Step 5 (continued)

B) Taxable Capital Gains Planning and Opportunities

Begin planning the most tax-efficient way to create income in retirement.

1) First circle your marginal tax rate to be aware of your marginal tax bracket upper limit. You need to watch this carefully when withdrawing money from tax-deferred accounts so that you do not boost your income into the next higher marginal federal tax bracket and incur additional income taxes unnecessarily.

2012 Ordinary Income Tax Rate	Single Taxable Income	Joint Taxable Income	Long-Term Capital Gain Rate
10%	Up to $8,700	Up to $17,400	0%[1]
15%	. . . $35,350	. . . $70,700	0%
25%	. . . $85,650	. . . $142,700	15%[2]
28%	. . . $178,650	. . . $217,450	15%
33%	. . . $388,350	. . . $388,350	15%
35%	. . . $388,351+	. . . $388,351+	15%

[1]0% rate expires 12/31/2012. [2]15% rate expires 12/31/2012. Long-term = more than one year.

2) Record the names of any taxable assets you have where you have a gain over what you paid. If in case additional withdrawals from your tax-deferred accounts might boost you into the next higher federal income tax bracket, you might be better off withdrawing money from your taxable assets instead to avoid paying unnecessary federal income taxes.

Assets with Current Capital Gains	Purch. Date	Current Value	Cost Basis	Est. Gain