
Personal Capital launches tax-efficient drawdown tool

By Editorial Staff *Thu, Sep 6, 2018*

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Personal Capital, the hybrid digital wealth management company, has introduced “Retirement Paycheck,” a service that shows retirees how to draw an income from their qualified and non-qualified savings accounts in the most tax-efficient ways while avoiding potential penalties.

The service is accessible through Personal Capital’s Retirement Planner, a Monte Carlo forecasting tool that projects a client’s future retirement savings levels based on estimates of portfolio return and volatility, annual savings, income and spending goals.

To arrive at personalized recommendations, the service integrates account level tax status, household tax filing status, and the latest state-by-state and federal tax date with a goal of extending the life client portfolios.

“How you withdraw money in retirement is just as important as how much you save,” said Amin Dabit, Personal Capital’s director of advisory services, in a press release. “There is a lot of complexity about how retirees should pay themselves from taxable, tax-deferred and tax-free accounts. Retirement Paycheck helps provide clients with the clarity needed to withdraw confidently.”

With Retirement Paycheck, Personal Capital clients can:

- See taxable, tax-deferred, and tax-free accounts and get guidance on which to withdraw from, in what amounts, for each year of retirement.
- Potentially increase their chances of having enough money throughout retirement.
- See an indicator to reach out to their advisor if a Roth Conversion or Tax Gain Harvesting strategy is appropriate for the client’s situation to save money on taxes.

Personal Capital is a hybrid digital wealth management company based in San Carlos, California, with more than \$7.5B in assets under management. The company offers free financial planning tools for investors and fee-based wealth management services, with hubs in San Francisco, Denver, Dallas, and Atlanta. Personal Capital has fiduciary financial advisors across the U.S.

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