HBKS® Wealth Advisors

Retirement Help for Age-Gap Couples You Might Not Know About

By Irene Buettner
Senior Advisor Associate

Making decisions about your retirement can be involved — and even more complex when there is a substantial age gap between you and your spouse. Substantially different retirement dates complicate such decisions as when to start taking Social Security, when and how to start withdrawals from your investment portfolios and how to anticipate healthcare costs. Without proper planning, age-gap couples can easily outlive their money.

Uncle Sam already offers age-gap couples help in stretching their nest eggs over their joint life spans. If you are retired and your spouse is at least 10 years younger and the sole beneficiary of your IRA, you can reduce your annual IRA required minimum distributions (RMDs). Simply use Table II in IRS Publication 590-B to calculate your RMDs, as opposed to Table III. If you rely on your IRA custodian to calculate your RMD each year, chances are they are using Table III, meaning you may be pulling more from your retirement savings — and paying more taxes — than you are required to.

Uncle Sam may soon offer another helping hand to age-gap couples through legislation recently passed by the House Ways and Means Committee. If it makes its way through Congress as is, and is signed into law, the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019 (H.R. 1994) would extend the age for RMDs from 70½ to 72. Other legislation has been introduced that would raise the RMD age to 75.

Of course, we know we can't rely on Uncle Sam alone for help making our retirement savings last through our lifetimes. The best course of action for any retiree or pre-retiree, including age-gap couples, is to work with a professional wealth advisor. An HBKS® wealth advisor will develop a retirement or income plan specifically tailored for you, to help you ensure you won't outlive your retirement nest egg.

The information included in this document is for general, informational purposes only. Some of the information contained in this document was obtained from or prepared by other sources. It has not been independently verified, but was obtained from sources believed to be reliable. HBKS® Wealth Advisors does not guarantee the accuracy of this information and does not assume liability for any errors in information obtained from or prepared by these other sources. This document does not contain any investment advice and does not address any individual facts and circumstances. As such, it cannot be relied on as providing any investment advice. If you would like investment advice regarding your specific facts and circumstances, please contact a qualified financial advisor. HBKS® Wealth Advisors is not a legal or accounting firm, and does not render legal, accounting or tax advice. This document does not contain any accounting or legal advice. If you would like accounting, tax or legal advice, please contact a qualified accountant or attorney.

Irene Buettner, CFP, CTFA

Senior Advisor Associate, HBKS® Wealth Advisors

Irene Buettner is an senior advisor associate and works with Greg Sorce in all aspects of his practice — primarily focusing on client service issues — in addition to working her own book of business. She began her financial services career as a cashier at Prudential Securities in 1998. In a few short years she became a registered customer service associate at Prudential and later at UBS Financial Services before joining the HBKS® team.