

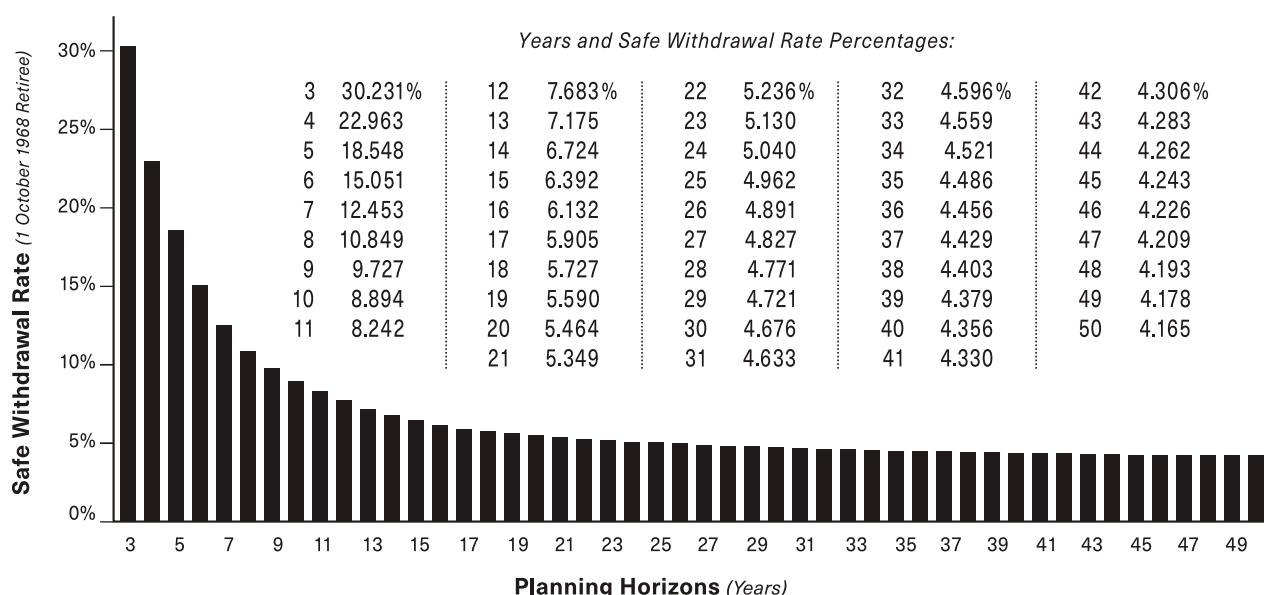
Retire Secure: Safe Withdrawal Card

by James Lange, CPA/Attorney

Bill Bengen's simple but revelatory chart from his new book (*shown below*) helps you find your safe withdrawal rate for different investment horizons between 3 and 50 years. For married couples, we recommend using your best guess at your joint life expectancy and then adding some years as a buffer. Find the corresponding safe withdrawal percentage in the provided lists. Multiply the safe withdrawal percentage by the total value of your portfolio. That number represents how much you can safely withdraw from your portfolio in year one. This does not include taxes.

Safe Withdrawal Rates for Different Time Horizons*

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* Investment Assumptions:

- Accounting for the variability of high inflation and high market valuations.
- A defined 30-year planning horizon.
- Withdrawals come from retirement accounts. (but you must pay the tax).
- No dollars left at the end of the horizon.
- A well-diversified portfolio of seven different asset classes with 55% stock, 40% bond, and 5% cash.
- Accepting market returns rather than attempting to beat the market.
- Withdrawals spread periodically throughout the year.

Calculating Subsequent Withdrawals

In each subsequent year, Bill would then have you increase the initial year's withdrawal by a percentage equal to the annual inflation rate—regardless of market fluctuations.

A Stunning Result for Long-Term Investors

With a short investment horizon, say three years, the safe withdrawal is quite high, in this case 30%. For an investment horizon of 30 years, it is 4.676% (rounded to 4.7%). If you have a 50-year time horizon, most likely because you want to provide for a dependent child, the safe withdrawal rate drops to 4.1%. One strategy is you could withdraw somewhere between your rate and 4.1%. Perhaps not a huge spending hit for long-term peace of mind regarding your child.

Want to Learn More?

For more information, please read Bill Bengen's new book, *A Richer Retirement: Supercharging the 4% Rule to Spend More and Enjoy More* (Wiley, 2025), or please visit Bill Bengen's website at <https://www.bengenfs.com/>. For additional Wiley titles, visit <https://www.wiley.com/en-us/>.

**Please see the reverse side of this card
for more strategies from Jim Lange.**

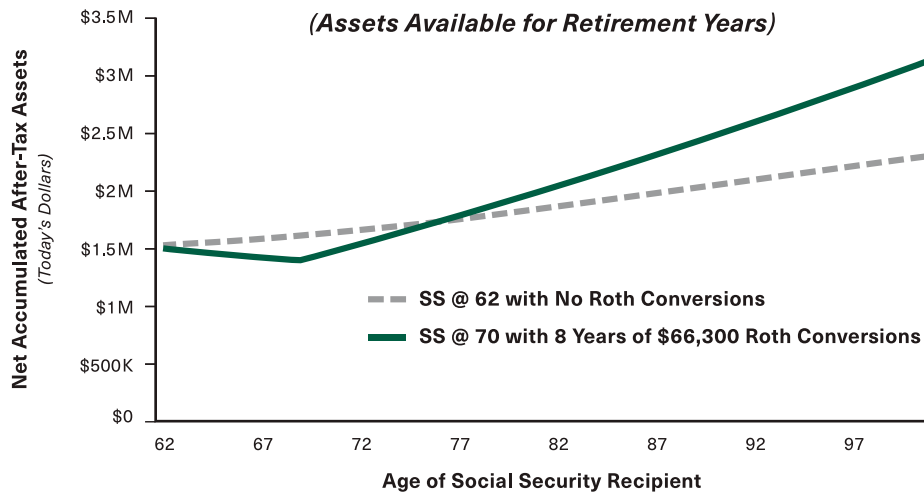
Note: No system is immune to risk, including the potential for loss of principal. A historically unprecedented sequence of poor returns could disrupt even the most robust model. There is no guarantee that any investment plan or strategy will be successful. No information provided should be construed as advice. Speak with a qualified professional prior to implementation.

Retire Secure: Strategies to Boost Your Retirement Income

For spending strategies in retirement, please consider the following:

- Optimize your Social Security, e.g. spouse with the stronger earnings record waits until age 70 to collect.
- Tap into home equity (*HELOC or reverse mortgage*) or at least know you have a substantial reserve.
- Purchase an immediate annuity (*especially good for people with long life expectancies and no children*).
- Complete a series of Roth IRA conversions.
- Spend your current income, then after-tax dollars (*high basis*), then after-tax dollars (*low basis*), then IRAs or retirement plans, if married, up to top of the 12%, 22%, or 24% tax bracket, and last, Roth IRAs.
- Prepare estate planning documents using **Lange's Cascading Beneficiary PlanSM**.

Quantifying the Benefits of Delaying Social Security* and Doing a Series of Roth Conversions



*** Graph Assumptions:**

- Age 62 as of January 2026 with required minimum distributions starting at age 75 in 2039.
- \$1.2 million in pre-tax assets, \$600,000 of after tax-assets, \$300,000 tax allowance for pre-tax assets = \$1,500,000 of net assets.
- 6% rate of rate of return with annual inflation of 3%.
- Income tax rates remain constant.

Integrated Strategic and Investment Management

Our firm provides strategic financial guidance designed to help you maximize your savings. We “run the numbers” weighing options based on your personal circumstances and desires. Some of the factors we assess and analyze include:

- *Roth IRA conversion strategies*
- *Safe withdrawal rate calculations using Bill's method and one other method*
- *Optimizing Social Security*
- *Gifting and charitable giving opportunities*
- *Suggesting ways to optimize your family estate plan*

Through our integrated assets-under-management (AUM) arrangement, **Lange Financial Group, LLC** provides these and more advanced tax and estate planning strategies while an affiliated registered investment advisory firm handles portfolio management, mostly with low-cost enhanced index funds.

Our clients receive both services for a single, competitive fee, which combines the best of two worlds: expert strategic planning and professional investment management.

Our team and the money management team also provide ongoing reviews to adjust your strategies for changes in tax law, investments, or personal circumstances. This coordinated approach aims to maximize value, reduce taxes, and give you financial peace of mind.

If you're interested in exploring how our integrated planning and investment management services can benefit your family, please visit <https://PayTaxesLater.com/NextSteps>.

For more information on safe withdrawal rates, call or visit:

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