It’s not just what you earn, but what you keep.

Leverage the power of tax-deferred growth and take charge of your retirement with a tax-smart strategy.

There are two certainties in life, let’s address the one you have some control over: taxes.

While planning for a long and comfortable retirement, it’s important to take a proactive approach with a tax-smart strategy. Many of us when we think of retirement expenses, think of housing, healthcare, transportation or food, but don’t forget this critical piece of the puzzle and the impact it has on your present and future nest egg.

More than two-thirds say the U.S. faces a retirement crisis.

Strongly agree 30%
Somewhat agree 37%
Somewhat disagree 13%
Strongly disagree 3%
Don’t know 17%

Source: Greenwald 2021 Retirement Insecurity Study

With more investors than ever before expressing concern about achieving a secure retirement, it’s critical to keep more of your hard-earned money working for you.
Enhancing long-term growth potential through tax-efficiency.

Being savvy about creating a tax-efficient retirement portfolio makes sense but managing taxes in retirement can be complex. With careful planning, however, it may afford the opportunity to reduce your tax burden. Retirement income can be treated in three ways with regards to taxation:

<table>
<thead>
<tr>
<th>Taxable</th>
<th>Tax-Deferred</th>
<th>Tax-Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some income taxes may be paid each year. Examples:</td>
<td>Income taxes paid only when assets are distributed or, if applicable, sold. Examples:</td>
<td>Certain distributions are free of federal and/or state income taxes. Examples:</td>
</tr>
<tr>
<td>• Mutual Funds</td>
<td>• Nonqual Annuities</td>
<td>• Municipal Bond Interest</td>
</tr>
<tr>
<td>• Stocks</td>
<td>• Retirement Accounts</td>
<td>• U.S. Treasury Securities*</td>
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<tr>
<td>• Bonds</td>
<td>• Life Insurance Cash Value</td>
<td>• Roth IRAs, Roth 401(k)s</td>
</tr>
<tr>
<td>• CDs</td>
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<td>• Life Insurance Death Benefit</td>
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*Income from Treasuries is subject to federal but not state income taxes.

In a perfect world, we’d park everything in the tax-exempt bucket. Instead, there are a range of asset options and each aligns with a tax consequence. Leveraging tax-smart investing for your retirement portfolio can help create balance, distribute your tax burden over time and ensure that you keep more of your hard-earned assets.

Why to consider tax-smart investing as a part of your retirement puzzle.

Prior to taking income or distributions, investors can keep more of their investment earnings to enable assets to grow faster and can help maximize your retirement income, but there are several reasons why a tax-deferred annuity could be part of a tax-smart retirement plan.

Harnessing the power of tax-deferred growth.

While your money sits protected in a tax-deferred financial vehicle, your earnings are unimpeded by taxes. The chart below hypothetically illustrates how much more you retain when your assets are protected by tax-deferred growth. A $100,000 investment yields an additional $79,468 over 30 years.

Unlimited contributions

Unlike other investment vehicles, there is no limit to what an individual can contribute to an annuity. That can make it a savvy investment for individuals who have maxed out their workplace contribution plan and are looking to protect more of what they earn.

Did you know?

Since retirees often have multiple types of taxable income, earned and unearned, their tax rate liability is based on the tax bracket that relates to their total taxable income.
Tax-free rebalancing
One tax-friendly feature of a variable annuity is the opportunity for rebalancing without triggering a tax consequence. Variable annuities are long-term financial products used for retirement savings. There are fees and expenses associated with these contracts. They represent a contractual agreement in which payments are made to an insurance company, which agrees to pay out an income or lump sum at a later date. As retirement savers’ needs and risk tolerance change over time, periodic rebalancing of retirement portfolios is one effective way to adapt to those evolving needs. Certain annuities can offer a viable solution to make investment changes without incurring a tax liability.

Save taxes over the long-term
Once in retirement, many individuals find themselves at a lower tax rate (tax liability) when relying solely on retirement accounts. Social Security and other income streams in contrast to their working years. In this scenario, at the time of distributions or withdrawals, you’re now being taxed at a lower rate to reflect your reduction in income. This can mean overall tax savings for your nest egg.

Tax-efficient Wealth Transfer
If keeping more of what you earn while enjoying a long, secure retirement was not incentive enough, consider the implications of a tax-efficient wealth transfer solution after life’s other inevitable certainty. Annuities offer individuals the opportunity to transfer ownership of the asset independent of probate, seamlessly to the next generation, averting a tax-triggering event.¹

Did you know?
Up to 85% of Social Security benefits may be taxable, depending on your total income and filing status. 85%

Who might benefit from a tax-deferred solution:
A tax-deferred annuity could benefit a range client needs, but given the impact on long-term investment gains, they can be particularly appealing to retirement-minded or highly affluent investors. A look at individual profiles who might benefit:

- High income earner
- Investors with a 10 year plus retirement horizon
- Individuals with high marginal tax rates
- Investors with substantial assets in taxable accounts
- Those close to retirement who need to catch up.
- Those looking for a complement to Social Security and a pension
- Those looking to leave a legacy for loved ones
- Those who’ve maxed out work-place contributions

¹www.ssa.gov
Envision your retirement, only better. Discover more about tax-deferred solutions from New York Life.

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Talk to your trusted financial professional today about tax-efficient investment strategies.

Neither New York Life Insurance Company, nor its agents, provides tax, legal or accounting advice. Please consult your own tax, legal or accounting professional before making any decisions.

¹ Transfer of ownership through death benefit would have to occur prior to annuitization and would only be allowed on a Non-Qualified policy.