



STABLER
WEALTH MANAGEMENT



MICROSOFT MONEY MOVES

YOUR MONTHLY GUIDE TO STRATEGIES FOR
MAXIMIZING YOUR WEALTH AT MICROSOFT

The Retirement Income Machine

A Guide for Microsoft Professionals on How to Take Retirement Income

As a Microsoft professional, successfully transitioning from your working years to retirement requires a well-thought-out retirement income strategy. In this guide, we will discuss how to best achieve this when planning your retirement from Microsoft. You can reference our companion video for more insights or continue reading to explore the detailed article below.

Understanding the Retirement Income Machine

Transitioning from saving money to taking money out in retirement can be a significant mindset challenge. It's essential to have a structured plan to avoid missed opportunities. We refer to this as the "Retirement Income Machine," which involves creating a retirement paycheck, determining your cash needs, and mapping out other income streams.

Creating a Retirement Paycheck

One of the common challenges we see for new retirees is getting comfortable with the concept of taking money out of their investment accounts. The concept of a retirement paycheck addresses this by planning regular monthly withdrawals from your investments to emulate the regular income you received while working. This approach helps you manage your expenses and gives you permission to spend money as part of your plan. It's important to map out your regular spending needs and incorporate other income streams such as vesting stock awards, deferred compensation, social security, and real estate income.

Proactive Tax and Health Insurance Savings Strategies

The early retirement years, before social security and required minimum distribution (RMD) age, present a significant opportunity for tax planning. We refer to these as the retirement "Gap Years." During this period, you can take advantage of lower tax brackets by targeting investment sales at a 0% tax rate and considering potential Roth conversions. This strategy helps you achieve greater tax flexibility within your

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portfolio, leading to savings on both current and future taxes. It is especially impactful when establishing a strategy to manage your reportable income and targeting reasonable health insurance costs in the years leading up to Medicare (age 65).

Aligning Your Investments to Income

It's crucial to align your retirement income strategy with your investment strategy to achieve a sustainable retirement. At a high level, this involves creating a withdrawal strategy that takes money from less volatile investments and refilling the bucket from gains in your growth investments. Having an organized and timely rebalancing strategy is critical to implementing this approach. This helps you navigate market volatility with the goal of ensuring your money lasts throughout retirement.

Conclusion

Planning for a sustainable and tax-efficient retirement income is essential for retirement success. By creating a structured retirement paycheck, taking advantage of proactive tax savings strategies, and aligning your investments to your income, you can achieve a successful and stress-free retirement. We highly recommend working with a fiduciary Certified Financial Planner® to complete a trial-run of your retirement plan. This process involves mapping out a personalized strategy for taking income in retirement and customizing your investment portfolio to fit this plan.

At Stabler Wealth Management, we specialize in working with Microsoft professionals and retirees. We offer personalized advice and care to help you get the most out of your wealth. Visit our website, www.stablerwealthmanagement.com, to [schedule a complimentary trial-run](#) with one of our experienced financial planners.

team@stablerwm.com | (425) 646-6327 | www.stablerwealthmanagement.com

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