



Retirement Planning/IRA Planning

Planning for your retirement begins long before most people think about it. For many of our clients, their retirement planning is also more multi-faceted than they initially expect. Our clients who are business owners and managers consider their businesses are their primary source of retirement income, both because the businesses sponsor retirement plans or deferred compensation plans, or because they plan to sell the business to finance their retirement income needs. Drawing upon the business experience across the firm, Reinhart attorneys in our Business, Tax and Trusts and Estates practices regularly counsel our business owners and managers on planning for their retirement.

Retirement planning involves more than preparing just for the one-time event when our clients stop working full-time at their job or in their business. We view retirement planning as an ongoing process of building a source of income to be drawn upon in retirement. Business owners also must consider planning for the succession of their businesses whether to the next generation, or next owner. Regardless of the exit strategy, we help our clients with maximizing the net, after-tax values of their businesses, retirement benefits (both their qualified retirement plans and non-qualified deferred compensation plans), and IRAs.

Roth IRAs and Roth 401(k) plans have become a very popular tax-efficient vehicle to save for retirement. Although the contributions to Roth IRAs and Roth 401(k) plans are not income tax-deductible, all of the amounts contributed together with their earnings, are tax-free when withdrawn. Roth IRAs are often created when a client "converts" amounts in a taxable IRA to the Roth IRA, and our Tax and Trusts and Estates attorneys help clients calculate the tax and estate planning benefits of making these conversions. Read more about [Roth IRAs](#).

Much of this financial and tax planning for retirement involves structuring withdrawals from the benefits and IRAs to ensure income during retirement. The planning also includes coordinating beneficiary designations for the retirement benefits and IRAs with the client's overall estate planning so that the benefits and IRAs flow to the intended beneficiaries with the least income taxation after the client's death.

Many of our clients use "stretch IRA" distributions for their benefits and IRAs after their deaths, and we help the beneficiaries create "inherited IRAs" for themselves to accomplish this result. Other clients use their retirement benefits and IRAs for charitable giving, either during their lives with "Charitable IRA Rollovers," or after their deaths by leaving part or all of their benefits and IRAs to charities. In addition, clients who plan to marry and have substantial balances in their qualified retirement benefit plans often need assistance with obtaining waivers under the Retirement Equity Act (REA) from the new spouse to assure the client's control of the benefits after death. Finally, for clients with employer securities in their qualified retirement plans, we assist with taking those employer securities out of the plan and use the "Net Unrealized Appreciation" (NUA) rules to dramatically reduce the tax burden on the distribution.