

Jane's Profile

George and Jane were married for 50 years, George dies in February 2025. Jane turns 81 in 2026. Here's her financial profile.

2026 Social Security	\$45,000
\$50K savings account generates \$2,000 in interest.	
12/31/2025 Traditional IRA	\$3,680,180
\$750K Domestic Equity Index Fund in a Taxable Account, 1.4% Yield	
Paid Off House	
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Jane's 2026 Tax Return							
Interest	\$2,000						
Nonqualified Dividends	\$1,050						
Taxable Portion of Social Security	\$38,250						
Required Minimum Distribution	\$189,700						
Total Ordinary Income	\$231,000						
Qualified Dividend Income	\$9,450						
Adjusted Gross Income	\$240,450						
Standard Deduction	\$16,100						
Additional Standard Deduction	\$2,050						
Nonitemizers' Charitable Deduction	\$1,000						
Total Deductions	\$19,150						
Taxable Income	\$221,300						
Federal Income Tax	\$45,666			https://www.irs.gov/pub/irs-drop/rp-25-32.pdf			
Net Investment Income Tax	\$475			IRS Garbage Time 2 Point Conversion			
2026 After Tax Cash Flow	\$201,060						
Effective Income Tax Rate	18.67%			IRMAA is an IRS Garbage Time Touchdown in 2028.			
Estimated IRMAA in Two Years	\$6,500			https://www.cms.gov/newsroom/fact-sheets/2026-medicare-parts-b-premiums-deductibles			
Effective Overall Federal Tax Rate	21.29%						
RMD Taxed in the 12% Bracket	14.89%						
RMD Taxed in the 22% Bracket	29.15%						
RMD Taxed in the 24% Bracket	50.65%						
RMD Taxed in the 32% Bracket	5.31%						
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Level	Item	Amount	Tax Bracket	Federal Income Tax
Level Eleven	Qualified Dividends in the 15% Bracket	\$9,450	15% Long Term Capital Gains Tax Bracket	\$1,418
Level Ten	RMD in the 32% Bracket	\$10,075	32% Ordinary Income IRS Garbage Time Touchdown!	\$3,224
Level Nine	RMD in the 24% Bracket	\$96,075	24% Ordinary Income	\$23,058
Level Eight	RMD in the 22% Bracket	\$55,300	22% Ordinary Income	\$12,166
Level Seven	RMD in the 12% Bracket	\$28,250	12% Ordinary Income	\$3,390
Level Six	Social Security in the 12% Bracket	\$9,750	12% Ordinary Income	\$1,170
Level Five	Social Security in the 10% Bracket	\$12,400	10% Ordinary Income	\$1,240
Level Four	Social Security against Available Deduction	\$16,100	Standard Deduction (\$16,100)	\$0
Level Three	Nonqualified Dividends	\$1,050	Available Deduction (all \$1,050)	\$0
Level Two	Interest Income	\$2,000	Available Deduction (all \$2,000)	\$0
Level One	Excluded Social Security Income	\$6,750	Excluded Social Security Income	\$0
	Total Income	\$247,200		
	Less Standard Deduction	\$16,100		
	Less Additional Standard Deduction	\$2,050		
	Less Senior Deduction	0		
	Less Nonitemizers Charitable Deduction	\$1,000		
	Less Excluded Social Security Income	\$6,750		
	Taxable Income	\$221,300		
	Total Federal Income Tax			\$45,666