



CARDINAL ADVISORS

Early Distribution of IRA/401k Balance

Hans and Tom use the following documents to show how early distribution of an IRA/401k can work for you in our video entitled the same.

EARLY DISTRIBUTION OF IRA/401K BALANCE

SS \$32,920,878,645.869 NATIONAL DEBT
 \$4,466,940,813.841 ANNUAL FEDERAL TAX
 \$6,120,962,630,949 ANNUAL FEDERAL SPENDING
 \$711,529,351,928 ANNUAL INTEREST ON NATIONAL DEBT

MED	TOP TAX RATE	
	Year	Rate
<input type="checkbox"/>	2026	39.6%
<input type="checkbox"/>	2023, 2024, 2025	37.0%
<input type="checkbox"/>	2018	31.0%
<input type="checkbox"/>	2017	39.6%
<input type="checkbox"/>	2012	35%
<input type="checkbox"/>	2000	39.6%
<input type="checkbox"/>	1992	31%
<input type="checkbox"/>	1986	50%
<input type="checkbox"/>	1981	70%
<input type="checkbox"/>	1964	77%
<input type="checkbox"/>	1963	91%
<input type="checkbox"/>	1945	94%

	2023, 2024, 2025	
	MARRIED	SINGLE
\$22,000	10%	\$11,000
\$40,000	12%	\$45,000
\$91,000	22%	\$95,000
\$364,000	24%	\$182,000
\$463,000	32%	\$231,000
\$694,000	35%	\$579,000
\$694,000+	37%	\$579,000+

Income
 Estate
 Taxes

LTC
 401K/IRA

- DISTRIBUTE SOME IRA/401K, LIVE ON IT
- CONVERT SOME TO ROTH IRA
- LIFE INSURANCE PREMIUMS

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Oct 2023

2023 Tax Planning

Taxable Income Brackets for 2023 Ordinary Income Tax Rates

Marginal Tax Rate	Married Filing Joint	Single
10%	\$0 – \$22,000	\$0 – \$11,000
12%	\$22,001 – \$89,450	\$11,001 – \$44,725
22%	\$89,451 - \$190,750	\$44,726 – \$95,375
24%	\$190,751 - \$364,200	\$95,376 – \$182,100
32%	\$364,201 - \$462,500	\$182,101 - \$231,250
35%	\$462,501 - \$693,750	\$231,251 – \$578,125
37%*	Over \$693,750	Over \$578,125

*The top rate is effectively 40.8% for those subject to the 3.8% Medicare surtax on net investment income (those with MAGI over the thresholds of \$250,000 joint filers/\$200,000 single filers).

2023 Trust Tax Rates

Ordinary Income Tax		Capital Gain Rates	
10%	\$0 - \$2,900	0%	\$0 - \$3,000
24%	\$2,901 - \$10,550	15%	\$3,001 - \$14,650
35%	\$10,551 - \$14,450	20%	Over \$14,650
37%	Over \$14,450		

Trust Tax Rates – Distributions from inherited IRAs that exceed **\$14,450** and are made to and retained in discretionary trusts will be subject to the top 37% rate. After the SECURE Act, inherited IRA funds will have to be paid out to most of these trusts under the 10-year rule, accelerating trust taxes. Roth conversions during the IRA owner's life become more valuable if the IRA beneficiary is a trust.

Qualified Business Income (QBI) Deduction

20% Deduction Phase-Out Ranges

\$364,200 - \$464,200 - Married Joint

\$182,100 - \$232,100 – Single

Taxable Income Brackets for 2023 Long Term Capital Gains and Qualified Dividends Tax

Long Term Capital Gains Rate	Married Filing Joint	Single
0%	\$0 – \$89,250	\$0 – \$44,625
15%*	\$89,251 – \$553,850	\$44,626 – \$492,300
20%**	Over \$553,850	Over \$492,300

*The 15% rate is effectively 18.8% for those subject to the 3.8% Medicare surtax on net investment income.

**The top rate is effectively 23.8% for those subject to the 3.8% Medicare surtax on net investment income

2023 Transfer Taxes

Transfer Tax	Exemption*	Maximum Rate
Estate, Gift, GST Tax	\$12,920,000	40%

*The estate and gift exemptions are portable. The unused amount can be transferred to a surviving spouse. The GST exemption is NOT portable.

Annual Gift Tax Exclusion \$17,000

Standard Deductions

Married-Joint	\$27,700
Single	\$13,850
Head of Household	\$20,800

Extra Standard Deduction for Age 65 or Blind

\$1,500 (married-joint)

\$1,850 (single)

Qualified Charitable Distributions

Available only to IRA owners and IRA beneficiaries who are 70½ or older. The annual QCD limit is \$100,000 per IRA owner, **not** per IRA account. QCDs are more valuable due to the larger number of taxpayers that are using the increased standard deduction.

Roth Conversion Planning Ideas

Roth conversions are permanent and work best for those who believe they will be subject to higher marginal tax rates in the future.

Roth conversions are not all or nothing. Consider a series of smaller annual conversions over time to spread out the income tax.

Timing Roth conversions for maximum tax efficiency:

Convert before RMDs begin. RMDs cannot be converted, so no conversion can be done until the RMD is withdrawn.

Avoid the impact of Roth conversions on Medicare IRMAA charges for Parts B and D based on income. Since Medicare has a 2-year lookback provision, consider conversions before age 63.

If a spouse died during the year, consider a Roth conversion for the surviving spouse since this may be the last year to take advantage of married-joint tax return rates. Include the conversion income on the final joint tax return.

AVERAGE NEW CAR NOW

Average cost of a New US Light Vehicle

Real-Time Running Total

Source: U.S. Bureau of Economic Analysis

Time Machine

US NATIONAL DEBT
\$33,153,595,890,318
 DEBT PER CITIZEN: **\$98,759**
 DEBT PER TAXPAYER: **\$255,564**

US FEDERAL SPENDING (OFFICIAL): **\$6,120,963,428,920**
 US FEDERAL BUDGET DEFICIT (OFFICIAL): **\$1,782,668,849,303**

US FEDERAL SPENDING (ACTUAL): **\$6,263,576,930,533**
 US FEDERAL BUDGET DEFICIT (ACTUAL): **\$1,925,282,438,063**

US FEDERAL DEBT TO GDP RATIO
 1960: **52.36%** 1980: **34.68%** 2000: **56.09%** NOW: **122.71%**

US FEDERAL TAX REVENUE **\$4,338,294,421,181** REVENUE PER CITIZEN: **\$12,967**

INCOME TAX REVENUE **\$2,325,014,526,361** **PAYROLL TAX REVENUE** **\$1,572,572,847,059** **EXCISE TAX** **\$82,947,923,369**

CHARITABLE DONATIONS **\$544,687,101,181**

TOTAL STATE REVENUE **\$2,292,729,076,635** **TOTAL LOCAL REVENUE** **\$1,229,446,691,538**

CORPORATE TAX REVENUE **\$545,781,227,097** **TARIFF TAX REVENUE** **\$70,370,056,024** **ESTATE & GIFT TAX** **\$31,032,543,947**

PER ADULT **\$2,103**

STATE DEBT **\$1,270,266,892,854** **DEBT PER CITIZEN** **\$3,797**

LOCAL DEBT **\$2,385,718,656,052** **DEBT PER CITIZEN** **\$7,131**

MUNICIPAL EMPLOYEES **19,417,395** **AVERAGE SALARY** **\$73,571**

US GROSS DOMESTIC PRODUCT **\$27,018,524,646,588** **TOTAL WORKER COMPENSATION** **\$14,538,795,116,517**

TOTAL FEDERAL/STATE/LOCAL SPENDING **\$10,028,814,638,483** **TOTAL DEBT TO GDP RATIO** **136.24%** **REVENUE TO GDP RATIO** **29.13%** **SPENDING TO GDP RATIO** **37.13%**

Largest Budget Items

MEDICARE/MEDICAID **\$1,620,963,428,920** **SOCIAL SECURITY** **\$1,320,657,482,635** **DEFENSE/WAR** **\$795,182,265,198** **INTEREST ON DEBT (NET)** **\$711,529,749,178**

Unfunded Debt/Interest

US TOTAL INTEREST PAID **\$3,823,714,299,289** **INTEREST PER ADULT** **\$14,766** **US TOTAL DEBT** **\$103,113,225,469,372** **SAVINGS PER FAMILY** **\$14,090**

BANK INTEREST RECEIVED **\$891,022,084,004** **BANK INTEREST PAID** **\$151,968,043,652** **TOTAL PERSONAL DEBT** **\$24,653,435,919,485** **PERSONAL DEBT PER CIT.** **\$73,493**

STUDENT LOAN DEBT **\$1,817,527,791,889** **PER STUDENT** **\$41,041** **CREDIT CARD DEBT** **\$1,290,842,125,336** **PER HOLDER** **\$7,943**

Money Creation

USA TREASURY DOLLARS 2025 **\$1,528,602,236,461** **US M2 MONEY SUPPLY NOW** **\$20,714,660,581,057** **CURRENCY AND CREDIT DERIVATIVES NOW** **\$632,703,309,615,427**

USA TREASURY DOLLARS 2000 **\$3,539,571,249** **US M2 MONEY SUPPLY 2000** **\$4,875,396,838,582** **CURRENCY AND CREDIT DERIVATIVES 2000** **\$92,603,998,073,585**

Trade Balance

US DEBT HELD BY FOREIGN COUNTRIES **\$7,684,313,409,975** **US TRADE DEFICIT** **\$1,060,511,283,370** **US TRADE DEFICIT - CHINA** **\$284,110,008,115** **US IMPORTED OIL** **\$247,097,676,876**

US POPULATION 335,290,485 US INCOME TAXPAYERS 128,404,713	US WORKFORCE NOW 161,723,828 US WORKFORCE 2000 = 160,884,873	OFFICIAL UNEMPLOYED 6,383,710 ACTUAL UNEMPLOYED 11,863,046	HEALTHCARE COST NOW \$14,254 HEALTHCARE COST 2000 \$5,497	OIL TO SOLAR RATIO NOW \$ = 268.16 WATTS OIL TO SOLAR RATIO 2000 \$ = 4.70 WATTS	DOLLAR SUPPLY NOW \$792,482,162,609 (DOLLAR SUPPLY ADDED 1913) \$652,400,448
PRIVATE SECTOR JOBS 129,135,389 US SELF-EMPLOYED 8,800,165	NOT IN LABOR FORCE NOW 99,365,841 NOT IN LABOR FORCE 2000 = 82,098,975	FULL-TIME WORKERS 134,348,283 PART-TIME WORKERS 26,795,926	COLLEGE TUITION NOW \$26,400 COLLEGE TUITION 2000 \$10,832	DOLLAR TO SILVER RATIO NOW * \$0 PER OUNCE DOLLAR TO SILVER RATIO 1913 \$2.68 PER OUNCE	DOLLAR TO SILVER RATIO 5 YR \$1,558 PER OUNCE DOLLAR TO SILVER RATIO 10 YR \$1,121 PER OUNCE
US UNION WORKERS 15,521,667 GOVERNMENT EMPLOYEES 23,848,723	MEDIAN INCOME NOW \$36,042 MEDIAN INCOME 2000 = \$32,023	MEDIAN NEW HOME NOW \$429,973 MEDIAN NEW HOME 2000 \$167,035	AVERAGE NEW CAR NOW \$50,626 AVERAGE NEW CAR 2000 \$22,495	DOLLAR TO GOLD RATIO NOW * \$0 PER OUNCE DOLLAR TO GOLD RATIO 1913 \$27.24 PER OUNCE	DOLLAR TO GOLD RATIO 5 YR \$12,597 PER OUNCE DOLLAR TO GOLD RATIO 10 YR \$9,327 PER OUNCE
MANUFACTURING JOBS NOW 13,006,112 MANUFACTURING JOBS 2000 = 17,148,198	US BANKRUPTCIES 400,451 US FORECLOSURES 113,117	LIVING IN POVERTY WITHOUT INSURANCE 43,154,458 27,049,108	US HOMELESS 607,918 US DRUG DEATHS 118,501	PAPER TO SILVER RATIO NOW 246.04 TO 1 PAPER TO GOLD RATIO NOW 128.61 TO 1	G7 GDP TO GOLD RATIO \$72,284 PER OZ. BRICS GDP TO GOLD RATIO \$134,972 PER OZ.
US RETIREES 58,035,063 US DISABLED 8,649,281	MEDICARE ENROLLEES 63,865,415 MEDICAID RECIPIENTS 85,938,804	US MILLIONAIRES 23,106,364 FOOD STAMP RECIPIENTS 42,165,914	TOP 1% WEALTH \$17,710,899 BOTTOM 50% WEALTH \$32,128	DOLLAR TO CRYPTO RATIO NOW \$17.89 TO \$1 DOLLAR TO CRYPTO RATIO 2013 \$9.084 TO \$1	M2 \$ TO USA \$ RATIO NOW \$1,776 TO \$1 (M2 \$ TO USA \$ RATIO 2000) \$526 TO \$1

SMALL BUSINESS ASSETS **\$17,083,130,548,514** **CORPORATE ASSETS** **\$22,263,927,549,164** **HOUSEHOLD ASSETS** **\$157,992,008,307,082** **US TOTAL NATIONAL ASSETS** **\$197,339,066,360,397** **ASSETS PER CITIZEN** **\$587,816**

SOCIAL SECURITY LIABILITY **\$22,924,699,909,860** **MEDICARE LIABILITY** **\$35,789,928,656,554** **US UNFUNDED LIABILITIES** **\$194,261,472,996,432** **LIABILITY PER CITIZEN** **\$578,259**

MORTGAGE/LOAN CALCULATOR Au GOLD SUPPLY/DEMAND HOME SALES SOURCES AUTO SALES ABOUT ENERGY OUTPUT GOLD/PRECIOUS METALS