



The importance of tax planning

The Facts

Don't underestimate the impact of taxes

Retirees significantly underestimated the impact taxes may have on them during their retirement years, according to a recent survey¹ from Lincoln Financial Group. Here are some highlights from the study.

PERCEPTION ISN'T REALITY

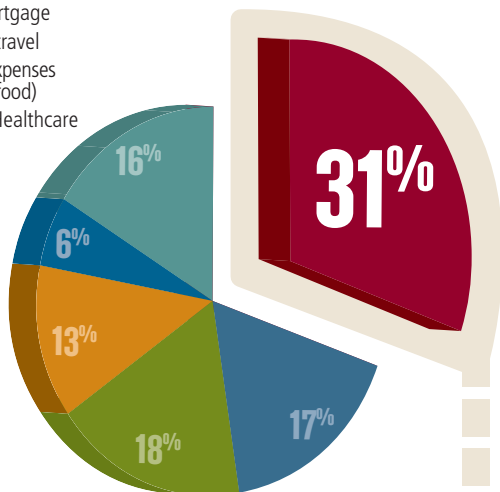
Before retirement, respondents thought their top expenses in retirement would be Home/mortgage, Healthcare and Travel/leisure. In retirement their actual top expenses are:



AVERAGE SPENDING IN RETIREMENT

2013 expenses in retirement (based on average dollars spent)

- Taxes
- Home or mortgage
- Leisure and travel
- Household expenses (utilities and food)
- Health and Healthcare
- Other

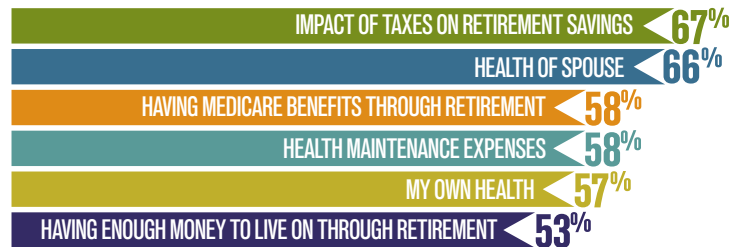


\$32,022

The average amount paid in taxes*

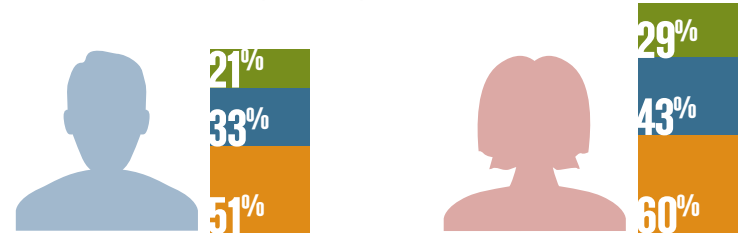
*for retired households with income over \$100K and includes Federal, Real-Estate, State, Capital Gains, and Personal Property Taxes

TOP RETIREE CONCERNS



THE GENDER DIVIDE

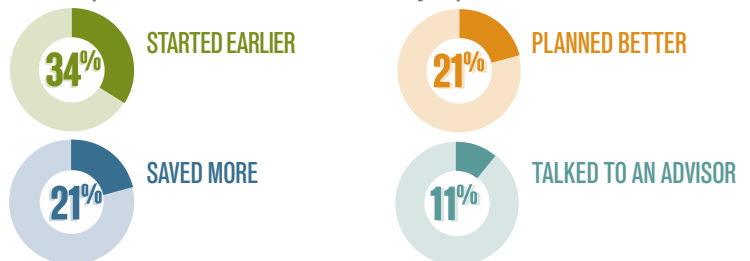
Women were less aware of the potential impact of taxes on their retirement income.



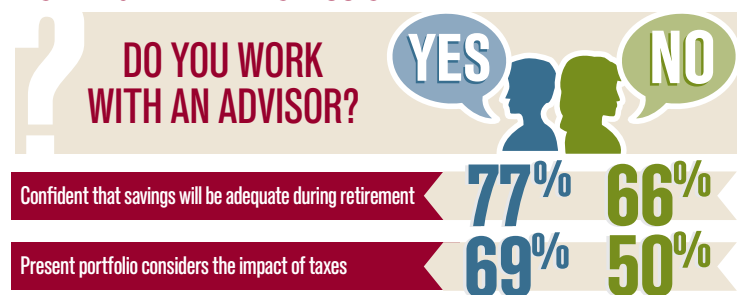
- "I didn't consider taxes when planning for retirement"
- "Taxes are a larger expense in retirement than I anticipated."
- "I'm concerned with having enough money to live throughout my retirement."

20/20 HINDSIGHT

What respondents would have done differently to plan for taxes in retirement:



WORKING WITH A PROFESSIONAL



¹ The survey, "2013 – Expense Challenges of Age 62-75," was developed by Lincoln Financial and The Spectrem Group. It is based on interviews with 750 individuals, with an annual household income of \$100,000 or more, and was developed to better understand how individuals plan and manage living expenses and taxes before and during retirement.

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