NEXT PLAY WEALTH

Your Quarterly Financial Game Plan for Retirement

A Proactive Guide for Retirees Age 65+

Many people believe retirement is about slowing down financially, in reality, it's simply a shift in strategy.

Retirement isn't the end of wealth-building. It's the start of a new phase: growing wealth efficiently while funding life, managing taxes and healthcare costs.

The focus changes. Instead of maximizing income and accumulation, retirees must now coordinate:

- Sustainable distributions.
- Medicare premiums.
- Social Security taxation.
- Required Minimum Distributions (RMDs).
- Estate alignment.

When these pieces are not managed intentionally, unnecessary taxes and rising healthcare costs can quietly erode long-term wealth. The retirees who continue growing and preserving wealth most effectively follow a structured, proactive rhythm throughout the year.

This guide outlines what to review each quarter to stay ahead.

How to Use This Guide

Not every quarter carries the same workload. Q1 and Q4 tend to be the most intensive planning periods.

Q1 focuses on designing the year. Q4 focuses on executing and finalizing tax strategy.

For some retirees, that may feel like a lot, especially if financial organization has been inconsistent in the past.

That's okay.

This guide is meant to create structure, not stress.

If a particular quarter feels overwhelming, certain tasks can reasonably be shifted into Q2 or Q3, especially administrative items or planning conversations that are not deadline sensitive.

What matters most is not perfection. What matters is following a consistent rhythm throughout the year.

Over time, this quarterly discipline becomes far more manageable and powerful.

Before You Begin

If you would prefer to review your own retirement income and tax strategy with professional guidance, rather than navigating it alone, you can schedule a complimentary retirement strategy consultation at www.nextplaywealth.com.

A personalized review can help you:

- Identify potential tax-saving opportunities.
- Evaluate Medicare premium exposure before it becomes costly.
- Coordinate RMDs and Roth conversions properly.
- Align distributions with long-term wealth growth.

Even a single proactive conversation can bring clarity to decisions that impact your retirement for years to come.

Now, let's walk through what to review each quarter.

Q1 (January–March): Design the Year

Q1 is the most strategic quarter of the year. Decisions made now affect taxes, Medicare premiums, and long-term wealth trajectory.

1. Map Out the Year's Major Expenses
Before taking distributions or considering Roth conversions, retirees should project:

- Travel plans.
- Home renovations.
- Vehicle purchases.
- Gifting to children or grandchildren.

- Charitable goals.
- Expected medical costs.

This forecast determines:

- How much needs to be withdrawn?
- Which accounts distributions should come from?
- Whether a Roth conversion fits within the tax plan?
- Whether income may trigger higher Medicare IRMAA brackets?

Tax-efficient growth depends on controlled distributions. Distribution planning drives tax outcomes.

Common Mistake:
Executing a Roth conversion or taking withdrawals before estimating total annual income needs.

2. Organize Tax Documents for Filing
Proactive documentation prevents missed deductions and filing delays.
Retirees should gather common documents such as:

- 1099-R forms (IRA distributions, pensions).
- 1099-SSA (Social Security benefits).
- 1099-INT and 1099-DIV.
- Brokerage 1099-B.
- Healthcare coverage forms.
- Charitable contribution documentation.
- Property tax statements.

Depending on individual circumstances, retirees may also receive additional forms, including:

- 1099-K (certain payment platforms).
- 1099-NEC (consulting or part-time income).
- K-1 forms (partnership or trust income).
- Rental property income statements.

- State-specific tax documents.

Every retiree's income picture is unique. Reviewing the prior year's tax return can help identify all expected forms and prevent omissions.

This is also the time to identify prior-year income spikes that could affect Medicare premiums two years from now.

3. Review Required Minimum Distributions (If Applicable)
For retirees subject to RMDs:

- Confirm required amounts.
- Decide on distribution timing.
- Coordinate with charitable giving (qualified charitable distributions, if appropriate).

RMDs impact taxable income, Social Security taxation, and Medicare premiums.

Waiting until December reduces flexibility and we want to make decisions when we have time, not under duress or risk of penalties that could have been avoided.

4. Evaluate Roth Conversion Opportunities
Early-year tax modeling allows retirees to:

- Estimate current-year income.
- Identify available tax bracket room.
- Understand potential IRMAA exposure.
- Reduce future RMD pressure.

Because Medicare premiums use a two-year income lookback, today's conversion decision affects future healthcare costs.

Strategic conversions can reduce long-term taxes, but uncoordinated conversions can increase future premiums.

5. Annual Beneficiary & Estate Review
Once per year, retirees should:

- Review IRA and brokerage beneficiaries.
- Confirm wills and trusts reflect current wishes.
- Revisit powers of attorney.
- Confirm charitable intentions.

Most Common Mistake:
Assuming estate documents are fine because they were completed years ago.

Q2 (April–June): Adjust After Tax Season
Tax filing provides clarity. Q2 is the time to recalibrate.

1. Evaluate Estimated Tax Payments
Retirees with distributions, dividends, or rental income may need quarterly payments. Underpaying triggers penalties, while overpaying unnecessarily restricts liquidity. Proper withholding from IRA distributions can simplify this process.

2. Monitor Healthcare Costs
Medical expenses can influence:

- Distribution needs.
- Tax strategy.
- Long-term cash flow planning.

Mid-year adjustments prevent reactive decisions later.

3. Revisit Spending Patterns
If expenses are trending higher than expected, income strategy may need adjustment. Small changes mid-year are easier than large corrections in December.

Most Common Mistake:
Ignoring income creep until it's too late to manage tax brackets.

Q3 (July–September): Healthcare & Risk Alignment
Q3 prepares retirees before deadlines approach.

1. Medicare Strategy Review
Before Open Enrollment:

- Review current coverage.
- Compare prescription drug plans.

2. Cash Reserve Review
Retirees should confirm:

- Emergency fund sufficiency.
- Liquidity levels.
- Upcoming withdrawal needs.

Most Common Mistake:
Forcing taxable withdrawals because liquidity planning was ignored.

Q4 (October–December): Precision & Execution
Q4 is where planning turns into execution. This is the final opportunity to optimize tax positioning before year-end.

1. Review Year-to-Date Income

Retirees should calculate:

- Projected total taxable income.
- Current tax bracket.
- Social Security taxation impact.
- IRMAA exposure (two-year lookback awareness).

Once income is projected with reasonable accuracy, retirees should also evaluate whether their quarterly estimated tax payments (vouchers) have been sufficient.

If projected income is higher than expected:

- An additional estimated payment may be necessary to avoid underpayment penalties.

If income is lower than expected:

- Future quarterly vouchers may need to be reduced to avoid unnecessary overpayment and cash flow strain.

In some cases, adjusting withholding from IRA distributions can be a more efficient solution than sending additional estimated payments.

Tax planning does not end with estimating income; it also requires confirming that payments align with projections.

Most Common Mistake:
Reviewing income but failing to adjust quarterly vouchers — resulting in either avoidable penalties or overpaying taxes unnecessarily.

2. Finalize Roth Conversions

If appropriate:

- Execute before December 31.

Conversions should align with a broader multi-year plan, not a single-year impulse which may have short-term gains but longer-term downsides

3. Complete Required Minimum Distributions

RMDs must be completed before year-end (except first-year deferral rules).

If a Roth conversion is part of the strategy, retirees must remember:

Required Minimum Distributions must be taken first before any Roth conversion can occur and the RMD itself is not eligible for conversion. Proper sequencing matters.

Additionally, missing the RMD deadline altogether can also trigger significant penalties.

4. Finalize Charitable Distributions for the Year (If Applicable)

Charitable giving can play a meaningful role in both legacy planning and tax efficiency.

Before year-end, retirees should confirm:

- Which organizations they intend to support.
- The total amount they plan to give.
- The most tax-efficient method for making those gifts.

Depending on individual circumstances, charitable distributions may be made:

- Directly from taxable accounts.
- Through donor-advised funds.
- By gifting appreciated securities.
- Through Qualified Charitable Distributions (QCDs) from IRAs (if eligible).

When structured properly, charitable giving can:

- Offset Required Minimum Distributions.
- Reduce taxable income.
- Potentially limit Medicare premium increases.
- Align wealth with personal values and legacy goals.

Waiting until the final days of December can limit options and create unnecessary pressure.
Most Common Mistake:
Making charitable gifts in cash without evaluating whether a more tax-efficient method was available.

5. Review Family Gifting Opportunities

For retirees who wish to support children, grandchildren, or other family members, year-end is an ideal time to evaluate gifting strategies.

The IRS allows individuals to give up to a certain amount each year to as many recipients as they choose under the annual gift tax exclusion, without triggering gift tax reporting requirements. While the exclusion amount may change over time, it creates a structured opportunity for retirees to gradually transfer wealth in a tax-efficient manner.

Many retirees use this strategy to:

- Gradually reduce future estate exposure.
- Support education, home purchases, or major life events.
- Create multigenerational impact.
- Witness the benefit of their giving during their lifetime.

Before making gifts, retirees should consider:

- Long-term retirement income sustainability.
- Cash flow needs for the upcoming year.
- Alignment with overall estate planning documents.
- Fairness and communication among heirs.

Gifting can take many forms, including (but not limited to):

- Direct cash transfers.
- Contributions to education savings accounts.

- Funding custodial accounts.

When coordinated intentionally, annual gifting can become part of a disciplined estate reduction and legacy strategy rather than a year-end impulse.

Most Common Mistake:
Failing to use the annual gift exclusion consistently over time or making gifts without confirming that retirement cash flow remains secure.

6. Medicare Open Enrollment Decisions
Confirm:

- Coverage adjustments.
- Drug plan updates.
- Cost comparisons.
- Alignment with health needs.

Healthcare costs are one of retirement's largest variables.

7. Year-End Cross-Check: Have You Covered Everything?

Before December 31, confirm:

✓ RMD completed (if applicable).
✓ Roth conversions executed.

✓ Paying quarterly estimates (Q4 is due on the 15th of January of the following year).
✓ Charitable gifts processed.
✓ Medicare coverage confirmed.
✓ Income within intended tax bracket.
✓ Social Security taxation impact reviewed.
✓ Beneficiaries reviewed earlier in year.
✓ Next year's income strategy outlined.

Most Common Mistake:
Reviewing income at the end of December and discovering there is no flexibility left to adjust.

The Bigger Picture

Retirement success is not just about market returns; it depends on coordinating:

1. Tax-efficient growth.
2. Controlled income.
3. Healthcare premium management.
4. Required distributions.
5. Social Security taxation.
6. Estate alignment.

Wealth can continue to grow in retirement, but unmanaged taxes and rising premiums can quietly erode it.

The retirees who build lasting financial confidence follow a disciplined annual rhythm instead of reacting to deadlines.

A coordinated advisor helps connect the dots between taxes, Medicare, distributions, and long-term wealth growth, ensuring each decision supports the broader strategy.

If you found this guide helpful, imagine what a personalized strategy could do for you.

Retirement income decisions don't just affect this year, they can impact your taxes, Medicare premiums, and long-term wealth for years to come.

Even small adjustments to your distribution strategy, Roth conversion timing, or charitable and gifting plans can meaningfully improve after-tax outcomes.

Every retirement situation is unique. Income sources, healthcare exposure, estate goals, and tax positioning vary widely, which means generic advice often leaves opportunity on the table.

A personalized retirement planning consultation allows you to:

- Identify tax-saving opportunities you may be missing.
- Evaluate potential Medicare premium exposure.
- Coordinate RMDs and Roth conversions properly.
- Align gifting and charitable strategies with long-term goals.
- Create a proactive plan for the year ahead.

This is about helping you make confident, informed financial decisions.

If you would like a complimentary retirement strategy consultation, visit www.nextplaywealth.com and schedule a time to speak with our team.

Proactive planning today can prevent costly surprises tomorrow.