Avoid tax pitfalls during retirement.

Will income from a part-time job affect your Social Security?

The short answer is: It's possible. Post retirement income could cause your Social Security benefits to be taxed. If you work beyond normal retirement age, tax laws and Social Security rules can impact your finances.

Here are some things to consider:	
Higher tax bracket	If your financial plan for retirement includes dropping into a lower tax bracket, income from a post-retirement job could keep you within the current tax bracket or possibly put you into a higher one.
Possibility of increased income taxes on your Social Security benefits	If working income pushes your income level above certain limits, you could lose as much as one third of your Social Security income each year to federal income taxes. Check with your tax advisor to learn what these limits are. Required Minimum Distributions (RMDs) from traditional IRAs or tax-qualified retirement plans, such as a 401(k) or 403(b), are included in calculations to determine how much of your Social Security benefit is taxed. Adding these amounts to working income could expose more of your Social Security benefits to taxation.

Purchasing a tax-deferred fixed annuity may lower your reportable income and tax bracket.

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The United States Life Insurance Company in the City of New York (US Life)
Guarantees are backed by the claims-paying ability of the issuing insurance company.

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Additional information:
A fixed annuity offers a guaranteed fixed rate of interest, principal protection with no market participation and a tax-deferred advantage. You may choose from multiple income options, including income you can't outlive through annuitization. Fixed annuities also offer liquidity options and a death benefit payable directly to your beneficiary(ies), which generally avoids probate. Some fixed annuities may have a market value adjustment during the initial guaranteed rate term that can either increase or decrease a withdrawal amount depending on the current interest rate environment. A withdrawal charge may also apply to amounts withdrawn in excess of penalty-free amounts during the withdrawal charge period only.

Prior to making any decisions, please consult your legal, financial or tax advisor for your specific factual circumstances. Transferring taxable and tax-free investments into an annuity could be a taxable event that results in additional income taxes. Additionally, when amounts are distributed from your fixed annuity, they will be taxable to you and may impact the tax impact of your Social Security income payments in that year.

Talk with your financial professional to see if a fixed annuity could be a good fit for your overall retirement plan.

Annuities are long-term retirement saving vehicles.

Retirement accounts such as IRAs can be tax deferred regardless of whether or not they are funded with an annuity. The purchase of an annuity within an IRA does not provide additional tax-deferred treatment of earnings. However, annuities do provide other features and benefits.

This information is general in nature, may be subject to change and does not constitute legal, tax or accounting advice from any company, its employees, financial professionals or other representatives. Applicable laws and regulations are complex and subject to change. For advice concerning your situation, consult your attorney, tax advisor or accountant.

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