allows.^{1,2}

12. Should I hire a financial advisor?

For a one-time plan: yes — pay a **fee-only CFP** \$1,500–\$3,500 for a written plan. Avoid commission-based advisors selling annuities and whole life. Use letsmakeaplan.org / 800-487-1497.³⁹

CROSS-REFERENCES

Three books to read alongside this one.

If you want to go deeper after this book, read Book 02 next. The retirement story braids into every corner of the FlexLifeFi library.

READ NEXT

Book 02 — Investing 101

The index-fund and asset-allocation basics that drive every retirement portfolio. OWN → DIVERSIFY → REBALANCE. Pairs directly with this book's Chapter 7 (drawdown sequencing) and the 4% rule.

READ FIRST IF 1099

Book 09 — The 1099 Wealth Guide

The Solo 401(k) deep-dive. Mega Backdoor Roth design. Self-employed retirement strategy. Cross-references the Wildy mineral-rights example on p9.

READ THIRD

Book 11 — Credit Mastery

Why credit matters in retirement: refinances, HELOCs, mortgage cash flow on rentals. The our boutique hotel refinance story on Book 11 p5 is the FlexLifeFi anchor for credit + cash flow in retirement.

FOR ALTERNATIVE-ASSET READERS

Book 05 — Alternative Investments

If you want to hold mineral rights, real estate, or notes inside a Solo 401(k). Cross-ref the Wildy Solo 401(k) holding TX/CO mineral rights on p9.

FOR EARLY RETIREES

Book 01 — The FI Roadmap

The FI-number framework, the "we didn't wait for retirement" story, and how the Roth ladder fits between work and a traditional retirement age.



SUSANNE

"Money is a tool — not a master."

The whole library, in five sentences

1. **Book 01: EARN → SAVE → INVEST → PROTECT** — the FI framework.
2. **Book 02: OWN → DIVERSIFY → REBALANCE** — the indexing core.
3. **Book 09: STRUCTURE → SAVE TAX → COMPOUND** — the 1099 path to a Solo 401(k).
4. **Book 10 (this book): ACCUMULATE → CONVERT → DRAWDOWN** — the retirement spine.
5. **Book 11: BUILD → ENHANCE → REPAIR** — the credit fuel that powers the rentals and the refis.

All eleven books cross-reference the same FlexLifeFi-portfolio anchors. Read them in any order — they're a network, not a sequence.

CITATIONS

Where every number came from.

Forty sources, all verified 2026-04-25. Tier-1 (federal / regulatory / academic) lead; Tier-2 (custodian research) follow.

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"Compounding doesn't care if you're watching. It just keeps working." — Captain Compound

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