

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Dear [Client Name],

Subject: Your Personalized Tax-Efficient Withdrawal Strategy

Based on our recent financial review, we have developed a strategic plan for your portfolio distributions. Our primary objective is to maximize your after-tax income while preserving the longevity of your retirement assets.

For the upcoming fiscal year, we recommend the following withdrawal sequence:

- **Required Minimum Distributions (RMDs):** We will first satisfy any legally mandated distributions from your traditional IRAs or 401(k) plans to avoid penalties.
- **Taxable Accounts:** We will draw from your brokerage accounts next, prioritizing assets with the lowest capital gains impact to manage your current tax bracket.
- **Tax-Deferred Accounts:** We will strategically withdraw from traditional retirement accounts up to the limit of your current marginal tax bracket.
- **Tax-Free Accounts:** Assets in your Roth accounts will be preserved for later years or high-expense periods to provide tax-free flexibility.

**Key Considerations:**

- **Capital Gains Harvesting:** We may realize specific gains or losses to offset taxable income.
- **Roth Conversions:** We are evaluating a partial conversion to reduce future RMD burdens.
- **Medicare Premiums:** This strategy aims to keep your Modified Adjusted Gross Income (MAGI) below thresholds that trigger IRMAA surcharges.

Please review the attached schedule detailing the specific amounts and account sources for your next distribution. We recommend coordinating this plan with your tax professional to ensure total alignment with your annual filings.

If you have questions regarding these recommendations, please contact our office to schedule a brief consultation.

Sincerely,

[Advisor Name]

[Firm Name]

[Phone Number]