



TAX DIVERSIFICATION EXAMPLE

	 Rising Income Tax Rates <i>\$50,000 Hypothetical Annual Withdrawal Need</i>		 Falling Income Tax Rates <i>\$50,000 Hypothetical Annual Withdrawal Need</i>		
	WITHDRAWALS FROM QUALIFIED \$ FIRST	WITHDRAWALS FROM TAXABLE \$ FIRST	WITHDRAWALS FROM QUALIFIED \$ FIRST	WITHDRAWALS FROM TAXABLE \$ FIRST	
Hypothetical Income Tax Rate	10%	10%	37%	0%	
Hypothetical Cap Gain Tax Rate	0%	20% (of Assumed 25% Gain)	0%	20% (of Assumed 25% Gain)	
Annual Tax Paid	\$5,000	\$2,500	\$18,500	\$2,500	
	VS.		VS.		
	WITHDRAWALS FROM TAXABLE \$ LATER	WITHDRAWALS FROM QUALIFIED \$ LATER	WITHDRAWALS FROM TAXABLE \$ LATER	WITHDRAWALS FROM QUALIFIED \$ LATER	
Hypothetical Income Tax Rate	0%	37%	0%	10%	
Hypothetical Cap Gain Tax Rate	20% (of Assumed 25% Gain)	0%	20% (of Assumed 25% Gain)	0%	
Annual Tax Paid	\$2,500	\$18,500	\$2,500	\$5,000	
Average Annual Tax Paid	\$3,750	VS.	\$10,500	VS.	\$3,750



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