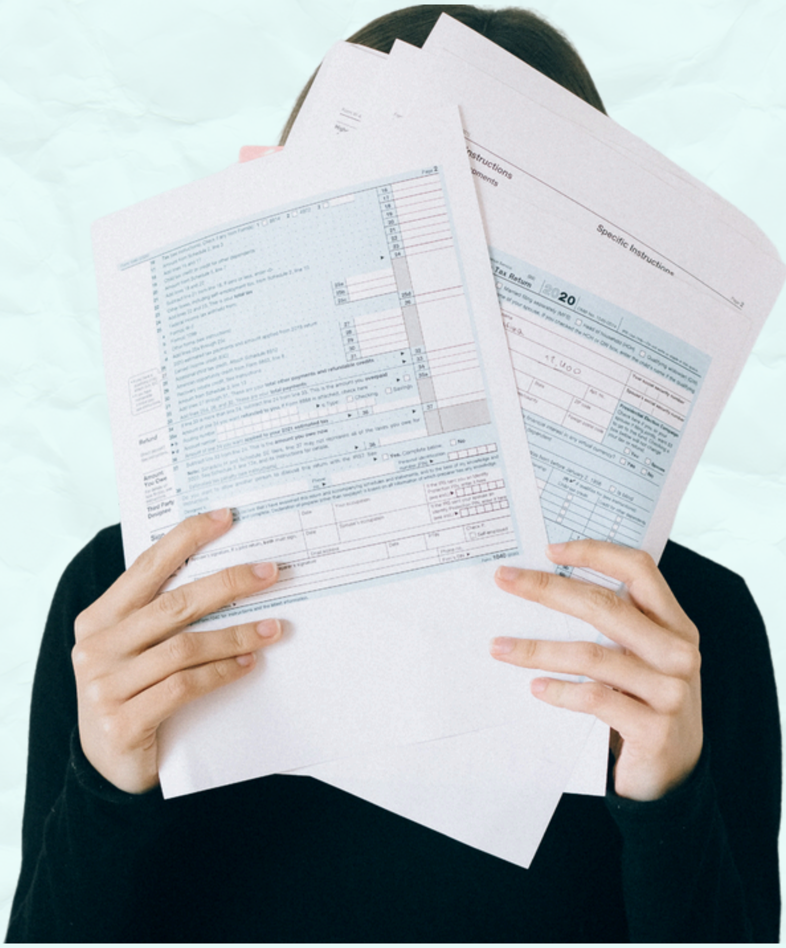
CPA ALLIES



11 CRITICAL IRA TAX TRAPS EVERY WOMAN SHOULD AVOID BEFORE RETIREMENT

A comprehensive guide from your trusted team at CPA Allies

www.cpaallies.com

TRAP #1: IGNORING THE SECURE ACT CHANGES

The Risk: New laws from 2019 and 2022 dramatically changed retirement rules, potentially costing you thousands in unexpected taxes and penalties.
What You Need to Know: These changes affect inheritance rules, required distributions, and contribution limits that directly impact your retirement strategy.

TRAP #2: MISSING REQUIRED MINIMUM DISTRIBUTIONS (RMDS)

The Risk: Failing to take your mandatory withdrawals after age 73 triggers a devastating 25% penalty on the amount you should have withdrawn.
What You Need to Know: The IRS doesn't send reminders - it's your responsibility to track and take these distributions on time.

TRAP #3: OUTDATED BENEFICIARY FORMS

The Risk: Your retirement accounts may go to an ex-spouse, deceased relative, or get tied up in probate instead of reaching your intended loved ones.
What You Need to Know: Life changes like marriage, divorce, births, or deaths require immediate beneficiary updates across all accounts.

TRAP #4: NOT UNDERSTANDING IRA VS. 401(K) TAX RULES

The Risk: Different account types have different withdrawal rules, tax implications, and penalties that can create costly surprises.
What You Need to Know: Each retirement account has unique rules for contributions, distributions, and conversions that must be navigated carefully.

TRAP #5: EXCESSIVE MARKET RISK EXPOSURE

The Risk: Having too much money vulnerable to market downturns, especially as you approach or enter retirement when recovery time is limited.
What You Need to Know: Your risk tolerance should decrease as retirement approaches, requiring a more conservative allocation strategy.

TRAP #6: PAYING EXCESSIVE ACCOUNT FEES

The Risk: High fees in retirement accounts can drain hundreds of thousands from your retirement savings over time.
What You Need to Know: Many investors pay 2-3% annually in hidden fees without realizing the long-term impact on their wealth.

TRAP #7: MISSING ROTH CONVERSION OPPORTUNITIES

The Risk: Staying in traditional accounts means paying taxes on every withdrawal, plus being forced to take required distributions.
What You Need to Know: Converting to Roth IRAs creates tax-free income for life, eliminates required distributions, and provides more control over your tax situation.

TRAP #8: LEAVING MONEY IN OLD EMPLOYER PLANS

The Risk: Once employer contributions stop, your 401(k)/403(b)/TSP becomes a restrictive, expensive burden limiting your options.
Why Rolling Over Makes Sense:

- Avoid 20% mandatory tax withholding
- Gain complete control over investment choices
- Reduce fees and expenses significantly
- Access Roth conversion strategies
- Eliminate restricted access to your own money

Note: After age 59½, you can roll over while still working and continue receiving employer matches.

TRAP #9: MANAGING TOO MANY SCATTERED ACCOUNTS

The Risk: Multiple retirement accounts create confusion, increase fees, and make strategic planning nearly impossible.
What You Need to Know: Consolidation simplifies management, reduces costs, and enables better strategic decision-making.

TRAP #10: NEVER GETTING A SECOND OPINION

The Risk: Your current advisor may not be providing the best strategies for your unique situation, costing you significant money over time.
What You Need to Know: A fresh perspective can reveal overlooked opportunities and potential problems in your current retirement strategy.

TRAP #11: NO GUARANTEED LIFETIME INCOME PLAN

The Risk: Outliving your money or facing poverty in later years due to market downturns, inflation, or unexpected expenses.
Your Three Income Sources Should Include:

- Social Security (government benefit)
- Employer Pension (if available)
- Guaranteed Income Product (annuity or similar)