

STRONG TOWER ADVISORS · PRINTABLE GUIDE

The Retirement Tax Window Guide

The years between your final paycheck and the start of Social Security and required minimum distributions can produce an unusual income pattern. This guide helps you map those years, see how income-sensitive rules connect, and organize questions for your tax professional.

How to use this guide

Fill in the year-by-year planner (Worksheet 1) from your retirement year through your first RMD year. For each year, note which income-sensitive thresholds apply to you. Then review the planner with a qualified tax professional before acting.

Educational only; not tax or legal advice. Lower taxable income in one year does not automatically mean lower lifetime taxes. 2026 figures were checked against IRS, SSA and CMS sources in October 2026. Numbers labeled **HYPOTHETICAL** are illustrations only.

What creates a “tax window”

While you work, wages fill your lower tax brackets. Once wages stop, and before Social Security and RMDs begin, taxable income can drop sharply for some households. Later, Social Security, RMDs (starting at 73 or 75) and a surviving spouse's single filing status can push taxable income back up. Some people use the low-income years to realize income on purpose, for example through traditional IRA withdrawals, Roth conversions or capital gains. Others keep income low to protect Marketplace premium tax credits. The right balance depends on facts that only a full projection shows.

Key milestones

Milestones that change the tax picture

Milestone	Tax or income-rule effect
Final paycheck	Wages stop. The year you retire often mixes part-year wages, bonuses and vacation payouts.
Before 65 on Marketplace coverage	Household MAGI affects premium tax credits. For 2026 coverage, credits are generally unavailable above 400% of the poverty level (\$62,600 single / \$84,600 for two people, contiguous states).
Age 63	Medicare's income-related premiums (IRMAA) use income from two years earlier, so income at 63 can affect premiums at 65.
Age 65	An additional standard deduction applies. The temporary senior deduction of up to \$6,000 per eligible person applies for tax years 2025–2028, subject to an income phase-out.
Social Security start (62–70)	Up to 50% or 85% of benefits can become taxable, depending on “combined income.”
RMD age: 73 (born 1951–1959) or 75 (born 1960 or later)	Required withdrawals from traditional IRAs and most plans add taxable income every year.
Death of a spouse	The survivor generally moves to single filing status in later years, with narrower brackets and IRMAA thresholds.

2026 reference figures

2026 federal figures (IRS Rev. Proc. 2025-32 and IRS guidance)

Item	Single	Married filing jointly
Standard deduction	\$16,100	\$32,200
Additional standard deduction, age 65 or older (each)	\$2,050	\$1,650 per eligible spouse
Senior deduction, age 65+ (tax years 2025–2028)	Up to \$6,000; reduced by 6% of MAGI over \$75,000	Up to \$6,000 per eligible spouse; reduced by 6% of MAGI over \$150,000
10% bracket: taxable income up to	\$12,400	\$24,800
12% bracket: taxable income up to	\$50,400	\$100,800
22% bracket: taxable income up to	\$105,700	\$211,400
24% bracket: taxable income up to	\$201,775	\$403,550

Item	Single	Married filing jointly
0% long-term capital-gain rate: taxable income up to	\$49,450	\$98,900
2026 Medicare IRMAA begins above (based on 2024 MAGI)	\$109,000	\$218,000
Social Security taxation: combined income above which up to 50% / 85% may be taxable (not inflation-indexed)	\$25,000 / \$34,000	\$32,000 / \$44,000

Worksheet 1: Year-by-year tax-window planner

Use one row per calendar year. Enter estimates in today's dollars. Thresholds change every year, so check the current year's figures as you update the planner.

Worksheet 1: Income and thresholds by year

Year / ages	Wages and pension	Social Security	Traditional IRA/401(k) withdrawals	Roth conversions	Capital gains and dividends	Estimated taxable income	Thresholds to watch (bracket, ACA, IRMAA)
20__ / __							
20__ / __							
20__ / __							
20__ / __							
20__ / __							
20__ / __							
20__ / __							
20__ / __							

How to read one row: an illustration

HYPOTHETICAL A married couple, both 63, files jointly in 2026. They have no wages and have not claimed Social Security. They withdraw \$80,000 from traditional IRAs for living expenses and have Marketplace coverage.

Hypothetical 2026 row (illustration only; not a recommendation)

Step	Amount
Ordinary income from IRA withdrawals (also their MAGI)	\$80,000
Minus 2026 standard deduction (married filing jointly, under 65)	-\$32,200
Taxable income	\$47,800
Remaining room before the 12% bracket ends at \$100,800	\$53,000
Remaining room before MAGI reaches 400% of poverty for two (\$84,600)	\$4,600

In this illustration, the tax brackets alone suggest a lot of “room.” But additional income above about \$4,600 would push the couple past the Marketplace credit cliff for 2026 and could cost far more in lost credits than the bracket math suggests. Income at 63 would also count toward IRMAA at 65. This is why the planner asks you to list every threshold, not only the tax bracket.

Roth conversion facts to know

- The converted pre-tax amount is generally taxable as ordinary income in the year of the conversion.
- Conversions made in 2018 or later **cannot be undone** (recharacterized), so estimate the full year's income first.
- The 10% additional tax does not apply to the conversion itself. If you are under 59½, however, withdrawing converted amounts within five years can trigger it, and each conversion has its own five-year period.
- Paying the conversion tax from the converted funds reduces the amount that reaches the Roth IRA and may itself be a taxable distribution.
- Conversions raise MAGI, which can affect Marketplace credits, IRMAA two years later, the senior deduction phase-out and the taxation of Social Security.

Timeline checklist

THE YEAR BEFORE YOU RETIRE

- ☐ Get a multi-year tax projection that includes your expected retirement date.
- ☐ List the account types you hold: pre-tax, Roth, taxable brokerage, HSA and cash.
- ☐ Find out when bonuses, vacation payouts and deferred compensation will be paid.
- ☐ Decide how health coverage before 65 will interact with your income (see the Pre-65 Healthcare Checklist).

EACH YEAR OF THE WINDOW

- ☐ Update Worksheet 1 early in the year, and again in the fall.
- ☐ Estimate your MAGI for the Marketplace (if under 65) and for IRMAA (two years ahead).
- ☐ Review, with your tax professional, whether partial Roth conversions or gain harvesting fit. Conversions must be completed by December 31 to count for that year.
- ☐ Make estimated tax payments or adjust withholding so there are no surprises.
- ☐ Keep records of IRA basis (Form 8606) and conversion dates.

BEFORE CLAIMING SOCIAL SECURITY

- ☐ Estimate how much of your benefit may be taxable at different withdrawal levels.
- ☐ Decide whether to have federal tax withheld from benefits (Form W-4V).

BEFORE YOUR RMD AGE

- ☐ Project your first RMDs from your traditional balances.
- ☐ If charitably inclined, ask about qualified charitable distributions, which are available from IRAs starting at age 70½.
- ☐ Consider how a survivor's single filing status would change the picture.

Questions to ask your tax professional

- ☐ What is my estimated marginal rate this year, and in my RMD years?

- ☐ Which thresholds (Marketplace, IRMAA, senior deduction, Social Security taxation, 0% gains) am I closest to?

- ☐ If I convert, how much is too much this year, and how will I pay the tax?

- ☐ How would the death of a spouse change the projection?

- ☐ Which state rules apply? (Illinois, for example, generally does not tax qualified retirement-plan income, IRA distributions or Social Security benefits included in federal income.)

Common mistakes

- Looking only at the tax bracket and ignoring the Marketplace cliff, IRMAA and Social Security taxation.
- Converting late in the year without a full-year income estimate. The conversion cannot be reversed.
- Forgetting the two-year IRMAA look-back.
- Assuming today's thresholds will stay the same. Brackets, deductions and the senior deduction are set by law, and some provisions are temporary.
- Treating a strategy that helped someone else as automatically right for you.

Sources

- IRS — Tax year 2026 inflation adjustments and Rev. Proc. 2025-32
- IRS — Enhanced deduction for seniors
- IRS Publication 915 — Social Security benefit taxation
- IRS — IRA FAQs (conversions and recharacterizations)
- IRS — Required minimum distributions
- CMS — 2026 Part B premiums and IRMAA
- Congressional Research Service — ACA premium tax credit after 2025
- Illinois Department of Revenue — Social Security and retirement income

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