Did you know?

Depending on where you live, state income taxes may also apply.

Consult with a tax advisor for specifics.

Achieving retirement balance

Your retirement tax planning checklist

Navigating income taxes in retirement can be a bit tricky. See how your sources of retirement income could be taxed to help you avoid surprises—and make the most of your retirement savings.

Check off the items that are most likely to apply to you and consider discussing your list with your tax advisor and financial professional.

☐ Taking money from your workplace retirement account[1]

The income-tax treatment of your 401(k) plan withdrawals depends on how you put your money into the plan.

- If your contributions were pretax, you'll owe income taxes—federal and possibly state, depending on the state—on all the money you take out in retirement.
- If your plan permits traditional after-tax contributions, only the earnings on your after-tax contributions are subject to federal and state income taxes, if applicable.
- If you made Roth contributions (also after tax and available in some plans), qualified distributions are generally tax free.[2]

☐ Social Security benefits

You'll pay federal income taxes on some of your Social Security payments if your provisional earnings[3] exceed the $25,000 threshold for singles or $32,000 limit for married couples filing jointly.[4]

☐ IRA withdrawals

How your money is taxed when you take it out depends on which type of IRA you own.

- With a **traditional IRA**, you'll pay income tax on all distributions because you put your money in pretax.
- With a **Roth IRA**, which you've funded with after-tax dollars, qualified distributions—withdrawals that meet certain criteria, such as reaching age 59½—are tax free.[2]

☐ Pension benefits

In general, you'll pay federal income tax on your pension benefit payments from a defined benefit plan. The rules for state taxes can vary, so be sure to check with a tax advisor.

☐ Annuity payments

If you funded an annuity with pretax money, income taxes will be due on the payouts you receive. But if you funded your annuity with after-tax money, only your earnings are taxed.

You generally can't get a complete picture of your retirement cash flow until you factor in taxes

As you plan for your retirement income, review your retirement savings—and be sure you know the potential tax implications of any investment or distribution/withdrawal decision you make. For assistance, consider talking with a tax advisor or financial professional.

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Get a clearer picture of your estimated income and expenses in retirement, including taxes, with the retirement planner[5] at myplan.johnhancock.com.

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1 When withdrawing money from your plan, carefully consider the options available to you, including rolling your money over to another qualified account to avoid potential tax penalties. **2** A qualified distribution from a designated Roth account in the plan or Roth IRA is a payment made after the participant attains age 59½ (or after death or disability) and after the designated Roth account in the plan or Roth IRA has been established for at least five years. In general, in applying the five-year rule, count from January 1 of the year the first contribution was made to the designated Roth account or Roth IRA. Participants should contact their plan consultant, or their financial or tax advisor, for specific details on the five-year rule and whether any special rule may apply. **3** Provisional earnings, as defined by the IRS, are calculated by adding up your adjusted gross income, tax-free interest, and 50% of the Social Security benefits you receive. **4** "Income taxes and your Social Security benefit," ssa.gov. **5** The projected retirement income estimates for your current John Hancock accounts, future contributions, employer contributions (if applicable), and other accounts set aside for retirement used in this calculator are hypothetical, for illustrative purposes only, and do not constitute investment advice. Results are not guaranteed and do not represent the current or future performance of any specific account or investment. Due to market fluctuations and other factors, it is possible that investment objectives may not be met. Investing involves risks, and past performance does not guarantee future results.

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