

AHWATUKEE FOOTHILLS NEWS

Case Studies Show Little Used IRA Strategies Work



March 1, 2023 by Dr. Harold Wong

The previous article, February 1, 2023, in the Ahwatukee Foothills News and newspapers was “Three Advanced IRA Strategies Aren’t Used Enough”. These strategies and the huge benefits become more understandable when one gives real-life client case studies.

Case Study #1 shows the Roth IRA Conversion Strategy: I met Joe and Judy in a seminar I gave 6/15/2019. Joe was 63 and an outside salesman for a premium window and door company. Jill was 65 and retired. They had saved \$850,000 of financial assets and wanted to secure their retirement without stock market risk. They were currently spending \$50,000 per year and in retirement asked whether they could spend \$75,000 per year in order to afford lifelong bucket list dreams.

Retirement Income Solution: We were able to reduce the amount invested in Wall Street to only \$85,000 and used the other funds to deposit in private pension annuities and other safe alternatives. Joe was able to wait until age 70 to retire and take maximum Social Security because he loved his job. At age 70, total annual retirement income is projected to be about \$119,922, which is much more than their \$75,000 goal.

Tax Solution: In 2020, the only question left was whether Judy wanted her future \$22,097 annual private pension income to be taxable (because it was funded with a traditional IRA); OR tax-free. They bought some solar business equipment to reduce federal tax to \$0 on a total \$300,566 taxable income, including the \$252,720 Roth IRA Conversion of her

private pension. Now her future \$22,097 of annual income will be totally TAX-FREE for the rest of her life.

Case Study #2 combines the Roth and Multi-Generational IRA Strategies: Mary is a retired nurse, age 71, whose physician husband died many years ago. She has \$4 million of financial assets, including \$1.2 million in a traditional IRA. She has only one child, a son age 40 who lives with her so that she’s not lonely. Her goal is to avoid having to take Required Minimum Distributions (RMDs), starting at age 73, and leave her son as much as possible.

She decided to convert \$600,000 to a Roth IRA in 2022 and will convert the other \$600,000 to a Roth IRA in 2023. Using an advanced financial concept, economic opportunity cost/benefit analysis, the tax-savings effect of a \$1.2 million Roth IRA Conversion will add \$4,981,524 more net wealth for her family. She bought solar business equipment, and used the massive 30% solar credit and “bonus” depreciation to offset all the federal income tax on a total \$790,053 of 2022 federal taxable income.

She has achieved her goal of a large Roth IRA Conversion without paying federal income tax or having to take future RMDs. She will owe \$0 income tax for the rest of her life on the \$1.2 million Roth IRA and her son will owe \$0 income tax on the Roth IRA for the first 10 years after he inherits it.

Conclusion: these advanced IRA strategies can add \$Millions of Net Wealth to a Family!

Attend my Free Live Seminars: Wednesday, 3/22/2023 at 6 pm followed by free dinner; OR Saturday, 3/25/2023 at 10 am followed by free lunch. Both are at Hyatt Place, 3535 W. Chandler Blvd. Chandler, AZ 85226. Topic is “Advanced IRA Strategies: Secrets of Roth, Multi-Generational, and Self-Directed IRAs!”

Free Tour/Workshop at Solar Reefer (Refrigeration) Factory: Saturday, 4/01/2023 9am–12 noon. Topic is “How Solar Reefers can Reduce Taxes to \$0 and earn a steady 10-14%!” Lots of tasty refreshments served!

Location is at Advanced Energy Machines: 4245 E. Norcroft Street, Mesa, AZ 85215, ¼ mile SW of McDowell & Greenfield Roads.

Free Information on Retirement Planning, Solar Business Investments, and Tax Savings can be found at www.drharoldwong.com or www.solarbusinessinvestments.com.

**To schedule your Free Consultation
Contact Dr. Harold Wong at
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Dr. Harold Wong earned his Ph.D. in Economics at the University of California/Berkeley and has appeared on over 400 TV/Radio programs.