

BOOK SIX OF THE PIVOT SERIES

The Worry-Free Retirement Pivot

*A Lighthearted, Decade-by-Decade Plan From Age 20 to 75 for
Guaranteed Income, Tax-Free Wealth, Asset Protection
and Financial Freedom*



Plan it. Guarantee it. Enjoy it.

Suba Narla

Founder, Wealth Strategies USA

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by

Suba Narla

Wealth Strategies USA

Book Six of The Pivot Series

The Worry-Free Retirement Pivot

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Illustrations and charts in this book are original artwork created for this edition.

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DEDICATION

To my wife of more than forty years — my constant, in everything.

To our two daughters, whose dedication carried them through Harvard and Stanford Medical Schools, and whose work makes us endlessly proud.

And above all, to our two grandchildren, who bring us more joy than we knew a life could hold.

For every family that wants a retirement with more living and less worrying.

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BEFORE YOU BEGIN

A Note Before You Begin

This is the sixth book in The Pivot Series, and I'll be honest with you: it is the one I have wanted to write the longest. The first five books are about tools — Roth conversions, annuities, tax design, Indexed Universal Life, living benefits. Tools are wonderful. I love tools. But nobody ever retired to a beach in Bora Bora because of a well-designed income rider. People retire *toward* something. This book is about the something.

It is also about the plan that gets you there without lying awake at 3:00 a.m. wondering whether the stock market, the IRS, or your own longevity is about to ambush you. That's what "worry-free" means in these pages. Not rich. Not flashy. Just calm, funded, and free to enjoy the life you worked so hard to build.

The government is a silent partner in every Traditional IRA and 401(k) you own — and it hasn't told you yet what its cut will be.

— Suba Narla, *The Tax-Free Pivot*

You'll see passages like that one set apart throughout this book. They come from the other five books in the series, and they're here because each one bears directly on the worry-free plan. Think of them as old friends dropping by to say hello — and occasionally to say "I told you so."

How This Book Is Organized

Part I — The Worry-Free Mindset explains why happiness in retirement is not a number, how to sort your dreams into four spending buckets, and how a napkin formula called the Rule of 72 turns today's budget into tomorrow's target.

Part II — The Worry-Free Toolbox walks through the tools: the three-bucket strategy, 401(k)s and Traditional IRAs, Roth accounts,

Fixed Indexed Annuities (FIAs), Indexed Universal Life (IUL), living-benefit riders, how to judgment-proof yourself and your family, Social Security, and the growth engines of stocks and real estate.

Part III — The Decade-by-Decade Pivot Plan is the heart of the book: what to do in your 20s, 30s, 40s, 50s, the "red zone" of the early 60s, and the glide path from 67 to 75. Each chapter comes with a checklist and composite case examples.

Part IV — The Fun Part is exactly what it sounds like: the Top 10 bucket-list adventures, places to visit, hobbies, volunteer activities, ways to stay healthy and sharp, and adventures with the grandkids — each with ten honorable mentions, because retirees deserve bonus rounds.

A QUICK WORD ON HUMOR

Money is serious. Retirement is serious. That is exactly why we're going to laugh a little along the way. Studies of adult learning keep finding the same thing: people remember what they enjoyed reading. If a joke about Starbucks helps you remember to fund your Roth IRA, I will happily take the joke.

AUTHOR DISCLOSURE

I am an independent insurance broker affiliated with several insurance companies, including American Equity, Annexus, Athene, Nationwide, North American, Allianz, Securian, and Symetra, and I may receive compensation when clients purchase their products. No company is named in this book as a recommendation, and none sponsored, reviewed, or endorsed it. All client names and case examples are composites created for illustration and do not describe real individuals. The strategies here are general educational suggestions — not advice for your specific situation. Please review any decision with a licensed financial professional, a tax advisor, and, where appropriate, an attorney.

THE WORRY-FREE RETIREMENT PIVOT

PART I

The Worry-Free Mindset

Happiness, buckets, and a napkin called the Rule of 72



CHAPTER 1

Worry-Free Isn't Rich — It's Happy

For forty years, the goal was simple: one metric, the balance at the bottom of the statement... But retirement is not the end of the financial project — it is a transition from accumulation to decumulation, from saver to cash-flow manager.

— Suba Narla, *The Wealth Pivot*

A worry-free retirement is not about being rich. It is about being happy and living a stress-free retirement life. Obviously, you need enough money in retirement to take care of all your financial needs — including the emergencies nobody schedules and the heart's desires you have been postponing since your first paycheck. You worked hard your whole life. You should enjoy your retirement, right?

Right. But here is the question that trips everyone up: *how much* do you need to live that mythical happy retirement?

It's all in your perspective. Over the years I have sat across the table from couples with more than \$20 million who were financially *unhappy* in retirement — worried about every market dip, every tax-law headline, every grandchild's tuition. And I have sat across from couples with no savings to speak of, living on very modest Social Security checks, who were perfectly content with their financial situation. They knew exactly what was coming in each month, they had trimmed their wants to fit, and they slept like babies. (Not the kind of babies that wake up every two hours. The good kind.)

The \$5 Bill Test

Here is a thought experiment I like to share. Imagine a monk who owns a robe, a bowl, and a pair of sandals. His expenses are covered by the monastery. His wants are close to zero. If he finds a \$5 bill on the sidewalk, he feels *rich*. Technically, he is one of the most financially

independent people on the planet, because his income meets his needs with room to spare.

Now imagine a hedge-fund manager with a yacht, three homes, and a jet — whose expenses are so enormous that a bad quarter makes him sweat through his monogrammed shirt. He finds a \$5 bill on the sidewalk and doesn't even bend down. Who is more financially free?

The point isn't that you should take a vow of poverty (please don't — I would lose a reader). The point is that **financial freedom is the gap between what reliably comes in and what you truly need going out**. Close that gap with guarantees, and worry leaves the room. Leave it open, and no amount of money feels like enough.

The Guaranteed-Income Happiness Effect

Research on retiree well-being has pointed in the same direction for years: retirees who have a larger share of their income coming from guaranteed sources — Social Security, pensions, and lifetime annuity income — tend to report higher satisfaction and less financial anxiety than retirees with similar wealth who must draw everything from an investment portfolio. The reason is simple. Guaranteed income behaves like a paycheck. You know how your money is coming, when it's coming, and that it will keep coming as long as you are around to cash it.

There is even an argument that guaranteed income helps people live longer — or at least that people who expect to live longer buy more of it. Actuaries will debate cause and effect over coffee for hours. What nobody debates is that a retiree who is not panicking about the market sleeps better, and people who sleep better tend to be healthier, happier, and much more pleasant at Thanksgiving dinner.

In the years that matter most near retirement, predictability is often worth more than maximum upside.

— Suba Narla, *The Protected Pivot*

So What Does "Worry-Free" Actually Require?

After decades of planning with families at every age and every wealth level, I have boiled the worry-free retirement down to five promises your plan must keep:

1. **Your essentials are covered by guaranteed income**, no matter what the stock market does.
2. **Your lifestyle is funded by a diversified, growing pool** that can ride out a bad year without forcing you to sell at the bottom.
3. **Your plan is protected from the sequence-of-returns risk** in the first ten years of retirement — the most dangerous decade for any retiree.
4. **Your future taxes are managed, not guessed at**, with meaningful money in tax-free buckets like Roth accounts and properly designed IUL policies.
5. **Your dreams and your legacy have a line item**, so the Luxury and Legacy buckets are a plan, not a wish.

The rest of this book shows you how to keep those five promises — starting in your 20s if you are lucky enough to be reading this early, and starting *today* if you're not. It is never too late to pivot. It is only too late to wish you had.

PIVOT POINTER

Worry-free is a feeling built on facts. The facts are: what you need, what's guaranteed, what's growing, and what the tax man gets. We'll nail down all four.

CHAPTER 2

The Four Buckets of Your Dreams

When I sit across from clients — whether they are in their 20s or their 60s — the very first exercise has nothing to do with investments. I hand them a sheet of paper and ask them to list their financial needs in three categories. Then, once they relax, I sneak in a fourth.

Bucket 1 — Essential

These are the things you must pay for whether the market is up, down, or sideways: utilities; rent or mortgage; groceries; gas and automobile expenses; insurance; maintenance and repairs; clothes; school supplies and tuition (if applicable); internet and cell phones; healthcare; and debt obligations.

I also ask clients to include two items most budgets forget:

- ◆ **A monthly allocation for your next car.** If you plan to buy a car eight years from now, set aside a monthly amount today, so the car arrives as a planned expense rather than a financial ambush.
- ◆ **Refilling the emergency bucket.** Keep enough to cover roughly six months of expenses, and budget to refill it whenever life dips into it — because life *will* dip into it. The water heater has a sixth sense for when you've just booked a vacation.

And yes, throw in a line for miscellaneous. There is always a miscellaneous. Miscellaneous is the raccoon of the budget world: you don't see it, but it gets into everything.

Bucket 2 — Lifestyle

These are the reasonable expenses that make life feel like *your* life: travel and leisure; dining out and socializing; entertainment and subscriptions; convenience services like house cleaning or lawn care; upgraded personal care; and perhaps a nicer car than strictly necessary.

Lifestyle expenses are flexible. You can dial them up in great years and down in lean ones. That flexibility turns out to be one of the most powerful risk-management tools in retirement — which is why we will match this bucket with *growth* assets rather than guarantees.

Bucket 3 — Luxury Living

This is where I ask clients to *dream*. What does the luxury component of your ideal retirement look like? First-class flights. A week — or a month — each year in Bora Bora. (That one is mine, mostly because I like the way "Bora Bora" rolls off the tip of my tongue. Say it out loud. See? Fill in your own spot.) A Rolls-Royce. A lake house. A wine cellar with bottles older than your grandchildren.

People are often embarrassed to write this bucket down. Don't be. A dream that isn't written down is just a wish, and wishes don't get funded. A dream with a price tag gets a plan.

Bucket 4 — Legacy

As part of every retirement plan, I encourage clients to create a legacy, so that part of them can live on after they pass away. Most of the time, the legacy is for children and grandchildren. But I also encourage clients to support charitable causes — either directly to a charity or through their own family foundation.

A family foundation does not have to be the size of the famous billion-dollar foundations you read about. It can be modest — even six figures — and still fund scholarships, a local food bank, or a cause close to your heart for decades. Because many worry-free plans include some form of permanent life insurance, a simple approach is to name a charity, a donor-advised fund, or a family foundation as beneficiary of *part* of a policy's death benefit, according to your wishes.

Here the Roth conversion and the annuity work together. An FIA inside a Roth IRA that passes to a child keeps its principal protected up to the owner's death, and the child then has ten years of tax-free distributions.

— Suba Narla, *The Protected Pivot*

Budget in Today's Dollars First

I encourage clients to budget each of these four buckets in *today's* dollars. That gives us an honest baseline — numbers you can actually feel. "We spend \$6,000 a month on essentials" is something you can verify from your bank statements. "We'll need \$47,318 a month in 2068" is something your brain files under science fiction.

Once we have today's baseline, we project it forward. And for that, we need a very old, very handy trick: the Rule of 72.

Bucket	What goes in it	Best matched with
Essential	Housing, food, utilities, insurance, healthcare, transportation, debt, car fund, emergency refill	Guaranteed income: Social Security, pensions, FIA income, IUL income
Lifestyle	Travel, dining, entertainment, services, hobbies	Growth assets: diversified stocks, real estate, Roth withdrawals
Luxury	First class, Bora Bora, dream car, second home	Surplus growth and extra savings
Legacy	Children, grandchildren, charity, family foundation	Life insurance death benefit, Roth IRAs, FIAs with legacy features

CASE EXAMPLE 1 — CHAPTER 2**The Patels, 41 — Finding the Money Hiding in Plain Sight**

Raj and Anita, both 41, earned a combined \$185,000 and felt they were "doing fine" — until they sat down and sorted three months of bank statements into the four buckets. Essentials came to \$7,100 a month. Lifestyle came to \$3,900. Luxury, surprisingly, was already \$1,100 a month, mostly from impulse upgrades nobody remembered choosing.

Nothing about their spending was outrageous. But once they could see it, they chose to redirect \$900 a month from the Luxury bucket they weren't enjoying into Roth IRAs and a modestly funded IUL — and kept \$200 a month for the luxuries they genuinely loved.

Starting point	No written budget; saving 9% of income through 401(k)s
Strategy	Four-bucket sort; redirect unloved luxury spending into tax-free buckets
Result	Savings rate rose to about 15% with no felt sacrifice

CHAPTER 3

The Rule of 72 — Your Financial Time Machine

How do you project today's budget into a retirement that might be 50 years away for someone in their 20s? You could build a spreadsheet with forty tabs and a macro that crashes every Tuesday. Or you could use the Rule of 72.

How the Rule Works

The Rule of 72 tells you, roughly, how many years it takes for a number to double:

Number of years to double = $72 \div$ the annual rate (inflation rate or interest rate)

- ◆ If inflation runs at 6%, prices double every $72 \div 6 =$ **12 years**. When inflation ran near 12% in the early 1980s, prices doubled roughly every 6 years. (Ask anyone who bought a house in 1981 about their mortgage rate. Then step back.)
- ◆ The same rule works in your favor for savings. If a financial instrument earns 6% a year, your money doubles roughly every **12 years**. At 8%, every 9 years.
- ◆ To run your own numbers, simply substitute your actual rate in the denominator.

Why I Use a Conservative 6%

I prefer conservative numbers when projecting future needs. Long-run inflation has usually been below 6%, but if we *plan* for 6% average inflation until retirement, the most likely outcome is that you will end up with more money than you need. And if that happens, the extra money doesn't vanish — it flows into your Lifestyle bucket, then your Luxury bucket, then your Legacy bucket. Overshooting a retirement target is the kind of problem everyone wants to have.

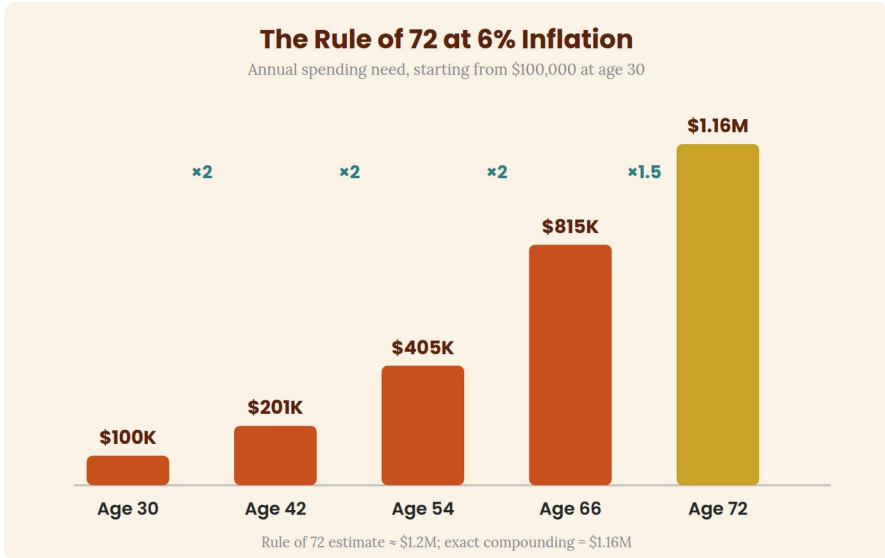
A Worked Example: Age 30, Retiring at 72

Let's say you're 30 years old and you want to retire at 72. For simplicity, assume your charity goals will come from a life insurance death benefit, so we only project the first three buckets. Suppose Essentials, Lifestyle, and Luxury together add up to **\$100,000 a year in today's dollars**.

You need to project $72 - 30 = 42$ years. At 6% inflation, your needs double every 12 years — so over 42 years they double three and a half times:

Your age	Years from today	Annual need (6% inflation)
30	0	\$100,000
42	12	\$200,000
54	24	\$400,000
66	36	\$800,000
72	42	about \$1.2 million (Rule of 72 estimate)

Those last six years are half a doubling period, so we estimate a 50% bump: $\$800,000 \times 1.5 = \$1.2$ million a year. (If you pull out a financial calculator, 1.06 raised to the 42nd power gives about \$1.16 million. The Rule of 72 is a napkin, not a microscope — but it gets you remarkably close, and napkins are cheaper.)



The Rule of 72 at 6% inflation: \$100,000 of today's spending becomes roughly \$1.2 million a year by age 72.

Now Add the Tax Man

That \$1.2 million is what you need to *spend*. What you need to *earn* is bigger, because the silent partner takes his share first. If we assume a combined 40% tax rate on pre-tax income — conservative again — then you would need $\$1.2 \text{ million} \div 0.60$, or roughly **\$2 million a year** in pre-tax income, or its equivalent in a hybrid of ordinary income, tax-free income, and capital gains. And remember: this is 42 years in the future.

Take a deep breath. Big numbers like that are exactly why people freeze. But notice two things.

First, those are *future* dollars. \$2 million in 42 years buys about what \$170,000 buys today. The target sounds enormous because inflation is enormous over four decades — and your savings compound over the same four decades.

Second, **every dollar you move into a tax-free bucket shrinks that \$2 million**. If half your retirement income comes from Roth IRAs and properly structured IUL policy loans, you don't need to gross

up that half for taxes at all. That, in one sentence, is why the tax-free tools in this book matter so much.

How do you know when to stop filling a bucket? Use the Break-Even Tax Rate, or BETR: convert up to the point where your current conversion tax rate equals — or beats — your projected future tax rate.

— Suba Narla, *The Tax-Free Pivot*

The Rule of 72 Works for You, Too

Here's the happy half of the rule. At a 7% average return, money doubles roughly every 10 years. A 25-year-old who invests \$10,000 and doesn't touch it has, in round numbers, \$20,000 at 35, \$40,000 at 45, \$80,000 at 55, \$160,000 at 65 — and about \$240,000 by 72. Start at 35 instead, and the same \$10,000 reaches only about \$120,000 by 72. Waiting ten years cost half the money. Nobody sends you a bill for procrastination, but you pay it anyway.

CASE EXAMPLE 2 — CHAPTER 3**Daniel, 30 — The Spreadsheet That Scared Him Straight**

Daniel, a 30-year-old software engineer, spent about \$100,000 a year across Essentials, Lifestyle and Luxury. When he ran the Rule of 72 and saw a future need of roughly \$1.2 million a year at 72, his first instinct was to close the laptop and order pizza.

Instead, he looked at the other side of the ledger. He was 42 years from retirement — three and a half doublings of anything he saved today. He raised his savings rate from 8% to 20%, split new money between his Roth 401(k), a Roth IRA, and a brokerage account, and began researching an overfunded IUL for future tax-free income.

Starting point	Saving 8%, all in a traditional 401(k)
Strategy	Raise savings to 20%; tilt new dollars toward tax-free buckets
Result	A retirement target that shrinks every time a dollar lands in a tax-free bucket

CHAPTER 4

The Tax-Bracket Surprise

It used to be that when you retired, you downsized. You moved into lower-cost housing, your expenses fell, your income fell (it came mainly from Social Security), and so your tax rate fell. Retirement was a quiet, low-tax, early-bird-special kind of life.

That picture is out of date. Most pre-retirees and retirees today want to *maintain* their standard of living in retirement. Their salaries go away, and some tax deductions go away with them — the mortgage interest, the dependent children, the 401(k) contributions. But those expenses get replaced by other expenses: travel, hobbies, grandchildren, and the occasional impulse purchase of a kayak.

Where Retirement Income Comes From

In retirement, your income may come from:

- ◆ Social Security
- ◆ Pensions (if you are one of the lucky few)
- ◆ Tax-deferred withdrawals from 401(k)s, 403(b)s and Traditional IRAs
- ◆ Tax-free withdrawals from Roth IRAs and Roth 401(k)s
- ◆ Guaranteed income from annuities — often Fixed Indexed Annuities with income riders
- ◆ Tax-free retirement income from Indexed Universal Life (IUL) policy loans and withdrawals
- ◆ Dividends, interest and capital gains from brokerage accounts
- ◆ Rental income from real estate

When you stack these sources — and then add Required Minimum Distributions (RMDs), which force money out of tax-deferred accounts whether you need it or not — most of the retirees I work with end up in the **same income-tax bracket they had while working, or even a higher one.**

A \$1.5 million traditional 401(k) at 73 generates a first RMD of roughly \$56,600, stacked automatically on top of investment income, Social Security and any pension income. The domino effect can push a household into a higher bracket, subject up to 85% of Social Security benefits to tax, and trigger IRMAA surcharges — a compounding penalty for having saved successfully.

— Suba Narla, *The Wealth Pivot*

Three Reasons Your Taxes May Not Go Down

1. **RMDs.** Required Minimum Distributions currently begin at age 73 for many retirees and at 75 for those born in 1960 or later. They grow each year as the IRS's life-expectancy divisor shrinks.
2. **The Social Security tax torpedo.** Up to 85% of your Social Security benefit can become taxable once your other income crosses certain thresholds — thresholds that have never been adjusted for inflation since they were set decades ago.
3. **IRMAA.** Medicare's Income-Related Monthly Adjustment Amount raises Part B and Part D premiums for higher-income retirees, based on your tax return from two years earlier. It's a stealth tax wearing a Medicare badge.

And then there is the biggest unknown of all: future tax rates. Nobody knows what Congress will do in 2035, 2045, or 2065. What we do know is that federal debt is large and growing, and that the people who will be voting on future tax rates are not currently retired.

PIVOT POINTER

The single best hedge against unknown future tax rates is having money in buckets the IRS has already finished taxing. Roth IRAs, Roth 401(k)s, and properly designed IUL policies are those buckets.

The Planning Loop

Here is how a worry-free plan comes together, step by step. It is the same loop whether you are 25 or 65:

1. **Budget the four buckets** in today's dollars.
2. **Project them forward** with the Rule of 72 and a conservative inflation rate.
3. **Gross up for taxes** — then shrink the gross-up by planning for tax-free income.
4. **Compare to what your current and future savings can produce.** For clients in their 20s, the luxury of time does most of the work; they have few assets but decades of savings ahead. For older clients, the plan is a combination of existing assets and continued savings.
5. **Adjust.** If savings can't generate the future income, we look hard at the Luxury bucket first, then at Lifestyle — or we raise the savings rate, or work a little longer.
6. **Protect** the plan from sequence-of-returns risk, market crashes, higher taxes, and long life.
7. **Repeat every year.** Life changes. So does the plan.

We go back and forth until the client is genuinely committed to the savings program — and *then* we build a plan where retirement income from all sources matches retirement needs. Commitment first, products second. A perfect product in the hands of a reluctant saver is like a treadmill used as a coat rack.



The worry-free planning loop: budget, project, gross up, compare, adjust, protect, repeat.

THE WORRY-FREE RETIREMENT PIVOT

PART II

The Worry-Free Toolbox

Buckets, accounts, guarantees and growth engines



CHAPTER 5

The Three-Bucket Strategy

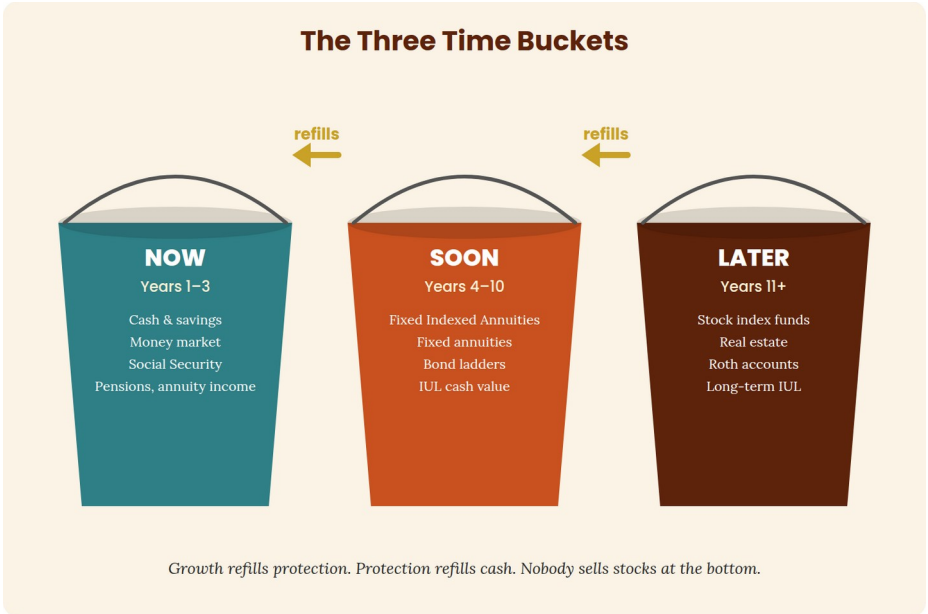
If there is one idea from the Pivot Series that deserves a tattoo (a small, tasteful one), it is the bucket. We have already met the four *spending* buckets — Essential, Lifestyle, Luxury, Legacy. Now we meet the three buckets that hold your money. There are two ways to slice them, and a worry-free plan uses both.

Slice One: The Three *Time* Buckets

The time buckets answer a simple question: *when will I need this money?*

Bucket	Time horizon	Typical tools
Bucket 1 — Now	Years 1–3 of retirement income	Cash, high-yield savings, money market funds, short-term CDs, plus guaranteed income already switched on (Social Security, pensions, annuity income)
Bucket 2 — Soon	Years 4–10	Fixed and Fixed Indexed Annuities, bond ladders, IUL cash value — protected money with modest growth
Bucket 3 — Later	Years 11 and beyond	Diversified stock funds, real estate, Roth accounts invested for growth, long-duration IUL cash value

The magic of the time buckets is psychological as much as financial. When the stock market drops 25% (and it will — it has done so many times and will do so again), a retiree with three time buckets shrugs. Bucket 1 pays the bills. Bucket 2 refills Bucket 1. Bucket 3 is given years to recover. Nobody is forced to sell stocks at the bottom to buy groceries.



The three time buckets: Now, Soon and Later. Growth refills protection; protection refills cash.

Slice Two: The Three *Tax* Buckets

The tax buckets answer a different question: *how will this money be taxed when I take it out?*

To build an efficient retirement tax strategy, stop looking at net worth as a single number and start looking at it as three distinct buckets, each with its own tax treatment. Where your assets sit across these buckets — not just how much you have — determines your annual tax flexibility for the next thirty years.

— Suba Narla, *The Wealth Pivot*

- ◆ **Taxable** — checking, savings, CDs, brokerage accounts. Interest and dividends are taxed along the way, but long-term capital gains get favorable rates.
- ◆ **Tax-Deferred** — Traditional 401(k)s, 403(b)s, TSPs and Traditional IRAs. You got a deduction going in; every dollar

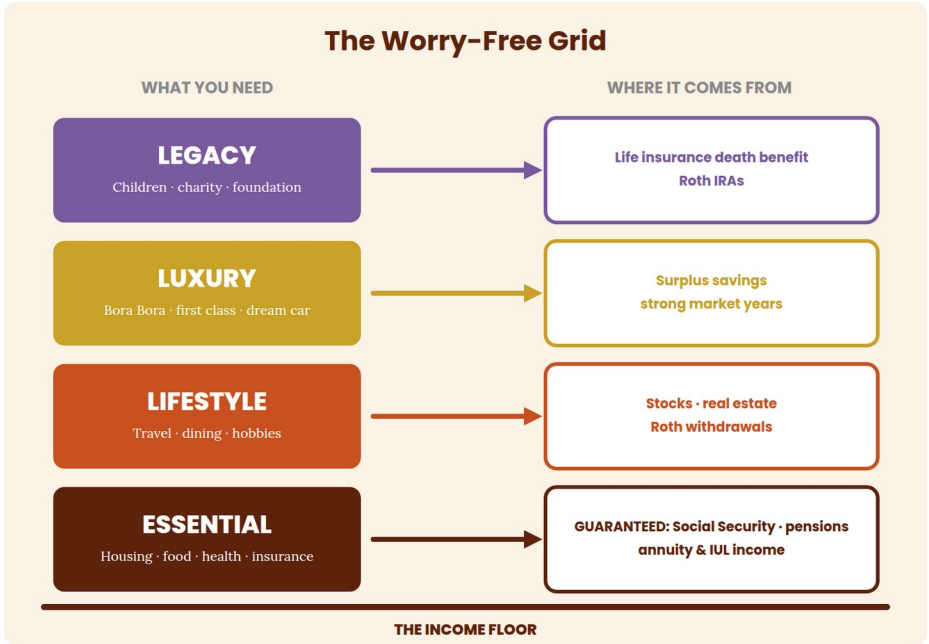
coming out is ordinary income, and RMDs eventually force it out.

- ◆ **Tax-Free** — Roth IRAs, Roth 401(k)s, Health Savings Accounts used for qualified medical costs, and properly designed Indexed Universal Life policies accessed through withdrawals and loans.

Matching the Buckets: The Worry-Free Grid

Here is where the pieces click together. Your *spending* buckets tell you what you need; your *time* and *tax* buckets tell you where it should come from. A simple rule of thumb:

- ◆ **Essentials should be covered by guaranteed income.** Social Security, pensions, and lifetime income from annuities form an income *floor*. If the floor covers the essentials, a market crash becomes an inconvenience rather than an emergency.
- ◆ **Lifestyle should be covered by growth assets** — diversified stocks, real estate income and Roth withdrawals — because lifestyle spending can flex in lean years.
- ◆ **Luxury should be funded by surplus:** extra savings, strong market years, and the bonus you get when inflation comes in below your conservative 6% assumption.
- ◆ **Legacy should be funded by leverage:** the death benefit of life insurance, which turns premiums into a larger, generally income-tax-free sum for your heirs or your favorite cause.



The worry-free grid: guaranteed income covers essentials; growth covers lifestyle; surplus covers luxury; life insurance covers legacy.

PIVOT POINTER

A market crash can't cancel your groceries if your groceries are paid by a guarantee. That single sentence is the entire philosophy of the income floor.

CHAPTER 6

401(k)s and Traditional IRAs — The Silent-Partner Accounts

For most Americans, the 401(k) is the biggest financial asset they will ever own after their home. It is a wonderful tool. It is also a tool with a partner you never met, who never contributed a dime, and who expects a cut of every withdrawal.

Money in those accounts is tax-deferred, not tax-free — you owe on it eventually, you just don't know the rate, because tomorrow's tax law hasn't been written.

— Suba Narla, *The Tax-Free Pivot*

Why You Should Still Love Your 401(k)

- ◆ **The match is free money.** If your employer matches contributions, contribute at least enough to get the full match. Turning down a match is like turning down a raise because the envelope was the wrong color.
- ◆ **Automatic savings.** Money you never see is money you never miss.
- ◆ **High limits.** For 2026, employees can defer up to \$24,500 into a 401(k), 403(b) or most 457 plans. Savers 50 and older can add a catch-up contribution of \$8,000, and under SECURE 2.0, savers aged 60 through 63 can add a larger "super catch-up" of \$11,250 instead. (Limits change most years — always check the current figures.)
- ◆ **Many plans now offer a Roth 401(k) option.** Same limits, but contributions go in after tax and qualified withdrawals come out tax-free. For many younger savers, the Roth option is the better choice.

HEADS-UP FOR HIGH EARNERS

Beginning in 2026, workers whose prior-year FICA wages exceeded a threshold (about \$150,000, indexed) must make any catch-up contributions to the Roth side of their plan. Congress, it seems, has also noticed that Roth money is valuable.

Traditional IRAs

A Traditional IRA works like a personal 401(k) with lower limits: \$7,500 for 2026, plus a \$1,100 catch-up for those 50 and older. Contributions may be tax-deductible depending on your income and whether you are covered by a workplace plan. When you change jobs or retire, rolling a 401(k) into an IRA can open up more investment choices — including Fixed Indexed Annuities for protection and guaranteed income.

The Three Traps of Tax-Deferred Money

- 1. The unknown tax rate.** You are postponing a tax bill to a future year with a tax rate nobody has published.
- 2. RMDs.** Beginning at 73 (or 75 for those born in 1960 or later), the IRS requires withdrawals whether you need the money or not.
- 3. The heir problem.** Most non-spouse beneficiaries must empty an inherited IRA within ten years — often during their own peak-earning, highest-tax years.

That does not make the 401(k) bad. It makes it *incomplete*. The worry-free plan uses tax-deferred accounts for the match and for the years when your tax rate is high — and then steadily converts some of that money to tax-free buckets in the years when the conversion toll is cheap.

CASE EXAMPLE 3 — CHAPTER 6

Gloria, 52 — The Match She Almost Missed

Gloria, a 52-year-old hospital administrator, contributed 3% of her salary to her 401(k). Her employer matched 100% of the first 6%. She had been leaving 3% of her salary — free money — on the table every year for a decade.

She raised her contribution to 10%, captured the full match, and added the \$8,000 catch-up once her budget allowed. Because her plan offered a Roth 401(k), she split her contributions between Roth and traditional to begin building her tax-free bucket.

Starting point	3% contribution; half the employer match unclaimed
Strategy	Full match, catch-up contributions, split Roth/traditional deferrals
Result	Total annual savings (with match) more than doubled

CHAPTER 7

Roth IRAs and Roth 401(k)s — Buying Out the Silent Partner

If the Traditional IRA has a silent partner, the Roth is the account where you buy him out.

A Roth conversion is how you buy out that silent partner today, at a price you can see on paper, instead of leaving an open bar tab for your future self, or worse, for your kids.

— Suba Narla, *The Tax-Free Pivot*

Why the Roth Is the Crown Jewel

A Roth IRA is the most valuable account most families will ever own: every dollar of growth is tax-free forever, it has no lifetime RMDs for the original owner, and it passes to heirs as tax-free money.

— Suba Narla, *The Protected Pivot*

- ◆ **Tax-free growth and tax-free qualified withdrawals** after age 59½ and once the account has been open five years.
- ◆ **No RMDs for the original owner** — the money can keep growing as long as you like.
- ◆ **Roth withdrawals don't count as taxable income**, so they don't push Social Security into taxation or trigger IRMAA surcharges.
- ◆ **Heirs inherit tax-free money** (though most must still empty the account within ten years).

Three Ways Into the Roth

1. **Direct contributions.** Up to \$7,500 for 2026 (\$8,600 at 50+), subject to income limits.

2. **Roth 401(k) contributions** through your employer — no income limit.
3. **Roth conversions** — moving money from a Traditional IRA or 401(k) to a Roth and paying the tax now. There is no income limit on conversions.

Quick refresher in plain English: a conversion is simply moving money from the first bucket to the second and paying the toll on the way across the bridge. The entire game is picking the years when the toll is cheapest.

— Suba Narla, *The Tax-Free Pivot*

When Is the Toll Cheapest?

For most families, the cheapest conversion years fall into a predictable "valley": after paychecks stop but before Social Security and RMDs begin. With the 2026 bracket structure, a married couple filing jointly can have roughly \$100,800 of taxable income before leaving the 12% bracket, and roughly \$211,400 before leaving the 22% bracket — on top of a standard deduction of \$32,200. Filling those lower brackets with deliberate conversions, year after year, steadily drains the tax-deferred bucket at a discount.

Other cheap-toll moments include a year with a job loss or sabbatical, a year with large deductions, and — this one feels backwards — a year when the market is down. Converting shares while they're temporarily on sale moves more future growth into the tax-free bucket for the same tax bill.

PIVOT POINTER

Pay the tax from money *outside* the IRA whenever you can. As The Tax-Free Pivot puts it, that outside cash acts like a second, informal retirement contribution — supercharging the amount growing tax-free.

The Backdoor and Mega-Backdoor

Earn too much to contribute directly? A "backdoor Roth" — a non-deductible Traditional IRA contribution followed by a conversion — is a commonly used workaround, though the pro-rata rule can complicate it if you hold other pre-tax IRA money. Some 401(k) plans also allow after-tax contributions that can be converted to Roth (the "mega-backdoor"). Both are worth a conversation with a tax professional.

CASE EXAMPLE 4 — CHAPTER 7

Tom and Linda, 63 — Filling the Valley

Tom and Linda retired at 62 with \$1.4 million in Traditional IRAs and planned to delay Social Security to 70. Their taxable income in the gap years was modest — mostly interest from a cash bucket.

Each fall, they converted enough of their IRAs to fill the 12% bracket and part of the 22% bracket, paying the tax from savings. Over eight years they moved roughly \$700,000 into Roth IRAs, holding the "on-deck" conversion money in a Fixed Indexed Annuity so a market drop couldn't derail the schedule.

Starting point	\$1.4M, all tax-deferred; large future RMDs projected
Strategy	Annual bracket-filling conversions during the valley years
Result	Smaller RMDs, lower lifetime tax, and a tax-free legacy for their children

CHAPTER 8

Fixed Indexed Annuities — The Paycheck You Can't Outlive

Let me tell you about the most misunderstood financial product in America. People either love annuities or they hate them, and very often the ones who hate them have never read a contract. The ones who love them usually have a parent who had a pension.

The goal has never been to sell you an annuity. It is to help you recognize when one genuinely solves a problem you have, which kind solves it best, and what questions to ask before you sign anything.

— Suba Narla, *The Protected Pivot*

What an FIA Does, in Plain English

A Fixed Indexed Annuity is a contract with an insurance company. You deposit money; the insurer credits interest based partly on the performance of a market index, like the S&P 500 — but with a **0% floor**. When the index goes up, you share in part of the gain (subject to caps, participation rates, or spreads). When the index goes down, you are credited zero — not a loss. Your credited gains are locked in each year.

Many FIAs also offer an **income rider** that can turn the contract into a guaranteed lifetime paycheck, no matter how long you live and no matter what the market does. That paycheck is the closest thing most people can buy to a private pension.

Three Worry-Free Jobs for an FIA

1. **Protecting the "Soon" bucket.** Money you'll need in years 4–10 of retirement can't afford a 35% drop. An FIA gives it a floor.
2. **Building the income floor.** An income rider converts a lump sum into guaranteed lifetime income to cover essentials.

3. **Staging Roth conversions.** Holding "on-deck" IRA money in an FIA keeps a conversion plan on schedule when markets fall.

Holding the "on-deck" portion of a Traditional IRA in an accumulation FIA changes that picture. The on-deck money can't lose value to a market decline, it continues to earn index-linked interest in good years, and the conversion schedule can proceed exactly as planned.

— Suba Narla, *The Protected Pivot*

The Honest Trade

In a strong bull market, the index fund wins decisively... That is the honest trade: an FIA gives up a meaningful share of upside in exchange for eliminating downside.

— Suba Narla, *The Protected Pivot*

An FIA is not a replacement for long-term stock ownership. It is the part of your plan that has to be there on a specific date. FIAs also carry surrender charges (often 7 to 10 years), caps and participation rates that insurers can adjust, and rider fees. Guarantees depend on the financial strength and claims-paying ability of the issuing insurer. Read the fine print — or better yet, have someone who reads fine print for a living walk you through it.

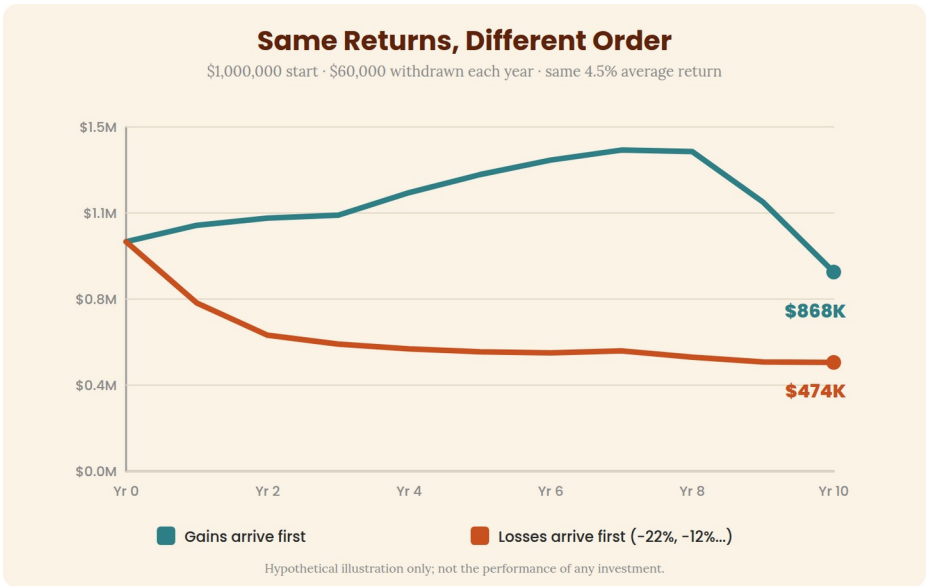
Sequence-of>Returns Risk: The Retirement Wrecking Ball

The first ten years of retirement are the most dangerous decade in your financial life. If the market falls sharply *while* you are withdrawing income, you're forced to sell more shares at low prices, and those shares aren't around for the recovery. Two retirees with the same average return over 30 years can end up in wildly different places simply because of the *order* of those returns.

After ten years and \$250,000 of withdrawals, the hypothetical FIA still held about \$403,000. The equity-only portfolio had fallen to about \$191,000 — not because the average return over the period was catastrophic, but because the losses arrived early, while withdrawals were being taken.

— Suba Narla, *The Protected Pivot*

Guaranteed income, FIAs, and IULs protect you from this wrecking ball, because the money funding your early-retirement paycheck isn't forced to sell anything at the bottom.



Same average return, different order: withdrawals during early losses can permanently shrink a portfolio (illustrative).

CASE EXAMPLE 5 — CHAPTER 8**Frank and Rosa, 64 — Buying a Paycheck for the Essentials**

Frank and Rosa's essentials came to \$6,500 a month. Their combined Social Security at 67 was projected at \$4,200, leaving a \$2,300 gap that, until now, their stock portfolio would have covered.

They moved part of Frank's 401(k) rollover into an FIA with a lifetime income rider sized to close the gap starting at 67. The rest of their portfolio stayed invested for growth, now free to ride out bad years without being raided for groceries.

Starting point	Essentials dependent on stock-market withdrawals
Strategy	FIA income rider sized to close the essential-expense gap
Result	Essentials 100% covered by guaranteed income; growth left to grow

CHAPTER 9

Indexed Universal Life — Be Your Own Banker

If the FIA is the paycheck you can't outlive, Indexed Universal Life is the private bank you carry in your pocket. An IUL is permanent life insurance with a cash-value account that earns interest tied to a market index — with a floor (commonly 0%) and a cap. A properly designed and adequately funded policy can build cash value that you can access through withdrawals and policy loans, generally income-tax-free, while the policy stays in force.

A properly designed policy can become something few families ever have: a private bank of their own, one that protects the people they love, grows without market losses, and lends to them on their own terms.

— Suba Narla, *The Private Bank Pivot*

Why IULs Belong in a Worry-Free Plan

- ◆ **Tax-free income in retirement.** Policy loans and withdrawals (up to basis) are generally not taxable when the policy is structured and maintained correctly, so they don't raise your bracket, trigger IRMAA, or make Social Security taxable.
- ◆ **A floor against market losses.** Like an FIA, indexed crediting generally won't go below the floor in a down year.
- ◆ **No contribution limits set by the IRS** in the way 401(k)s and IRAs have — though tax law does limit how much premium a policy can take relative to its death benefit before it becomes a Modified Endowment Contract (MEC).
- ◆ **Liquidity for life's surprises.** Cash value can fund a car, a child's college, a business opportunity, or a down payment on real estate — and then be paid back to your own "bank."
- ◆ **Leverage for legacy.** The death benefit can fund your Legacy bucket — including a gift to charity or your family foundation.

- ◆ **Living benefits.** Many policies include riders that let you access part of the death benefit early for chronic, critical or terminal illness.

The Pitfalls — Please Read This Part Twice

Designed well, funded well, and held long enough, it can protect a family, build a pool of tax-advantaged money, and later deliver income the IRS does not tax. Designed poorly, underfunded, or sold to the wrong person, it can quietly consume itself in fees and collapse in the policyholder's seventies, sometimes with a tax bill attached.

— Suba Narla, *The Private Bank Pivot*

- ◆ **Costs are real.** Cost of insurance charges, premium loads, and administrative fees are deducted from the cash value, and they rise with age.
- ◆ **Illustrations are not guarantees.** Projected crediting rates are hypothetical. Ask to see illustrations at conservative rates as well as the optimistic ones.
- ◆ **Underfunding kills policies.** A policy funded at the minimum may lapse later in life — and a lapse with outstanding loans can create a surprise tax bill.
- ◆ **Loans must be managed.** Loan interest accrues; over-borrowing can erode the policy. Review annually.

A policy whose loans are never repaid is not a bank; it is a slow lapse.

— Suba Narla, *The Private Bank Pivot*

- ◆ **It's long-term.** Surrender charges typically apply in the early years. IULs work best for people who can fund them consistently for many years.

PIVOT POINTER

An IUL is a marathon, not a sprint. Fund it early, fund it consistently, review it every year, and it can become one of the most flexible tax-free buckets you own.

IUL Across the Decades

For someone in their 20s or 30s, an IUL's low cost of insurance and long time horizon make it a powerful tax-free accumulation bucket alongside Roth IRAs. In the 40s and 50s — especially for high earners who can't contribute directly to a Roth — it becomes a supplemental tax-free retirement account. In retirement, it becomes a source of tax-free income, a reserve for living-benefit needs, and the funding source for the Legacy bucket.

CASE EXAMPLE 6 — CHAPTER 9**Marcus, 35 — Opening His Own Bank**

Marcus, 35, a dentist with a thriving practice, earned too much to contribute directly to a Roth IRA and was already maxing out his 401(k). He wanted more tax-free retirement income and a source of cash for future practice expansion.

Working with his advisor, he funded an IUL designed for maximum cash accumulation — the death benefit set close to the minimum allowed without becoming a MEC — and committed to funding it for 20 years. At 50, he borrowed against the cash value to buy a second office, then repaid the loan from practice profits over five years.

Starting point	Maxed 401(k); over the Roth income limit
Strategy	Max-funded IUL as a tax-free bucket and personal bank
Result	Tax-free retirement income projected from age 65, plus liquidity along the way

CHAPTER 10

Living Benefits — Insurance You Don't Have to Die to Use

The oldest joke about life insurance is that you have to die to win. The newest generation of policies has changed the punchline.

Here is the question most families never ask when they buy insurance: What happens if I don't die, but I can't take care of myself anymore?

— Suba Narla, *The Living Benefits Pivot*

Long-term care is the elephant in every retirement plan. Someone turning 65 today has almost a 70% chance of needing some type of long-term care services in their remaining years, and the national median cost of a private nursing-home room is about \$129,575 a year, according to the 2025 CareScout Cost of Care Survey. Assisted living runs about \$74,400 a year. An unfunded care need is the fastest way to turn a worry-free retirement into a worried one — for you and for your children.

Four Ways to Build a Care Cushion

1. **Riders on IUL and whole life policies** that let you accelerate part of the death benefit if you are diagnosed with a chronic, critical, or terminal illness.
2. **Hybrid life/long-term-care policies** that combine a death benefit with a pool of LTC benefits — if you never need care, your heirs get the death benefit.
3. **Term life with living-benefit riders** — an affordable option for younger families.
4. **Annuity riders** that can increase income payments (often doubling them for a period) if you can't perform a specified number of activities of daily living.

A beautiful retirement plan can be undone by one diagnosis.

— Suba Narla, *The Living Benefits Pivot*

Why Living Benefits Remove Worry

The fear of a long-term care event is one of the biggest reasons retirees under-spend — they hoard money "just in case." A plan with a defined care cushion frees you to actually *spend* your Lifestyle and Luxury buckets. It is hard to enjoy Bora Bora when you're worried the trip might mean a nursing-home shortfall later.

PIVOT POINTER

Ask this question about every life insurance policy and annuity you own: "What does this do for me if I get sick and live?" If the answer is "nothing," it may be time for a review.

CASE EXAMPLE 7 — CHAPTER 10

Helen, 68 — The Stroke That Didn't Break the Plan

Helen, a retired teacher, had purchased an IUL with a chronic-illness rider at 55, mainly for her grandchildren's legacy. At 68, a stroke left her needing help with bathing and dressing for nearly two years.

Because her doctor certified that she could not perform two activities of daily living, she was able to accelerate part of her death benefit to pay for in-home care. Her IRA and Roth were never touched, and a reduced death benefit still passed to her family.

Starting point	IUL with a chronic-illness rider purchased for legacy
Strategy	Accelerated death benefit used for in-home care
Result	Care funded without selling investments or burdening her children

CHAPTER 11

Judgment-Proof Yourself & Your Family

You can do everything else in this book right — fill your buckets, convert to Roth, build your income floor — and still lose a big piece of it in one afternoon. A grandson borrows your car. A guest slips on your icy front step. The family dog, who "has never bitten anyone," makes an exception. A tenant gets hurt at your rental. In a country where almost anyone can sue almost anyone, a single judgment can do more damage to a retirement than a bear market.

It takes forty years to build a retirement and forty minutes for a jury to take it apart. Protect the castle before you decorate it.

— Suba Narla

Being **judgment-proof** simply means arranging your life so that, if someone wins a lawsuit against you, the money you need to live on is either covered by insurance or legally out of reach. It is not about hiding money or dodging honest debts. It is about using the protections the law already gives you — and setting them up *before* you need them.

Why Retirees Are Lawsuit Magnets

Retirees tend to have exactly what a plaintiff's attorney looks for: a paid-off home, visible savings, and no new paycheck coming in to rebuild what a judgment takes away. A 35-year-old can recover from a lawsuit. A 70-year-old usually can't. That is why protection belongs in the *Essentials* bucket of your plan, right next to your income floor.

The Five Layers of Protection

Think of protection like the layers of a good winter outfit. No single layer does everything, but together they keep the cold out.

1. **Liability insurance comes first.** Raise the liability limits on your auto and homeowner's policies, then add a **personal umbrella policy** of \$1 million to \$5 million. For many families the first \$1 million costs a few hundred dollars a year — likely the best dollar-for-dollar protection you will ever buy. Insurance also pays for your lawyer, which is no small thing.
2. **Retirement accounts.** Employer plans covered by ERISA — most 401(k)s, 403(b)s and pensions — are generally shielded from creditors under federal law. IRAs are protected in federal bankruptcy up to an inflation-adjusted limit of about \$1.7 million, and money rolled over from a 401(k) is generally protected without that cap. Outside bankruptcy, IRA protection depends on your state.
3. **Your home.** State homestead laws protect some or all of the equity in your primary residence. Florida and Texas are famous for protecting unlimited value (with limits on acreage); other states protect a fixed dollar amount. In some states, married couples who own their home as *tenants by the entirety* add another layer against a debt owed by only one spouse.
4. **Life insurance and annuities.** Many states shield the cash value of life insurance and the value of annuities from creditors — some completely, some up to a limit, some only when a spouse or child is the beneficiary. This is one more quiet advantage of the IUL and FIA buckets from earlier chapters, but how much protection you get depends entirely on where you live.
5. **Entities and trusts.** Hold each rental property or business in its own LLC so a claim against one can't reach the others or your personal savings. For larger estates, an attorney may recommend irrevocable trusts or, in about 20 states, a *domestic asset protection trust*.

Insurance is the moat. Retirement accounts, homestead and entities are the walls. You want both.

— Suba Narla

SIDEBAR — ARIZONA AND OTHER CAPPED STATES**What About Home Equity Above the Homestead Limit?**

In many states the homestead exemption protects only part of a home's value. Arizona's exemption started at \$400,000 and is adjusted every January for inflation, and a married couple gets one homestead between them. So an Arizona couple with a \$650,000 paid-off home still has more than \$200,000 of equity a creditor could reach.

Can an irrevocable trust protect the rest? It depends on who the trust is for. If you move the house into an irrevocable trust and keep living there as a beneficiary — a *self-settled* trust — Arizona law lets your creditors reach whatever the trust could use for your benefit, so it generally doesn't work. Arizona is not one of the roughly 20 states with domestic asset protection trust laws, and using another state's trust for an Arizona home is uncertain at best. A trust you truly give the house to — for your children, for example, with you *not* a beneficiary — can protect it, but you give up ownership and control, and the tax side needs careful drafting.

Other ways homeowners in capped states handle the extra equity:

- ◆ **A larger umbrella policy** — still the first line of defense, because most claims against retirees start with an accident.
- ◆ **More savings in assets the state already protects.** In Arizona that includes 401(k)s and IRAs, plus life insurance cash value and annuities that have been owned for at least two years and name a spouse, child or other qualifying family member as beneficiary.
- ◆ **A planned mortgage on the extra equity**, with the proceeds placed in protected assets. It can work, but it has real costs and risks and deserves a written, side-by-side analysis first.

Two more Arizona notes: it is a community-property state and does not offer tenancy by the entirety, the extra layer Robert and Elaine used in Case Example 10. And as with every strategy in this chapter, timing is everything — moves made after a claim is on the horizon can be undone.

Protecting the Next Generation

Judgment-proofing isn't only about you. The money you leave behind can be lost to your children's divorces, lawsuits or creditors — or simply to a bad decision made in the first year of grief.

- ◆ **Leave inheritances in trust, not outright.** A trust with a *spendthrift* clause can keep a child's inheritance away from their creditors and, in many cases, out of a divorce settlement.
- ◆ **Watch the inherited IRA.** The U.S. Supreme Court ruled in 2014 that inherited IRAs are not protected as retirement funds in federal bankruptcy. Naming a properly drafted trust as beneficiary can help.
- ◆ **Mind the car keys.** Teen and young-adult drivers in your household — or driving your car — are one of the biggest risks to your umbrella. Make sure every driver is listed and your limits match your net worth.
- ◆ **Don't put a child's name on your deed or bank account** just to avoid probate. Their creditors, lawsuits and divorces can then reach *your* asset. A properly funded trust or a transfer-on-death designation usually does the job without the risk.
- ◆ **Keep beneficiary designations current** on every 401(k), IRA, annuity and life insurance policy. They override your will.

The Timing Rule — Build the Ark Before It Rains

Asset protection works only when it is done *before* trouble shows up. Moving money after an accident, a lawsuit or a large debt can be undone by a court as a *fraudulent* (or voidable) *transfer*, and it can make a bad situation much worse. The best time to judgment-proof your family is on a calm, sunny Tuesday when nobody is suing anybody.

And one important myth to retire: a **revocable living trust** is wonderful for avoiding probate and keeping your affairs private, but it offers no protection from your own creditors. If you can change it, so can a judge.

PIVOT POINTER

Once a year, alongside your bucket review, do a 15-minute liability checkup: Do my umbrella limits match my net worth? Is every driver listed? Is each rental in its own LLC? Are my beneficiaries up to date? Four questions, fifteen minutes, a lot less worry.

CASE EXAMPLE 8 — CHAPTER 11**Walter and June, 66 — The Fender-Bender That Wasn't**

Walter and June had about \$1.6 million saved, a paid-off home and two rental condos. Their annual review turned up only \$300,000 of auto liability coverage, no umbrella, and both condos titled in their own names. They added a \$2 million umbrella, raised their auto limits, and moved each condo into its own LLC with its own landlord policy.

Eighteen months later, their 19-year-old grandson, driving their car, ran a red light and seriously injured another driver. The claim settled for \$1.4 million — paid by their auto and umbrella insurers. Their 401(k) rollover, Roth IRAs, home and rentals were never touched.

Starting point	\$1.6 million saved; low liability limits; rentals in their own names
Strategy	Higher auto limits, a \$2 million umbrella, one LLC per rental
Result	A \$1.4 million claim paid by insurance; retirement savings untouched

CASE EXAMPLE 9 — CHAPTER 11**The Okafors, 58 — One Tenant, One LLC**

Chidi and Ngozi Okafor owned three rental homes, each in its own LLC with its own landlord liability policy. Their personal savings — two 401(k)s and a joint brokerage account — were held completely separately, and they never mixed rent money with household money.

When a tenant's guest fell down a poorly lit stairway at one of the rentals, the lawsuit named that property's LLC. The landlord policy paid the settlement, and because the LLCs were kept separate and run like real businesses, the other two rentals, their home and their retirement accounts were never part of the case.

Starting point	Three rentals; growing equity; worried about tenant injuries
Strategy	One LLC and one landlord policy per property; finances kept separate
Result	A claim limited to one property and paid by insurance

CASE EXAMPLE 10 — CHAPTER 11**Robert, 63 — The Business That Failed, the Retirement That Didn't**

Robert owned a regional trucking company and had personally guaranteed a large equipment loan. His wife, Elaine, had not signed the guarantee. Years earlier, his advisor had pointed out that his money sat almost entirely in a taxable account and a business checking account — two of the least protected places a person can keep savings — and that the family home, worth about \$650,000, was the biggest unprotected asset of all.

Over the following decade he maxed out his company 401(k), rolled an old plan into an IRA, and moved part of his savings into a fixed indexed annuity, which his state's law protected from creditors. He and Elaine also judgment-proofed the house, long before there was any trouble: they paid off the mortgage, recorded the homestead declaration their state requires, retitled the home as tenants by the entirety (which their state allows for married couples), and kept the home out of the business entirely — never pledging it as collateral.

When fuel costs and a lost contract sank the business at 63, the lender pursued Robert's personal guarantee. Because the debt was his alone, it could not attach to a home owned by both spouses as tenants by the entirety, and the homestead exemption added a second layer. His 401(k), rollover IRA and annuity were exempt under federal and state law. He started over at retirement age with a paid-off home and his income floor intact.

Starting point	Personal guarantee on business debt; savings and \$650,000 home unprotected
Strategy	Savings moved into a 401(k), rollover IRA and FIA; home paid off, homesteaded and held as tenants by the entirety
Result	Business lost; paid-off home, retirement accounts and annuity all protected

CASE EXAMPLE 11 — CHAPTER 11**Grace, 72 — The Inheritance That Survived a Divorce**

Grace, a widow with about \$900,000 in savings and life insurance, loved her son David but worried about his rocky marriage and his habit of co-signing friends' loans. Instead of leaving everything to him outright, her attorney drafted a trust with a spendthrift clause and named a trusted cousin as co-trustee.

Three years after Grace passed away, David's marriage ended and a business partner sued him. Because the inheritance stayed inside the trust — paying for David's needs without ever becoming his personal property — it was not part of the divorce settlement and stayed out of reach of his creditors.

Starting point	Large inheritance planned for a son with marital and money risks
Strategy	Inheritance left in a spendthrift trust with a co-trustee
Result	Inheritance preserved through David's divorce and lawsuit

CASE EXAMPLE 12 — CHAPTER 11**Dolores, 79 — The Deed She Never Signed Over**

Dolores wanted her paid-off home to pass to her daughter Michelle without probate. A neighbor told her the easy way was to add Michelle's name to the deed. Before she did, she asked her advisor, who sent her to an estate-planning attorney. Her state allows transfer-on-death deeds, so the attorney recorded one instead — Michelle would inherit the home automatically, but would own nothing until then.

Two years later, Michelle was sued after a car accident in which her insurance limits fell short. Because Michelle's name was not on her mother's deed, Dolores's home — and her peace of mind — were never at risk.

Starting point	Wanted to add her daughter's name to the deed to avoid probate
Strategy	Transfer-on-death deed recorded instead of adding a co-owner
Result	Home stayed out of reach of the daughter's lawsuit; probate still avoided

CASE EXAMPLE 13 — CHAPTER 11**Ray and Carmen, 64 — The Mortgage They Didn't Need**

Ray and Carmen owned a paid-off home in Mesa, Arizona, worth about \$650,000 — roughly \$210,000 more than Arizona's homestead exemption protects. They also had \$400,000 in a taxable brokerage account with no creditor protection. A friend suggested a clever fix: take out a \$250,000 mortgage on the unprotected equity and use the money to buy a single premium immediate annuity (SPIA) that would make the mortgage payments.

Their advisor ran the numbers side by side. At 6.5%, a 30-year, \$250,000 mortgage costs about \$1,580 a month. A \$250,000 SPIA guaranteed for 30 years paid about \$1,340 a month, leaving a gap of roughly \$240 a month — more than \$85,000 over the life of the loan. A lifetime-only SPIA paid a bit more but would stop at death while the mortgage kept going, and the interest on a cash-out loan used to buy an annuity generally isn't tax-deductible.

So they kept the house debt-free and protected it another way. They raised their umbrella policy to \$3 million and, over two tax years, moved \$250,000 from the brokerage account into a fixed indexed annuity naming each other and their children as beneficiaries. Once they had owned it for two years, Arizona law shielded it from creditors, and it still left them access to their money.

Starting point	\$650,000 paid-off Arizona home; about \$210,000 above the homestead limit; \$400,000 unprotected brokerage account
Strategy	Rejected the mortgage-plus-SPIA plan; \$3 million umbrella; \$250,000 moved into an FIA with family beneficiaries
Result	No new debt or monthly shortfall; more savings in assets Arizona protects after two years

Asset-protection and homestead laws vary widely from state to state and change over time. The rules described here are general education, not legal advice. Before you retitle property, form an LLC or set up a trust, sit down with an asset-protection or estate-planning attorney licensed in your state.

CHAPTER 12

The Growth Engines — Stocks, Index Funds and Real Estate

Guarantees keep you calm. Growth keeps you ahead of inflation. A worry-free plan needs both — just as a car needs both brakes and an engine. (A car with only brakes is very safe and goes nowhere. A car with only an engine is exciting for about four minutes.)

Stocks and Index Funds

Over long periods, diversified stock ownership has historically been one of the most reliable ways to grow wealth faster than inflation — with the important caveat that it can fall sharply in the short run. Broad, low-cost index funds let you own a slice of hundreds or thousands of companies without having to pick winners.

Generic suggestions that stand the test of time:

- ◆ **Diversify** across U.S. and international stocks, company sizes, and sectors.
- ◆ **Keep costs low.** Fees compound just as surely as returns — in the wrong direction.
- ◆ **Automate** contributions so you buy steadily through good and bad markets.
- ◆ **Rebalance** at least once a year to keep your risk where you intended it.
- ◆ **Match the horizon.** Money you won't need for ten or more years belongs in Bucket 3 — Later. Money you'll need in two years does not.

Real Estate

Rental real estate can provide income that tends to rise with inflation, depreciation deductions that shelter part of that income, and leverage that amplifies returns. It can also provide 2:00 a.m. phone calls about toilets. If being a landlord isn't your idea of retirement, Real Estate

Investment Trusts (REITs) and private real estate funds offer exposure without the plungers.

A few worry-free guidelines for real estate:

- ◆ Keep debt at levels that can survive a vacancy or a rate increase.
- ◆ Hold reserves for repairs — a roof doesn't care about your cash flow.
- ◆ Consider how and when you'll exit; capital gains and depreciation recapture can be substantial.
- ◆ For many investors, a primary residence that is paid off by retirement is the single best "real estate investment" they will ever make, because it slashes the Essentials bucket.

Where Growth Fits in the Buckets

Growth assets live mainly in Bucket 3 — Later — and in the tax-free bucket whenever possible, because the highest-growth assets create the biggest tax bill if held in the wrong place. Owning your most aggressive growth investments inside Roth accounts means their best years are never taxed.

In practice, the discipline forks sharply as liquid assets grow, and the tax code is not a footnote to the plan. It is the plan.

— Suba Narla, *The Wealth Pivot*

CHAPTER 13

Social Security — The Original Guaranteed Income

Social Security is the foundation of the income floor for almost every American retiree. It is guaranteed for life, adjusted for inflation, and partially protected from creditors. If a private company offered a product like that, there'd be a line around the block.

The Claiming Decision

- ◆ You can claim as early as 62, but your benefit is permanently reduced.
- ◆ Your Full Retirement Age (FRA) is 67 if you were born in 1960 or later.
- ◆ For every year you delay past FRA up to age 70, your benefit grows by 8% — plus cost-of-living adjustments.

Claiming at 70 instead of 62 can produce a monthly check roughly 75% larger for life. For a married couple, the higher earner's decision matters even more, because the larger of the two benefits becomes the survivor's benefit.

A Worry-Free Strategy: Bridge to 70

A common strategy is to use other assets — cash, an FIA, a period-certain annuity, or Roth withdrawals — as a *bridge* from retirement to 70, and then let the larger Social Security check do the heavy lifting for life. The bridge years double as your cheapest Roth-conversion years. It's the financial equivalent of two birds, one stone (no birds were harmed in the making of this strategy).

Delaying isn't right for everyone — health, family longevity, and cash needs all matter. But for many married couples in good health, a delayed benefit is one of the least expensive ways to buy more guaranteed, inflation-adjusted income.

PIVOT POINTER

Social Security benefits can become up to 85% taxable. Roth withdrawals and IUL policy loans don't count toward the income that triggers that tax. Another quiet win for tax-free buckets.

The Trust Fund Question

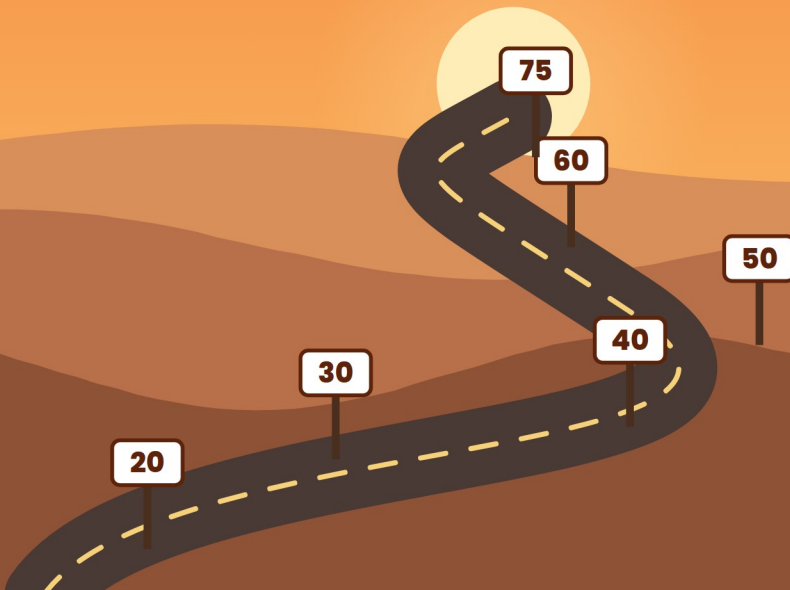
Every few years, headlines warn that the Social Security trust fund will run short. Under current projections, if Congress does nothing, the program could still pay a large majority of scheduled benefits from ongoing payroll taxes. Historically, Congress has acted before the deadline. A worry-free plan doesn't panic — but it also doesn't assume every promised dollar is guaranteed. If you're in your 20s or 30s, a small haircut in your projections is simply prudent.

THE WORRY-FREE RETIREMENT PIVOT

PART III

The Decade-by-Decade Pivot Plan

What to do from age 20 to 75



CHAPTER 14

The 20% Club — Savers Who Never Worry

Before we march through the decades, let's talk about the single habit that matters more than any product in this book: how much you save.

Some of the best savers I have ever met belong to churches that encourage tithing — typically 10% of their income, and sometimes 10% of their *gross* income. Here is the fascinating part: those same families very often save *another* 10% or more. Once you have trained yourself to live on 90% of your income, living on 80% or 70% isn't a stretch — it's just a second habit. Many of these households end up saving and giving 20% to 30% of their gross income, and they do it cheerfully.

Whatever your faith or philosophy, the lesson is universal: **pay your purpose first and your future second, and live on what's left.** We encourage all our clients to save at least 20% to 30% of their income, and to take a hard, honest look at their expenses if they're not there yet.

The Great Coffee Debate

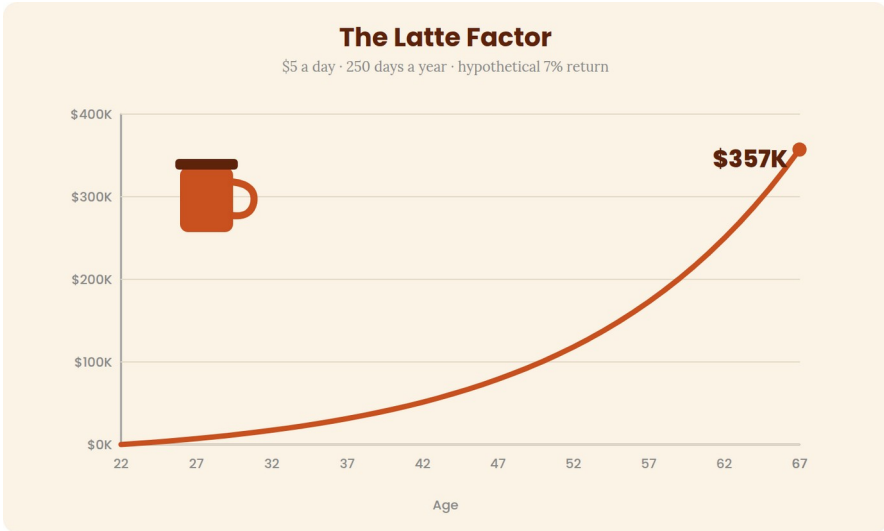
Now for a highly controversial opinion that may cost me readers in Seattle: I believe McDonald's coffee is better than Starbucks — and it's typically several dollars cheaper.

Let's do the math. Suppose skipping the fancy coffee saves \$5 a day, 250 workdays a year. That's \$1,250 a year. Invest it at a hypothetical 7% average annual return from age 22 to age 67 — 45 years — and it grows to roughly **\$357,000**.

Think of that outside cash as a second, informal retirement contribution: you're effectively using after-tax dollars to supercharge the amount growing tax-free inside the Roth.

— Suba Narla, *The Tax-Free Pivot*

Put that \$1,250 a year in a Roth IRA, and the entire \$357,000 is tax-free. That is a lot of money to pour down a drain one venti at a time. I'm not saying never buy the fancy latte. I'm saying the fancy latte should be a Luxury bucket decision — made on purpose — not an Essential bucket habit.



The Latte Factor: \$5 a day, invested at a hypothetical 7% from age 22, grows to about \$357,000 by 67.

Ten Painless Ways to Join the 20% Club

1. **Automate everything.** Savings should leave your paycheck before you see it.
2. **Save every raise.** Put at least half of every raise into savings. You'll never miss money you never got used to.
3. **Capture the full employer match** — it's an instant 50% to 100% return.
4. **Audit subscriptions** twice a year. Somewhere, you're paying for a streaming service you watched once in 2023.
5. **Drive cars longer.** Pay off the car, then keep making the "payment" to yourself.
6. **Cook one more meal a week at home.**
7. **Shop your insurance** every couple of years.

8. **Avoid lifestyle creep** — the silent killer of retirement plans.
9. **Give yourself a guilt-free "fun money" budget** so saving never feels like punishment.
10. **Celebrate milestones.** First \$10,000. First \$100,000. First million. Each deserves a (reasonably priced) dinner.

CHAPTER 15

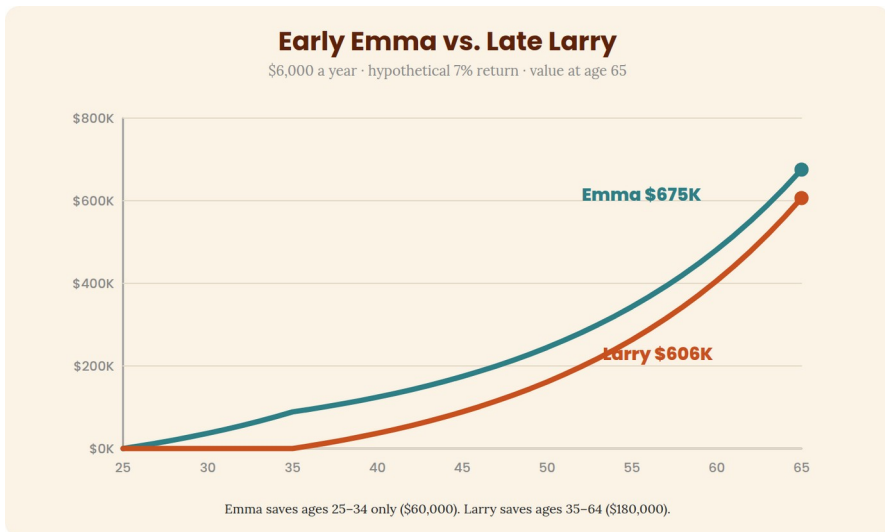
Your 20s — The Launch Decade

Your 20s are the decade of first apartments, first paychecks, and first discovering that adults eat cereal for dinner too. They're also the most powerful financial decade of your life, because every dollar saved now has more than 40 years to compound.

The Superpower of Time

Consider two savers. **Early Emma** invests \$6,000 a year from 25 to 35 — ten years — and then stops completely. **Late Larry** invests \$6,000 a year from 35 to 65 — thirty years. At a hypothetical 7% return, who has more at 65?

Emma. With one-third of the contributions, she ends up with roughly \$675,000 versus Larry's roughly \$606,000. Time did the heavy lifting. Larry did the heavy lifting *and* lost.



Early Emma vs. Late Larry: ten years of early saving beat thirty years of late saving (hypothetical 7% return).

The 20s Checklist

- ◆ **Build a starter emergency fund**, then grow it toward six months of expenses.
- ◆ **Contribute enough to get the full 401(k) match**, favoring the Roth 401(k) option when your tax bracket is low.
- ◆ **Open a Roth IRA** — your 20s are usually your lowest tax-bracket working years, which makes tax-free money cheapest now.
- ◆ **Kill high-interest debt.** Credit card interest is the Rule of 72 working *against* you.
- ◆ **Consider term life insurance** if anyone depends on your income — and ask whether a small, well-designed IUL makes sense as a long-term tax-free bucket while insurance costs are at their lowest.
- ◆ **Invest for growth.** With 40+ years ahead, Bucket 3 — Later — is where most of your money belongs.
- ◆ **Start your four-bucket budget** so the habit is established before life gets complicated.

PIVOT POINTER

In your 20s, the goal isn't to be perfect. It's to be *started*. A 10% savings rate at 23 beats a 25% savings rate that starts at 38.

CASE EXAMPLE 14 — CHAPTER 15**Jasmine, 24 — The First-Paycheck Plan**

Jasmine, a 24-year-old nurse earning \$68,000, had \$9,000 in credit card debt and no retirement savings. She set up an automatic 6% Roth 401(k) contribution to capture her hospital's match, attacked the credit card with every spare dollar, and opened a Roth IRA as soon as the card was paid off 14 months later.

By 27, she was saving 15% of her income, had a four-month emergency fund, and had a small term policy with a conversion privilege for future flexibility.

Starting point	Credit card debt; no savings
Strategy	Match first, debt second, Roth IRA third, savings rate rising with each raise
Result	15% savings rate by 27, most of it in tax-free buckets

CHAPTER 16

Your 30s — The Juggling Decade

Your 30s arrive with a lot of balls in the air: careers, mortgages, weddings, babies, daycare bills that rival college tuition, and the discovery that your knees now make noises. It's easy to let retirement slide. Don't.

Protect the People Who Depend on You

This is the decade when life insurance matters most. If your family depends on your income, an income-replacement plan — often ten to fifteen times your salary between term and permanent coverage — protects everything else in this book. A blend of affordable term coverage and a permanent IUL can protect the family today while building a tax-free bucket for tomorrow. Many IULs and term policies also include living-benefit riders, so the coverage can help if you become seriously ill rather than only if you die.

Most families spend their lives paying interest to someone else: on cars, homes, credit cards, student loans, and business equipment. Over a lifetime, that interest can add up to a staggering sum, and every dollar of it leaves the family forever.

— Suba Narla, *The Private Bank Pivot*

The 30s Checklist

- ◆ **Keep saving 15–20%**, including the employer match, and increase it with each raise.
- ◆ **Balance Roth and traditional contributions** based on your current bracket.
- ◆ **Protect your income** with life insurance and disability insurance.

- ◆ **Open 529 plans** for children if college is a goal — but not at the expense of your own retirement. Your kids can borrow for college; nobody lends for retirement.
- ◆ **Consider real estate** — starting with a home you can comfortably afford.
- ◆ **Write a will** and name guardians for minor children.
- ◆ **Revisit your four-bucket budget** every year.

CASE EXAMPLE 15 — CHAPTER 16

Maya and Jordan, 30 — The \$100,000 Question

Maya and Jordan, both 30, earned \$150,000 combined and spent about \$100,000 a year across Essentials, Lifestyle, and Luxury. They wanted to retire at 72. Using the Rule of 72 and 6% inflation, their future spending need was roughly \$1.2 million a year — about \$2 million pre-tax if every dollar were taxable.

They committed to saving 25% of their income (including employer matches), raising contributions 3% a year. Assuming a hypothetical 6.5% average return, that discipline projects to roughly \$12 million by 72 — about \$1 million in today's purchasing power. They spread their savings across all three tax buckets: Roth 401(k)s and Roth IRAs, an overfunded IUL, traditional 401(k) money for the match, and a brokerage account that would later fund a rental property.

Their plan covered Essentials with guaranteed income and Lifestyle with growth assets. The Luxury bucket showed a gap — so they agreed to revisit it every five years, knowing that if inflation came in below 6%, the gap would likely close on its own.

Starting point	\$150K income; \$100K annual spending; 42 years to retirement
Strategy	25% savings across taxable, tax-deferred, and tax-free buckets
Result	Essentials and Lifestyle funded; Luxury reviewed every five years

Illustrative income at 72 (Maya and Jordan)	Future dollars/year	Tax treatment
Social Security (both delayed to 70)	\$300,000	Up to 85% taxable
FIA lifetime income riders	\$195,000	Taxable (from IRA)
Traditional IRA withdrawals and RMDs	\$60,000	Taxable
Roth IRA and Roth 401(k) withdrawals	\$155,000	Tax-free
IUL policy loans	\$100,000	Generally tax-free
Brokerage and rental income	\$100,000	Capital gains/rental
Total	about \$910,000	More than half guaranteed for life

These figures are hypothetical projections for illustration only, not guarantees. In today's dollars, their total income of about \$910,000 equals roughly \$79,000 a year — with more than a third arriving tax-free or tax-favored and more than half guaranteed for life. Notice how the tax-free sources shrink the "\$2 million pre-tax" target: their guaranteed floor covers the Essentials bucket by itself.

CHAPTER 17

Your 40s — The Catch-Up Decade

The 40s are when many people look up from the whirlwind of the 30s and realize retirement is closer than it used to be. Good news: your 40s are usually when income rises fastest. Better news: it is not too late for time to work its magic — you still have 25 to 30 years of compounding ahead.

The 40s Checklist

- ◆ **Push savings toward 20–25%.** Every raise and bonus should nudge it higher.
- ◆ **Run a formal retirement projection** — four buckets, Rule of 72, tax gross-up.
- ◆ **Diversify your tax buckets.** If nearly everything is in traditional 401(k)s, tilt new savings toward Roth and IUL.
- ◆ **Review life insurance.** Needs often peak now. Consider converting part of your term coverage to permanent coverage while you're insurable.
- ◆ **Pay down the mortgage** on a schedule that has it gone by retirement.
- ◆ **Start thinking about Legacy** — a will, trusts if appropriate, and beneficiary designations reviewed every few years.
- ◆ **Don't raid retirement accounts** for college, weddings, or kitchen remodels. Future You will send a strongly worded letter.

True tax flexibility requires money in all three buckets. A household entering retirement with \$2 million sitting entirely inside a traditional 401(k) has zero flexibility.

— Suba Narla, *The Wealth Pivot*

CASE EXAMPLE 16 — CHAPTER 17

The Nguyens, 46 — Rebalancing the Buckets

Kevin and Lan, both 46, had \$780,000 saved — 92% of it in traditional 401(k)s. Their projections showed that RMDs and Social Security would push them into a higher bracket in retirement than they were in now.

They switched their future 401(k) deferrals to the Roth option, began funding Roth IRAs through the backdoor, and started a max-funded IUL with part of their annual bonuses. They also mapped out a conversion plan for their early-retirement valley years.

Starting point	92% tax-deferred; projected higher bracket in retirement
Strategy	Roth deferrals, backdoor Roth IRAs, IUL, planned conversions
Result	Projected tax-free share at retirement rises from 8% to about 40%

CHAPTER 18

Your 50s — The Launch Window

Your fifties are usually your highest-earning decade — which is exactly why most people assume it's the worst time to convert anything... the thing your fifties actually offer isn't a low tax bracket — it's time. And time is the one ingredient a Roth conversion can't do without.

— Suba Narla, *The Tax-Free Pivot*

The 50s are when retirement stops being theoretical. You can see it on the horizon, like a beach through the airplane window. This is the decade to turn your plan from a sketch into blueprints.

The 50s Checklist

- ◆ **Use catch-up contributions** — the extra \$8,000 in your 401(k) and \$1,100 in your IRA (2026 figures).
- ◆ **Estimate your Social Security benefits** from your online Social Security account.
- ◆ **Map your income floor:** add up Social Security, pensions, and any annuity income, and compare it to your Essentials bucket.
- ◆ **Begin moving "Soon" money into protection.** Money you'll need in the first ten years of retirement should gradually shift from Bucket 3 into Bucket 2 — FIAs, fixed annuities, and similar tools.
- ◆ **Consider modest Roth conversions** in lower-income years.
- ◆ **Plan for healthcare before Medicare**, if you'll retire before 65.
- ◆ **Address long-term care risk** with living-benefit riders or hybrid policies while you're still healthy enough to qualify.
- ◆ **Pay off debt**, especially the mortgage, if it fits your plan.

If you are in your 50s, you are in the sweet spot: you are usually still healthy enough to qualify for coverage at reasonable prices, and you still have time for your money to grow.

— Suba Narla, *The Living Benefits Pivot*

PIVOT POINTER

The five years before retirement and the five years after are the "red zone." A big loss here does far more damage than the same loss at 35. Protect accordingly.

CASE EXAMPLE 17 — CHAPTER 18

Denise, 57 — A Late Start, a Strong Finish

Denise, 57 and recently divorced, had \$240,000 in her 401(k) and a sinking feeling. She planned to work until 67.

She maxed out her 401(k) with catch-up contributions, took advantage of the super catch-up at 60–63, and moved the portion of her savings earmarked for her first retirement years into an FIA with an income rider. She also planned to delay Social Security to 70, using part of her savings as a bridge.

Starting point	\$240K saved at 57; no plan
Strategy	Maximum catch-up savings, FIA income floor, delayed Social Security
Result	Essentials covered by guaranteed income from 67; growth assets for Lifestyle

CHAPTER 19

Ages 60 to 67 — The Red Zone

Welcome to the most consequential stretch of the journey. In these years you'll likely make the big decisions: when to retire, what to do with your 401(k), when to claim Social Security, how to handle healthcare, and how much to convert to Roth. Each decision affects the others.

Rollovers: The Moment of Maximum Choice

Leaving an employer is the single moment when most people have the most choice — and the most at stake. You can leave money in the plan, roll it to an IRA, convert part of it to a Roth, or use part of it to fund a Fixed Indexed Annuity for protection and income. Compare fees, investment options, and protections before you move anything.

A multi-year plan is therefore a sequence of carefully sized annual decisions. And every one of those decisions is easier when the money waiting to be converted is stable, when the cash to pay the taxes is protected, and when your other income is predictable. That is where annuities come in.

— Suba Narla, *The Protected Pivot*

The Red Zone Checklist

- ◆ **Fill Bucket 1** with one to three years of spending in cash.
- ◆ **Fill Bucket 2** with protected money — FIAs and similar tools — for years 4 through 10.
- ◆ **Build the income floor** so guaranteed income covers Essentials.
- ◆ **Enroll in Medicare** around 65, and plan for IRMAA two years ahead.
- ◆ **Decide on Social Security timing**, often delaying the higher earner's benefit.

- ◆ **Convert to Roth** in the valley years before RMDs and Social Security begin.
- ◆ **Stress-test the plan** against a 30% market drop in year one. If the plan survives, you're in good shape. If it doesn't, adjust before you retire, not after.

CASE EXAMPLE 18 — CHAPTER 19**Bill and Carol, 62 — Retiring Into a Bear Market**

Bill and Carol retired at 62 with \$1.9 million. Three months later, the market fell 28%. Their neighbors, invested entirely in stocks, were selling shares to pay the bills.

Bill and Carol weren't. Their Bucket 1 held two years of spending in cash. Their Bucket 2 held an FIA that had been credited zero — not a loss — for the year. Their Social Security was scheduled to start at 70, bridged by an FIA's free withdrawals. They rebalanced, converted depressed IRA shares to Roth, and waited. Within a few years, their growth bucket had recovered.

Starting point	\$1.9M; market crash in year one of retirement
Strategy	Three time buckets plus FIA protection and down-market Roth conversions
Result	No forced selling; more future growth in the tax-free bucket

CHAPTER 20

Ages 67 to 75 — The Glide Path

By now, if the plan has worked, the hard part is behind you. The glide-path years are about keeping the machine running smoothly, managing RMDs and taxes, and spending on the things that matter. (Also: learning pickleball. Everybody's doing it.)

The Glide-Path Checklist

- ◆ **Claim Social Security** at the planned age — 70 for many higher earners.
- ◆ **Prepare for RMDs** at 73 or 75. Consider converting more to Roth before they start, so they're smaller.
- ◆ **Use Qualified Charitable Distributions (QCDs)** from age 70½ to give to charity directly from your IRA — the gift satisfies RMDs without increasing taxable income.
- ◆ **Refill the buckets** every year: growth refills protection, protection refills cash.
- ◆ **Turn on income riders** when your plan calls for them.
- ◆ **Review long-term care coverage** and living benefits.
- ◆ **Update your estate plan**, beneficiary designations, and family foundation or donor-advised fund.
- ◆ **Spend!** This is not a drill. The money is for living.

A good plan responds to the year you're having, not the year you originally projected on a spreadsheet three years ago.

— Suba Narla, *The Tax-Free Pivot*

The Under-Spending Problem

Here's something that surprises people: many retirees with more than enough money under-spend dramatically, afraid to touch the nest egg. Guaranteed income is one of the best cures. When you know the

Essentials are covered no matter what, it becomes much easier to say yes to the cruise, the grandkids' trip, and yes — Bora Bora.

CASE EXAMPLE 19 — CHAPTER 20**Ruth, 73 — Giving Her RMD Away (On Purpose)**

Ruth, a 73-year-old widow, had a \$900,000 IRA and a first RMD of roughly \$34,000 she didn't need for living expenses. She had long supported her church and a local literacy program.

Using a Qualified Charitable Distribution, she sent \$20,000 of her RMD directly from her IRA to the two charities. The gift counted toward her RMD but was excluded from her taxable income — which also kept her below an IRMAA threshold.

Starting point	Large RMD she didn't need; strong charitable intent
Strategy	QCD directly from IRA to charity
Result	Lower taxable income, no IRMAA surcharge, and a meaningful legacy

CHAPTER 21

The Five Worry Killers

Every retirement plan faces five great worries. A worry-free plan has an answer for each.

Worry 1 — "What if the market crashes early in my retirement?"

This is sequence-of-returns risk, and it is most dangerous in the first ten years of retirement. **The answer:** guaranteed income, FIAs, and IULs. When your early-retirement income doesn't depend on selling stocks, a crash is a paper loss you can wait out.

Worry 2 — "What if the market crashes, period?"

Markets have always recovered from major declines eventually — but "eventually" can be a long time. **The answer:** the three time buckets. Controlling which bucket pays the bills means Bucket 3 has time to recover, while FIAs and IULs provide a floor for protected money.

Worry 3 — "What if taxes go up?"

Nobody knows future tax rates. **The answer:** Roth IRAs, Roth 401(k)s, and IULs. Money in a tax-free bucket is immune to future tax increases on withdrawals. Every dollar you convert or contribute there is a dollar the silent partner can't renegotiate.

Worry 4 — "What if I live too long?"

Living to 95 is a blessing — unless your money dies at 85. **The answer:** lifetime income. Social Security and annuity income riders pay for as long as you live. Longevity becomes a gift, not a threat.

Worry 5 — "What if I get sick and need care?"

The answer: living benefits — chronic-illness riders on life insurance, hybrid life/LTC policies, and annuity income-doubler riders — plus a well-funded emergency bucket.



CHAPTER 22

Three Families, Three Worry-Free Plans

Let's put everything together with three composite families at different stages. Each plan is simplified for illustration; real plans involve many more details and should be built with a licensed professional.

CASE EXAMPLE 20 — CHAPTER 22**The Carters, 28 and 29 — Starting From Scratch**

Aaliyah and Chris earned \$110,000 combined, rented an apartment, and had \$22,000 in student loans. Their four-bucket budget showed \$5,200 a month in Essentials, \$1,800 in Lifestyle, and \$400 in Luxury.

Their plan: capture both employer matches in Roth 401(k)s; build a four-month emergency fund; pay off student loans in four years; open Roth IRAs; buy term life with living-benefit riders and a small, max-funded IUL for Chris; and raise their savings rate by 1% a year until they hit 20%.

Starting point	Age 28–29; \$110K income; student loans; no plan
Strategy	Match, emergency fund, debt payoff, Roth IRAs, term + IUL, rising savings rate
Result	On track for a guaranteed floor plus tax-free growth by their 60s

CASE EXAMPLE 21 — CHAPTER 22

The Johnsons, 49 and 51 — The Mid-Course Correction

Mark and Teresa had \$950,000 saved, mostly in traditional 401(k)s, a 17-year-old car, and two teenagers headed to college. Their projections showed a comfortable Essentials floor but a Lifestyle shortfall.

Their plan: redirect new 401(k) deferrals to Roth; use catch-up contributions; fund 529 plans only up to a set cap; begin an IUL funded with bonuses; pay off the mortgage by 62; and plan Roth conversions for ages 62 to 69 while delaying Mark's Social Security to 70.

Starting point	\$950K, mostly tax-deferred; college costs ahead
Strategy	Roth tilt, catch-ups, IUL, mortgage payoff, valley-year conversions
Result	Lifestyle gap closed; tax-free share of retirement income rises sharply

CASE EXAMPLE 22 — CHAPTER 22**The Garcias, 64 and 66 — The Launch**

Luis and Elena had \$2.4 million in savings, a paid-off home, and a burning desire to travel. Their Essentials were \$7,000 a month; Lifestyle \$4,500; Luxury \$2,000 (Bora Bora, naturally).

Their plan: Elena claimed Social Security at 67; Luis delayed to 70. They placed \$600,000 in an FIA with a lifetime income rider to complete their income floor; kept two years of spending in cash; left \$1.2 million invested for growth; converted IRA money to Roth each year until 72; and named their church and a scholarship fund as partial beneficiaries of an existing life policy.

Starting point	\$2.4M; retiring now; big travel dreams
Strategy	Income floor with Social Security + FIA; three time buckets; conversions; legacy by beneficiary designation
Result	Essentials guaranteed; Lifestyle and Luxury funded from growth; legacy defined

THE WORRY-FREE RETIREMENT PIVOT

PART IV

The Fun Part

Living the worry-free life you planned for



CHAPTER 23

The Happiness Dividend

We've spent twenty-one chapters on money. Money is the foundation of a worry-free retirement, but it is not the house. The house is built of purpose, health, relationships, and joy. Here's the good news: once your income floor is in place, you get to spend your energy on the house instead of the foundation.

The Three Phases of Retirement

Planners often describe retirement in three phases:

- ◆ **The Go-Go Years** (roughly the first decade): energy is high, knees still cooperate, and the world is calling. This is when travel and big adventures belong.
- ◆ **The Slow-Go Years**: still active, but closer to home — more gardening, grandkids, and local adventures.
- ◆ **The No-Go Years**: a quieter life, where health care and comfort matter most.

A worry-free plan spends *more* in the go-go years on purpose. The biggest regret I hear from retirees isn't that they spent too much. It's that they waited too long to do the things they dreamed about — and by the time they felt "safe" enough, their knees had voted no.

Replace the Paycheck *and* the Purpose

Work gave you more than income. It gave you structure, a reason to get dressed, colleagues, and a sense of being useful. Retirees who thrive tend to replace all of those deliberately: a weekly rhythm, a volunteer role, a hobby with a community around it, and a few goals that stretch them.

A Word to Married Couples

Retirement often means twice as much togetherness on the same income — or, as one client put it, "twice the husband, half the paycheck." Talk about expectations *before* the retirement party: how

you'll spend your days, which dreams are shared and which are solo, and how much space each of you needs. Many a happy marriage has been saved by a well-timed golf league or book club.

Your Four Happiness Buckets

Just as your money has four buckets, your time can too:

- ◆ **Essential:** health, sleep, movement, and the relationships that matter most.
- ◆ **Lifestyle:** hobbies, friends, travel, and fun.
- ◆ **Luxury:** the big dreams — the bucket-list adventures.
- ◆ **Legacy:** volunteering, mentoring, faith, and the time you invest in others.

The rest of this part fills those buckets with ideas. Each list has a Top 10 plus ten honorable mentions. Circle the ones that make you smile. Cross out the ones that make you nervous. Then put a price tag on the circled ones and add them to your Lifestyle and Luxury buckets. Congratulations — you just turned wishes into a plan.

PIVOT POINTER

The guaranteed income floor isn't just about money. It's permission — permission to say yes.

CHAPTER 24

Top 10 Bucket-List Adventures for Retirees

These are the experiences retirees most often tell me they want to do "someday." Consider this chapter your official notice: someday is a day of the week, and it's usually a Tuesday.

1. See the Northern Lights

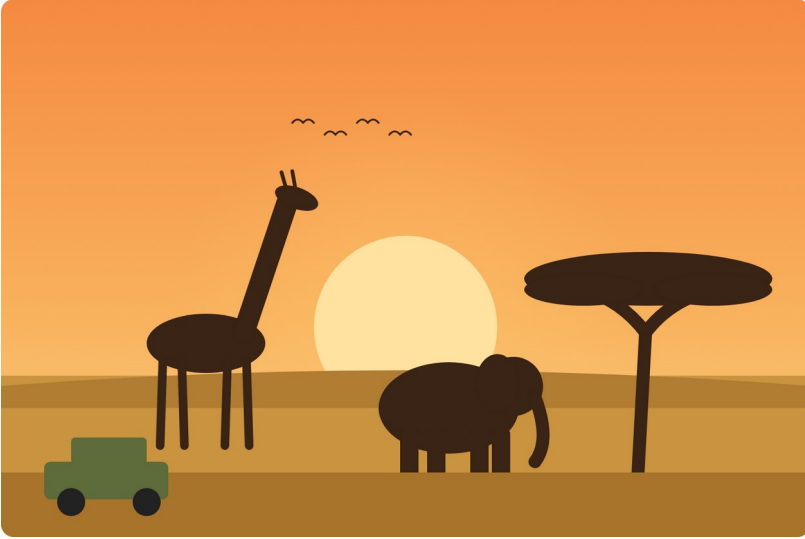


Chasing the aurora — a sky that dances.

There's nothing quite like standing under a sky that ripples green and violet. Norway, Iceland, Finland, northern Canada and Alaska all offer good viewing, typically from late fall to early spring. Many tour operators even offer "wake-up calls" when the lights appear — which is the only 2:00 a.m. alarm a retiree should ever agree to.

Worry-free tip: Book several nights to improve your odds; clouds don't care about your itinerary.

2. Go on an African Safari

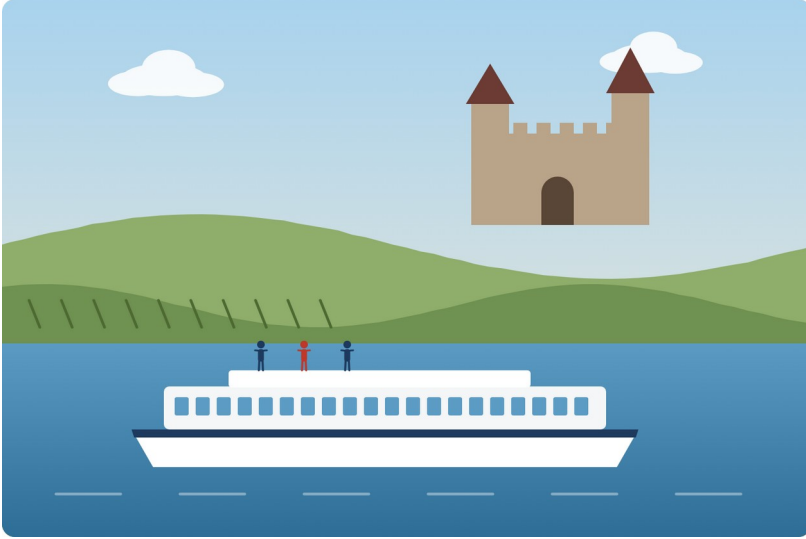


On safari — where the animals have the right of way.

Watching elephants cross a river or a lion lazing in the shade is a life-changing experience. Kenya, Tanzania, Botswana, and South Africa are popular choices, with options from rustic camps to lodges that would make a five-star hotel blush.

Worry-free tip: Travel insurance with medical evacuation coverage is a must for remote destinations.

3. Take a European River Cruise



A river cruise: unpack once, wake up somewhere new.

Unpack once, wake up in a new town every morning. River cruises on the Danube, Rhine, Seine and Douro are beloved by retirees for their small ships, included excursions, and gentle pace. Castles, vineyards and Christmas markets glide past your window.

Worry-free tip: Shoulder seasons (spring and fall) often bring lower prices and smaller crowds.

4. Float in a Hot-Air Balloon



Up, up and away — gently.

From Cappadocia in Turkey to Albuquerque's famous balloon fiesta to the vineyards of Napa, a sunrise balloon ride is peaceful, breathtaking, and surprisingly gentle. You don't feel the wind — you move *with* it.

Worry-free tip: Wear layers; it's chilly at sunrise and warm by landing.

5. The Great American Road Trip

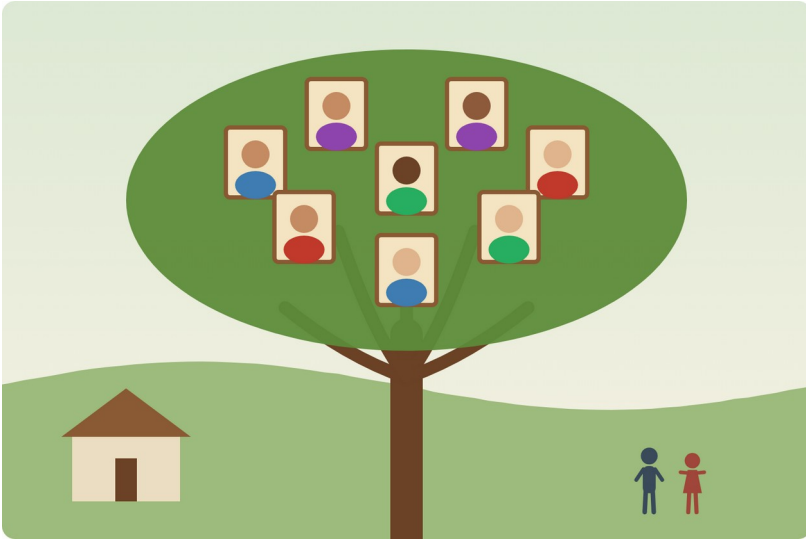


The open road — no schedule, no alarm clock.

Route 66, the Pacific Coast Highway, the Blue Ridge Parkway, or a slow loop through the national parks in an RV. The road trip is the ultimate retirement luxury: no schedule, no boss, and nobody asking "are we there yet?" (unless you bring the grandkids).

Worry-free tip: Rent an RV for a week before buying one. Some people discover they love it; others discover they love hotels.

6. Trace Your Roots



Walking where your ancestors walked.

DNA tests and genealogy websites have made it easier than ever to discover where your family came from. Standing in the village where your great-grandparents were born, or finding cousins you never knew you had, is one of the most meaningful trips a retiree can take.

Worry-free tip: Record family stories from older relatives now — before you plan the trip.

7. Write Your Memoir

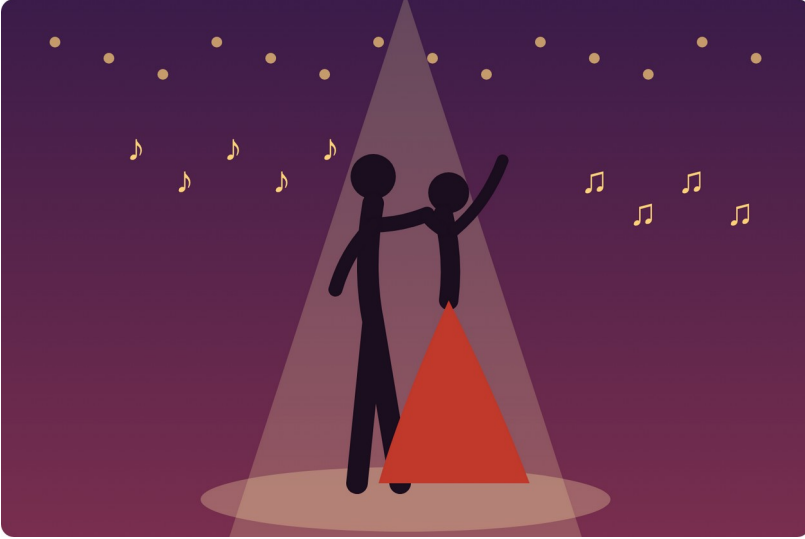


Your story, in your words.

You've lived a life worth telling. Whether it's a published book, a family keepsake, or a series of letters to your grandchildren, writing your story is a gift that lasts for generations. (Speaking as an author: the first chapter is the hardest. After that, it's merely very hard.)

Worry-free tip: Write 300 words a day. In a year, you'll have a book.

8. Learn to Dance



Ballroom, salsa, or swing — all it takes is the first step.

Ballroom, salsa, swing, line dancing, tango — dancing combines exercise, music, memory, and social connection. Some studies even associate regular dancing with healthier aging. Plus, you finally get to show the grandkids who really has the moves.

Worry-free tip: Many community centers offer inexpensive beginner classes for seniors.

9. Take a Multigenerational Family Trip

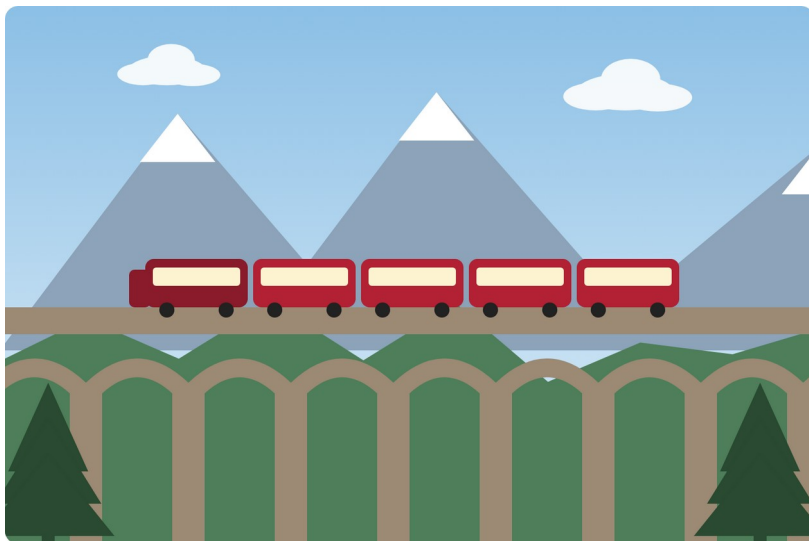


Three generations, one unforgettable trip.

A trip with children and grandchildren creates memories no inheritance can match. A rented beach house, a family cruise, or a week at a national park lets three generations share one adventure.

Worry-free tip: Build this into your Legacy bucket. Many retirees tell me it's the best money they ever spent.

10. Ride a Scenic Train Journey



Mountains out the window, coffee in hand.

The Canadian Rockies, the Swiss Alps, the Scottish Highlands, or the California coast — a scenic train lets you watch the world go by with a cup of coffee in hand and nobody driving but the engineer.

Worry-free tip: Book a window seat on the side with the best views; ask the operator which side that is.

Ten Honorable Mentions

- 11. Tandem skydive** — for the brave. Many skydiving centers have happily jumped with people in their 80s and 90s.
- 12. Swim with dolphins or snorkel a coral reef** — Hawaii, the Caribbean, or Australia's Great Barrier Reef.
- 13. Attend a world-class sporting event** — the Olympics, a World Cup match, the Masters, or Wimbledon.
- 14. Visit all 50 states** — and keep a scrapbook to prove it.
- 15. Learn a new language** — then use it on a trip.
- 16. Ride a gondola in Venice** — cliché? Yes. Worth it? Also yes.
- 17. Walk a section of the Great Wall of China.**

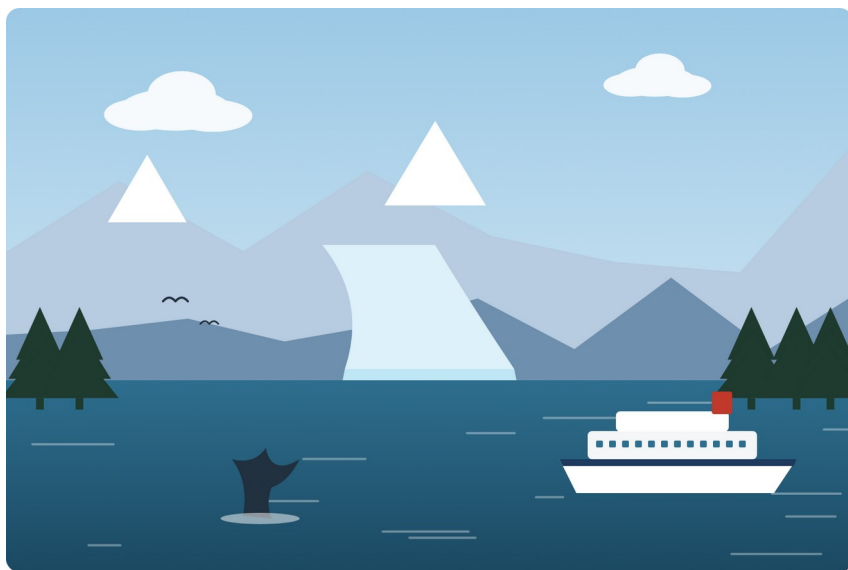
- 18. See a Broadway show** from the best seats in the house.
- 19. Walk or run a 5K** — or a half-marathon — in your 60s or 70s.
- 20. Renew your wedding vows** somewhere spectacular. (Bora Bora is available.)

CHAPTER 25

Top 10 Places to Visit in Retirement

These destinations consistently top retirees' travel wish lists for their beauty, history, food, and accessibility. I've added a worry-free tip to each, because a happy trip starts with smart planning.

1. Alaska's Inside Passage



Glaciers, whales and mountains that go straight into the sea.

Glaciers calving into the sea, humpback whales, eagles, and snow-capped mountains — all from the comfort of a cruise ship deck with a hot cocoa in hand. Alaska is one of the most popular retiree destinations in America for good reason: spectacular scenery with very little effort required.

Worry-free tip: May and September often mean lower prices; June through August mean the warmest weather.

2. Paris, France



Paris — best enjoyed slowly, with a croissant.

The Eiffel Tower, the Louvre, sidewalk cafés, and bakeries on every corner. Paris rewards slow travel: sit, sip, watch the world go by. Nobody in Paris is in a hurry except the drivers.

Worry-free tip: A multi-day museum pass saves time in lines and money at the door.

3. Rome and Tuscany, Italy



Tuscany — cypress trees, rolling hills and long lunches.

Ancient history in Rome, then rolling hills, cypress trees, vineyards, and hilltop towns in Tuscany. Italy is the rare destination that feeds your mind and your stomach equally well.

Worry-free tip: Rent a villa for a week and take day trips — it's often cheaper than hotel-hopping.

4. Hawaii



Hawaii — aloha, no passport required.

Beaches, volcanoes, waterfalls, and aloha — without needing a passport. Each island has its own personality: Oahu's energy, Maui's beaches, Kauai's lush cliffs, the Big Island's volcanoes.

Worry-free tip: Your Medicare coverage works in Hawaii, which isn't true in most foreign countries. Check your plan before any trip.

5. Santorini and the Greek Isles



Santorini — white walls, blue domes and legendary sunsets.

Whitewashed villages, blue-domed churches, and sunsets that draw applause. The Greek Isles combine history, beaches, and some of the healthiest cuisine on earth.

Worry-free tip: Santorini has many steps and steep paths; choose a hotel with easy access if mobility is a concern.

6. Kyoto, Japan



Kyoto — temples, gardens and cherry blossoms.

Temples, gardens, tea ceremonies, and cherry blossoms in spring or fiery maples in fall. Japan is exceptionally clean, safe, and efficient, with trains that run so precisely you can set your watch by them.

Worry-free tip: A rail pass can make travel between cities simple and affordable.

7. The Swiss Alps

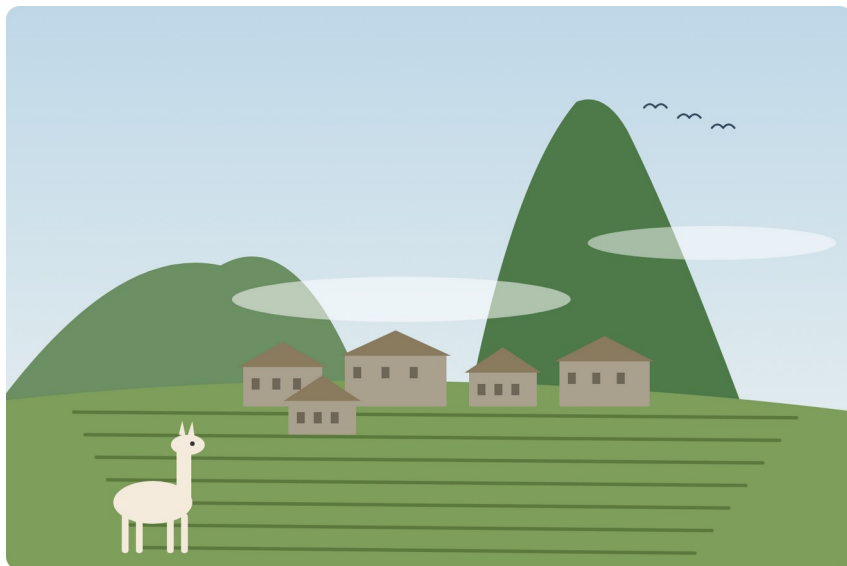


The Swiss Alps — postcard views from every window.

Snow-capped peaks, alpine lakes, chocolate, and trains that climb impossibly steep mountains. Switzerland is a place where every window looks like a postcard.

Worry-free tip: Switzerland is expensive; build it into your Luxury bucket and enjoy every franc.

8. Machu Picchu, Peru



Machu Picchu — the lost city in the clouds.

The lost city of the Incas, perched in the clouds of the Andes, is one of the world's great wonders. You don't need to hike the multi-day Inca Trail — a scenic train and bus can take you right to the gates.

Worry-free tip: Altitude is real. Spend a couple of days acclimatizing, and talk to your doctor before you go.

9. America's National Parks



The Grand Canyon — worth every one of its layers.

The Grand Canyon, Yellowstone, Yosemite, Zion, the Great Smoky Mountains — America's "best idea" is a retiree's playground. And U.S. citizens and permanent residents 62 and older can buy a lifetime senior pass that covers entrance fees at national parks and many other federal recreation sites.

Worry-free tip: That senior pass may be the single best travel deal in America.

10. Bora Bora, French Polynesia



Bora Bora — say it out loud. You're smiling, aren't you?

You knew this one was coming. Turquoise lagoons, overwater bungalows, and Mount Otemanu rising from the sea. Bora Bora is the definition of the Luxury bucket — and, in my humble opinion, the most fun place name to say on earth.

Worry-free tip: Say "Bora Bora" three times a day. It won't pay for the trip, but it will keep you motivated to save for it.

Ten Honorable Mentions

- 11. Iceland** — waterfalls, geysers, lagoons and the Northern Lights.
- 12. Egypt** — the Pyramids of Giza and a Nile cruise.
- 13. New Zealand** — fjords, mountains, and some very friendly sheep.
- 14. Portugal** — Lisbon, Porto, the Algarve, and one of Europe's gentler price tags.
- 15. Ireland** — castles, cliffs, and forty shades of green.
- 16. Banff and the Canadian Rockies** — turquoise lakes that look photoshopped (they're not).

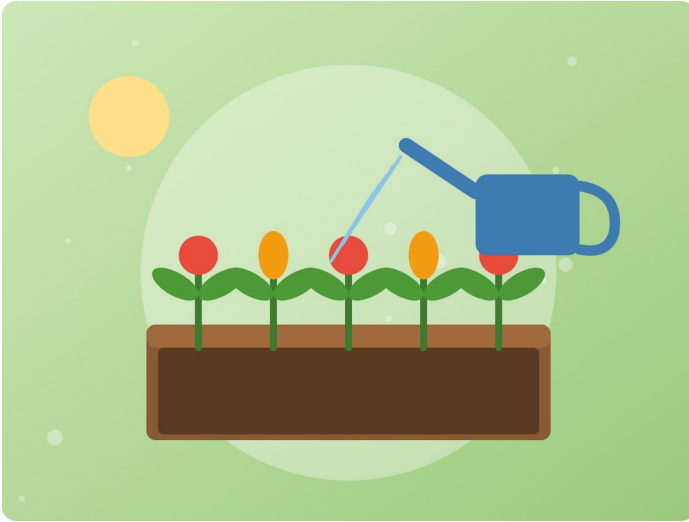
- 17. Costa Rica** — rainforests, wildlife, and a laid-back "pura vida" attitude.
- 18. The Scottish Highlands** — lochs, castles, and a wee dram of whisky.
- 19. Croatia's Dalmatian Coast** — medieval towns on the Adriatic.
- 20. Ha Long Bay, Vietnam** — thousands of limestone islands rising from emerald water.

CHAPTER 26

Top 10 Hobbies for Retirees

A good hobby gives you a reason to get up, a community to belong to, and a sense of progress. The best hobbies usually combine at least two of the three: movement, learning, and people.

1. Gardening

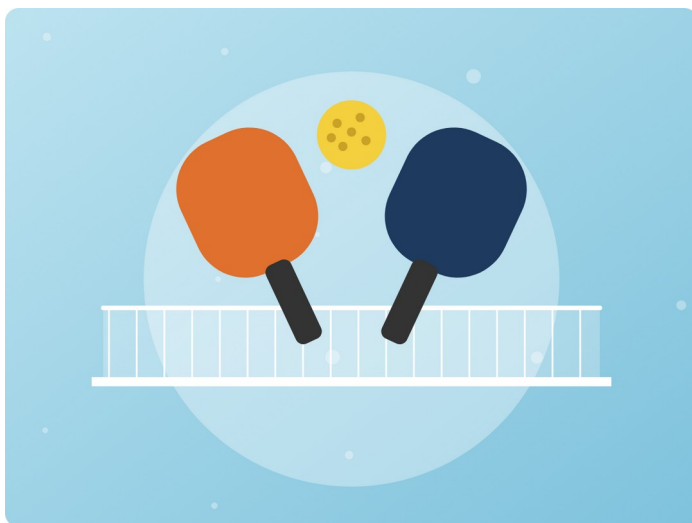


Gardening — the only hobby where you can eat the results.

Gardening offers exercise, sunshine, fresh vegetables, and the deep satisfaction of growing something. It's also one of the few hobbies where you can eat your mistakes.

Worry-free tip: Raised beds save your back and your knees.

2. Pickleball

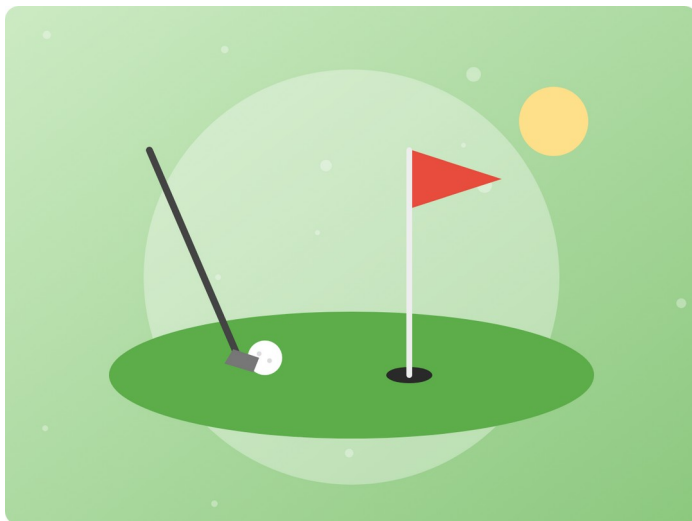


Pickleball — social, fun, and slightly addictive.

The fastest-growing sport in America is especially popular with retirees. It's easy to learn, social, and great exercise — and yes, you'll hear about it at every dinner party.

Worry-free tip: Warm up and invest in good court shoes. Most pickleball injuries come from quick sideways moves.

3. Golf



Golf — a good walk, occasionally spoiled.

Golf combines walking, fresh air, and friendly competition with a strong social scene. Mark Twain allegedly called it "a good walk spoiled," but he clearly never tried a well-stocked beverage cart.

Worry-free tip: Weekday and twilight tee times are often much cheaper — and retirees have weekdays.

4. Photography



Photography — seeing the world more carefully.

Photography turns every walk and trip into an adventure. Your smartphone is a great place to start; classes and camera clubs can take you further.

Worry-free tip: Print your best photos into a yearly album — it doubles as a legacy gift.

5. Painting and Watercolor



Watercolor — happy accidents welcome.

Painting is relaxing, creative, and endlessly forgiving. Watercolor in particular embraces "happy accidents" — which is also a good philosophy for retirement.

Worry-free tip: Community colleges and art centers often offer affordable classes for seniors.

6. Cooking and Baking

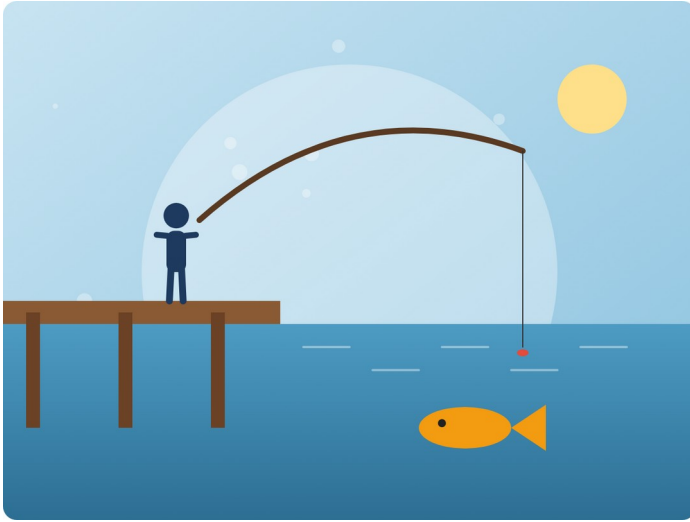


Cooking — the tastiest way to learn.

Take a class, master a cuisine, perfect Grandma's recipes, or host monthly dinner parties. Cooking is creative, practical, social — and delicious.

Worry-free tip: A cooking class makes a great travel activity too: learn pasta in Italy or curry in Thailand.

7. Fishing

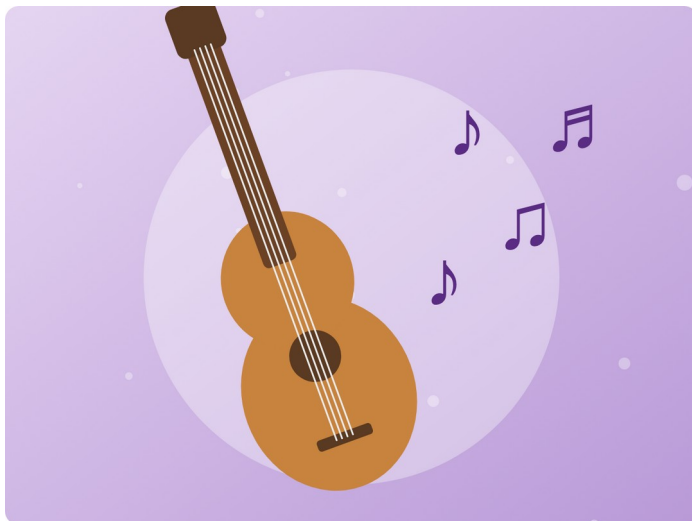


Fishing — patience, peace and the occasional fish.

Fishing is peaceful, meditative, and a great excuse to be near water. Whether it's fly fishing in a mountain stream or casting from a pier, the fish are optional; the calm is guaranteed.

Worry-free tip: Many states offer discounted or free fishing licenses for seniors.

8. Learning a Musical Instrument



Music — never too late to play.

Always wanted to play the piano, guitar, or ukulele? There's no better time. Learning an instrument challenges your brain in multiple ways at once, and community bands and choirs welcome players of every level.

Worry-free tip: The ukulele is famously beginner-friendly — and very hard to play sadly.

9. Woodworking and Crafts



Woodworking — measure twice, cut once.

Building furniture, birdhouses, toys for the grandkids, or furniture restoration offers the deep satisfaction of making something real with your hands. Knitting, quilting, and pottery offer the same joy with fewer power tools.

Worry-free tip: Take a safety class first. Fingers are not on the list of things you can replace.

10. Birdwatching



Birdwatching — a treasure hunt with feathers.

All you need is a pair of binoculars and curiosity. Birding gets you outdoors, sharpens your observation skills, and turns every walk into a treasure hunt.

Worry-free tip: Free birding apps can identify birds by photo or song.

Ten Honorable Mentions

- 11. Hiking and walking clubs** — exercise with friends and scenery.
- 12. Yoga and tai chi** — balance, flexibility, and calm.
- 13. Genealogy** — become your family's historian.
- 14. Book clubs** — reading, wine, and lively opinions.
- 15. Bridge, chess, or mahjong** — the gym for your brain.
- 16. Knitting and quilting** — cozy, creative, and giftable.
- 17. Pottery** — therapeutic, messy, and fun.
- 18. Writing and journaling** — poems, stories, or that memoir.
- 19. Bowling leagues** — social, low-impact, and cheerfully competitive.

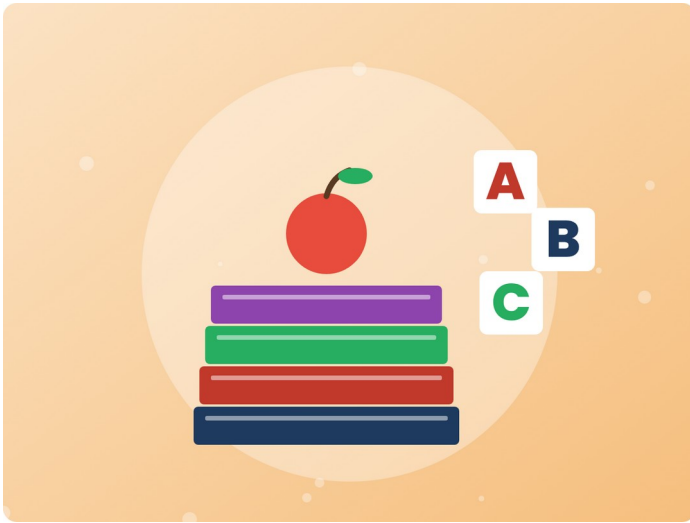
20. Model trains or restoring classic cars — for the tinkerers.

CHAPTER 27

Top 10 Volunteer Activities for Retirees

Retirees are the backbone of volunteering in America, and research on older adults has repeatedly linked volunteering with better mood, stronger social connections, and a greater sense of purpose. Volunteering is also a wonderful way to fill the Legacy bucket with something more valuable than money: your time and wisdom.

1. Mentor or Tutor Children



Tutoring — sharing a lifetime of knowledge.

Help a child learn to read, tutor math, or mentor a teenager. Schools, libraries, and youth organizations are always looking for patient, experienced adults. You may change a life — and they may teach you how to use your phone.

Worry-free tip: Many programs need only an hour or two a week.

2. Food Banks and Meal Delivery



Food banks — nobody should go hungry.

Sort donations, pack boxes, or deliver meals to homebound seniors. Home-delivered meal programs often rely heavily on retiree drivers, and the visit may be the only one a homebound person gets that day.

Worry-free tip: Delivery routes are a great way to volunteer with a spouse or friend.

3. Build Homes



Building homes — and hope.

Organizations like Habitat for Humanity welcome volunteers of all skill levels to build affordable homes. No construction experience needed — just enthusiasm and a willingness to swing a hammer (carefully).

Worry-free tip: Many retirees combine building projects with travel through volunteer build trips.

4. Hospital and Hospice Volunteering



Hospitals and hospice — the gift of presence.

Greet patients, deliver flowers, comfort families, or sit with hospice patients so no one faces the end alone. It is humbling and deeply meaningful work.

Worry-free tip: Hospice programs provide training — take your time to find the role that fits.

5. National Parks and Public Lands

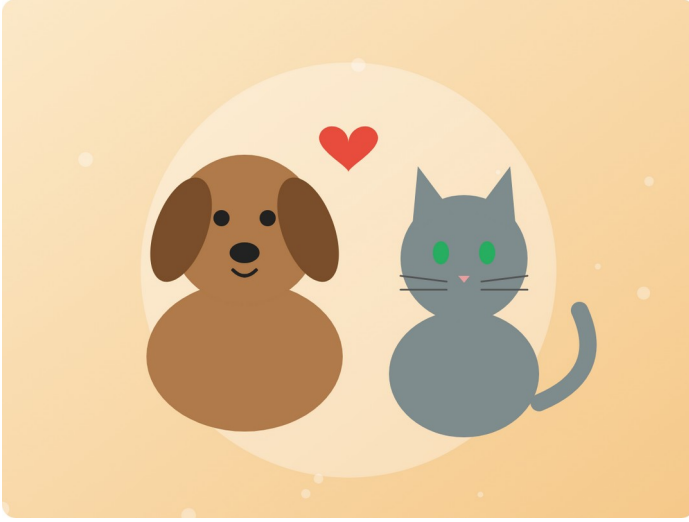


National parks — volunteer with a view.

Serve as a campground host, trail volunteer, or visitor-center guide. Some park volunteer roles even include a free campsite for your RV — a retirement perk if there ever was one.

Worry-free tip: Volunteer roles at parks are often listed well in advance; plan a season ahead.

6. Animal Shelters and Rescue

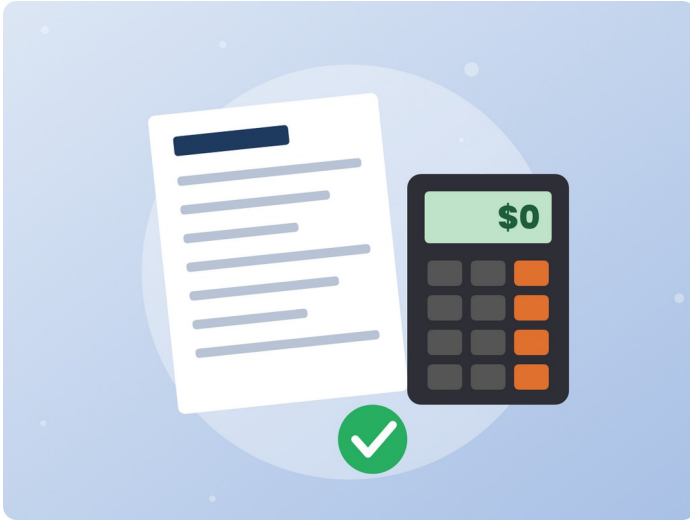


Animal shelters — unconditional gratitude.

Walk dogs, socialize cats, help with adoptions, or foster animals at home. The pay is terrible; the gratitude is unconditional.

Worry-free tip: Fostering gives you the joy of a pet without a 15-year commitment.

7. Free Tax Preparation



Free tax help — a favorite of retired number-crunchers.

Volunteer programs such as the IRS's VITA and TCE programs, and the AARP Foundation's Tax-Aide, train volunteers to help seniors and lower-income families file their returns for free. (After reading five Pivot books, you're halfway there already.)

Worry-free tip: Training is provided — you don't need to be a CPA.

8. Mentor Small Businesses

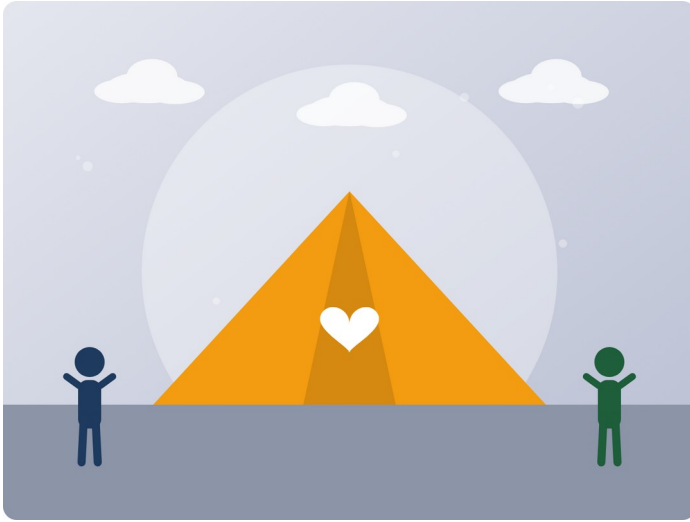


Business mentoring — your experience is priceless.

Decades of career experience are priceless to a young entrepreneur. Nonprofit mentoring networks such as SCORE match retired professionals with small-business owners who need guidance.

Worry-free tip: Mentoring can often be done by video, from anywhere — including Bora Bora.

9. Disaster Relief



Disaster relief — help when it matters most.

Organizations like the American Red Cross train volunteers to help families after fires, floods, and storms. Roles range from shelter support to logistics to comforting people on the worst day of their lives.

Worry-free tip: Train before disaster strikes, so you're ready when the call comes.

10. Museum Docent or Tour Guide



Museum docent — share what you love.

Love history, art, or science? Museums, historic homes, gardens, and zoos train volunteer docents to lead tours and share stories. It's teaching without the grading.

Worry-free tip: Docent training is often free and wonderfully educational in its own right.

Ten Honorable Mentions

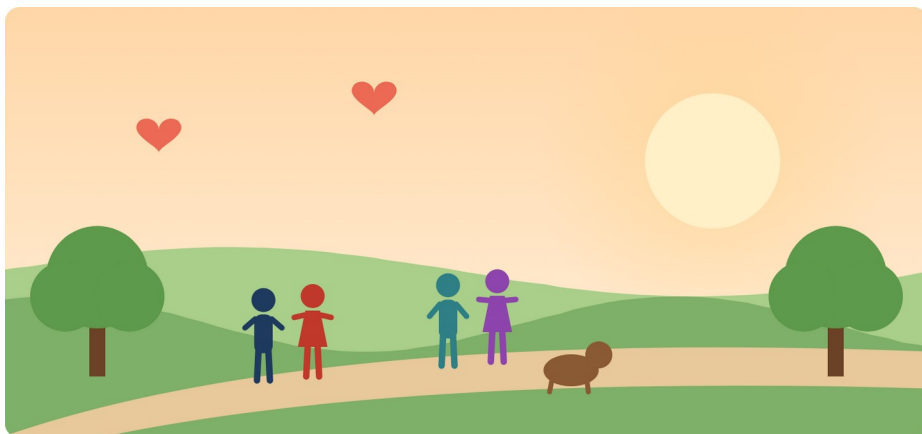
- 11. Faith-based ministries** — outreach, music, teaching, and care teams.
- 12. Library literacy programs** — adult reading and English-language tutoring.
- 13. Community gardens** — grow food for neighbors and food banks.
- 14. Court-appointed special advocate (CASA) programs** — speak up for children in foster care.
- 15. Senior companion programs** — friendship for isolated older adults.
- 16. Nonprofit board service** — lend your professional expertise.

- 17. International volunteer trips** — teach, build, or provide care abroad.
- 18. Environmental cleanups** — beaches, rivers, and parks.
- 19. Citizen science** — count birds, monitor streams, track butterflies.
- 20. Coaching youth sports** — pass on the love of the game.

CHAPTER 28

Top 10 Ways to Stay Healthy, Sharp and Social

Your health is the one asset you can't buy back. The good news: the best "investments" in your health are mostly free — and they compound just like money.



The best retirement investment you can make is in yourself.

1. **Walk every day.** Walking is one of the simplest and most studied forms of exercise for healthy aging. Aim for regular, brisk walks — and bring a friend.
2. **Lift something heavy (safely).** Strength training twice a week helps preserve muscle and bone, which protect your independence.
3. **Train your balance.** Falls are a leading cause of injury for older adults. Tai chi, yoga, and simple balance exercises help.
4. **Eat like a Mediterranean.** Vegetables, fruit, beans, whole grains, fish, olive oil — and fewer ultra-processed foods.
5. **Protect your sleep.** Seven to eight hours is the goal for most adults. Sleep is when your brain takes out the trash.

6. **Stay social.** Loneliness is associated with serious health risks. Schedule time with friends as seriously as you schedule doctor visits.
7. **Keep learning.** Take classes, learn a language, pick up an instrument. A curious brain is a busy brain.
8. **See and hear clearly.** Get regular eye and hearing checks. Treating hearing loss can keep you engaged in conversation — and life.
9. **Keep up with checkups.** Preventive screenings and vaccines catch problems early, when they're cheaper and easier to treat.
10. **Have a purpose.** People with a sense of purpose tend to live healthier lives. Volunteer, mentor, create, help.

Ten Honorable Mentions

11. **Drink water** — thirst signals weaken with age.
12. **Laugh often** — it's free, and it's contagious.
13. **Keep a gratitude journal** — three good things a day.
14. **Adopt a pet** — built-in exercise and companionship.
15. **Limit alcohol** — your liver and your sleep will thank you.
16. **Dance** — exercise disguised as fun.
17. **Get outside** — sunlight and nature lift mood.
18. **Stretch daily** — flexibility keeps everyday tasks easy.
19. **Play games** — puzzles, cards, and strategy games keep the mind nimble.
20. **Practice mindfulness** — a few quiet minutes a day can lower stress.

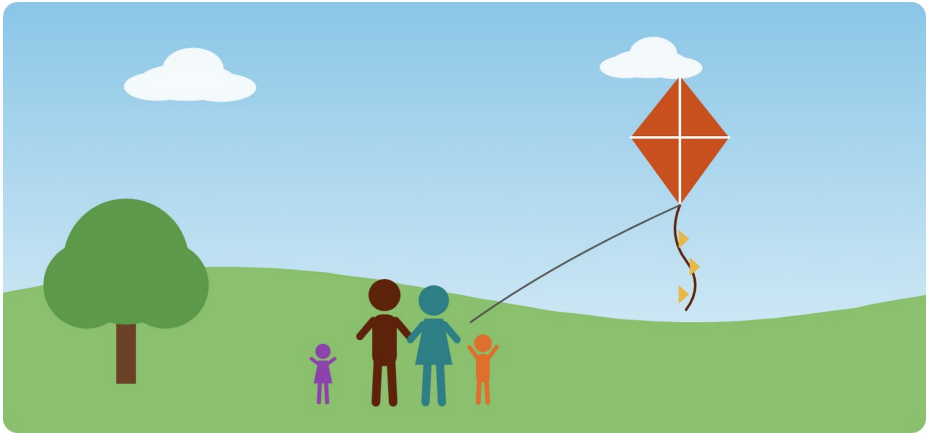
PLEASE NOTE

These suggestions are general wellness ideas, not medical advice. Talk with your doctor before starting a new exercise program or making significant changes to your diet.

CHAPTER 29

Top 10 Adventures With the Grandkids

If you have grandchildren, you already know: they're the reward for surviving your children's teenage years. (That joke is older than I am, and it's still true.) These adventures build memories — and quietly pass on your values, including a few about money.



Grandparents: the original adventure guides.

1. **Junior Ranger trips to national parks.** Kids earn badges; grandparents earn bragging rights.
2. **"Grandparent Camp."** A week each summer at your house, with themes, crafts, and a camp T-shirt.
3. **Cook the family recipes together.** Pass down the secrets — or at least the hints.
4. **Go camping or fishing.** Teach them to bait a hook and tell a campfire story.
5. **Teach them about money.** Help them open a savings account, match their savings, and — if they have earned income — consider helping fund a custodial Roth IRA. A teenager with a Roth has 50 years of tax-free compounding ahead. Now *that's* a legacy.

- 6. Take a ballpark road trip.** Hot dogs, peanuts, and a scorecard lesson in math.
- 7. Book a beach week.** Sandcastles are timeless — and so are the photos.
- 8. Build something together.** A birdhouse, a go-kart, a treehouse, a garden bed.
- 9. Explore museums and science centers.** Dinosaurs never get old (unlike us).
- 10. Record your family story.** Let the grandkids interview you on video. It will become a treasure.

Ten Honorable Mentions

- 11. Stargazing night** — with a telescope and hot cocoa.
- 12. A "yes day"** — within reason and within budget.
- 13. Theme parks** — ride the gentle ones; hold the bags for the rest.
- 14. Volunteer together** — food banks and animal shelters welcome families.
- 15. Teach a skill** — knitting, woodworking, fishing, or chess.
- 16. A letter-writing tradition** — real letters, with stamps.
- 17. Plant a tree together** — and measure it every year.
- 18. A special trip at a milestone age** — just you and one grandchild.
- 19. Attend their games and recitals** — the front row is yours.
- 20. Start a family foundation project** — let them help choose where the giving goes.

CHAPTER 30

Your Worry-Free Pivot

We began with a simple idea: a worry-free retirement is not about being rich. It is about being happy — about closing the gap between what reliably comes in and what you truly need, so you can spend your years on what matters.

None of the strategies in this book are complicated in isolation... What makes the 50-to-75 window hard isn't any single decision; it's that the decisions compound on each other across two and a half decades.

— Suba Narla, *The Tax-Free Pivot*

Your One-Page Plan

1. **Budget your four buckets** — Essential, Lifestyle, Luxury, Legacy — in today's dollars.
2. **Project them** with the Rule of 72 and a conservative 6% inflation assumption.
3. **Gross up for taxes**, then shrink the gross-up by building tax-free buckets: Roth IRAs, Roth 401(k)s, and properly designed IULs.
4. **Save 20–30%** of your income, starting as early as you can — and never skip the employer match.
5. **Build your income floor** so guaranteed income — Social Security, pensions, annuity income — covers your Essentials.
6. **Organize your money into three time buckets** — Now, Soon, Later — so a market crash never forces a sale.
7. **Protect the red zone** around retirement with FIAs, IULs, and cash.
8. **Convert to Roth** in the valley years when the toll is cheapest.
9. **Plan for care** with living-benefit riders or hybrid policies.

- 10. Fund your legacy** with life insurance, Roth IRAs, and charitable planning.
- 11. Review every year.** Your life changes; your plan should too.
- 12. Enjoy it.** Circle three items from the Top 10 lists and put them on the calendar.

PIVOT POINTER

The strategies in all six Pivot books share one purpose: to give you guaranteed income, tax-free flexibility, and protection from the risks that keep retirees awake at night. When those are in place, worry has nowhere to live.

Thank you for reading. I hope this book gives you a clear path — and the confidence to walk it with a smile. And if you ever find yourself on a beach in Bora Bora, lift a glass for me.

With warm wishes for a worry-free retirement,

Suba Narla

APPENDIX A

The Four-Bucket Worksheet

Fill in each line in today's dollars (monthly), then multiply by 12. Use the Rule of 72 in Appendix B to project each total to your retirement age.

Bucket 1 — Essential	Monthly	Annual
Housing (rent/mortgage, property tax, HOA)	\$_____	\$_____
Utilities, internet, cell phones	\$_____	\$_____
Groceries and household	\$_____	\$_____
Transportation (gas, insurance, repairs)	\$_____	\$_____
Monthly set-aside for next car	\$_____	\$_____
Insurance (health, life, home, umbrella)	\$_____	\$_____
Healthcare and prescriptions	\$_____	\$_____
Debt payments	\$_____	\$_____
Clothing, personal, miscellaneous	\$_____	\$_____
Emergency-bucket refill	\$_____	\$_____
Essential total	\$_____	\$_____

Bucket 2 — Lifestyle	Monthly	Annual
Travel and leisure	\$_____	\$_____
Dining out and socializing	\$_____	\$_____
Entertainment and subscriptions	\$_____	\$_____
Convenience services	\$_____	\$_____
Hobbies and personal care	\$_____	\$_____

Bucket 2 — Lifestyle	Monthly	Annual
Lifestyle total	\$_____	\$_____

Bucket 3 — Luxury and Bucket 4 — Legacy	Monthly	Annual
My dream #1: _____	\$_____	\$_____
My dream #2: _____	\$_____	\$_____
My dream #3: _____	\$_____	\$_____
Gifts to children and grandchildren	\$_____	\$_____
Charitable giving / family foundation	\$_____	\$_____
Luxury + Legacy total	\$_____	\$_____

APPENDIX B

Rule of 72 Quick-Reference

Years to double = $72 \div \text{rate}$. Use it for inflation (how fast costs grow) and for returns (how fast savings grow).

Rate	Years to double	Growth of \$100,000 over 42 years
2%	36	about \$230,000
3%	24	about \$346,000
4%	18	about \$519,000
5%	14.4	about \$776,000
6%	12	about \$1.16 million
7%	10.3	about \$1.71 million
8%	9	about \$2.53 million
10%	7.2	about \$5.48 million

The same table works in both directions. At 6% inflation, \$100,000 of today's spending becomes about \$1.16 million a year in 42 years. At a 7% return, \$100,000 of today's savings becomes about \$1.71 million in 42 years. The difference between those two numbers is the power of starting early.

APPENDIX C

The Decade-by-Decade Checklist

Age	Key moves
20s	Emergency fund; full employer match (favor Roth 401(k)); Roth IRA; kill high-interest debt; term life if others depend on you; consider a small max-funded IUL; four-bucket budget habit
30s	Save 15–20%; protect income with life and disability insurance; balance Roth and traditional; 529 plans within limits; will and guardians; first home you can afford
40s	Save 20–25%; formal retirement projection; tilt new savings to tax-free buckets; review insurance; mortgage payoff schedule; estate documents
50s	Catch-up contributions; map the income floor; shift "Soon" money into protection; modest Roth conversions; long-term care planning; pre-Medicare health plan
60–67	Fill Buckets 1 and 2; rollovers; build the income floor with FIAs; Medicare and IRMAA; Social Security timing; valley-year Roth conversions; stress test
67–75	Claim Social Security as planned; prepare for RMDs; QCDs from 70½; refill buckets annually; turn on income riders; update estate plan; spend on the dreams

APPENDIX D

Glossary

Annuity — A contract with an insurance company that can provide tax-deferred growth and guaranteed income.

Backdoor Roth — A non-deductible Traditional IRA contribution followed by a conversion to a Roth IRA.

Catch-up contribution — Additional retirement-plan contributions allowed for savers 50 and older.

Fixed Indexed Annuity (FIA) — An annuity that credits interest based partly on a market index, with a floor that protects against index losses.

Income floor — The portion of retirement income that is guaranteed, such as Social Security, pensions, and annuity income.

Income rider — An optional annuity feature that guarantees lifetime withdrawals.

Indexed Universal Life (IUL) — Permanent life insurance whose cash value earns interest linked to a market index, subject to caps and floors.

IRMAA — Income-Related Monthly Adjustment Amount; a surcharge on Medicare premiums for higher-income beneficiaries.

Living benefits — Features that let a policyholder access insurance benefits while alive, such as for chronic, critical, or terminal illness.

Modified Endowment Contract (MEC) — A life insurance policy funded beyond federal limits, which loses some tax advantages on withdrawals and loans.

Qualified Charitable Distribution (QCD) — A direct transfer from an IRA to a charity, available from age 70½, that can count toward RMDs without being taxed.

Required Minimum Distribution (RMD) — The minimum amount the IRS requires you to withdraw each year from most tax-deferred accounts beginning at a specified age.

Roth conversion — Moving money from a pre-tax account to a Roth account and paying income tax on the amount converted.

Rule of 72 — A shortcut for estimating how long it takes a number to double: 72 divided by the annual rate.

Sequence-of-returns risk — The risk that poor returns early in retirement, combined with withdrawals, permanently damage a portfolio.

Three time buckets — Organizing money by when it will be needed: Now (cash), Soon (protected), Later (growth).

APPENDIX E

Selected Passages From the Pivot Series

The following passages are drawn from the other five books in The Pivot Series. Each one bears directly on building a worry-free retirement.

From The Tax-Free Pivot

Here's something nobody puts in a brochure: the government is a silent partner in every Traditional IRA and 401(k) you own, and it hasn't told you yet, what its cut will be. Money in those accounts is tax-deferred, not tax-free — you owe on it eventually, you just don't know the rate, because tomorrow's tax law hasn't been written.

— Suba Narla, *The Tax-Free Pivot*

This book is about the 25-year stretch between age 50 and 75 — probably the single most consequential tax-planning window most people will ever have. It is not a "do one big conversion and move on" strategy. It's a multi-year decision tree, and the right move at 52 can be the wrong move at 68.

— Suba Narla, *The Tax-Free Pivot*

From The Wealth Pivot

Retirement tax planning is not about illegal evasion; it is about strategic avoidance — understanding the tax code well enough to choose when, how, and from which bucket you draw income, so you keep the maximum amount possible.

— Suba Narla, *The Wealth Pivot*

The years between your last paycheck and your first RMD are often the lowest tax-bracket years of your entire life. This chapter is about not wasting them.

— Suba Narla, *The Wealth Pivot*

From The Protected Pivot

An FIA inside a Roth IRA offers exactly that combination: a 0% floor, index-linked growth, and tax-free treatment of everything credited. If the FIA carries an income rider, the lifetime income it generates can be entirely tax-free once the Roth's five-year and age-59½ requirements are met.

— Suba Narla, *The Protected Pivot*

For money that must be there on a specific date — the first decade of retirement income, the funds earmarked for Roth conversion taxes, the portion of a rollover that you simply cannot afford to see fall by a third — the FIA's outcome range is narrower and far more predictable, and in the years that matter most near retirement, predictability is often worth more than maximum upside.

— Suba Narla, *The Protected Pivot*

From The Private Bank Pivot

A properly designed policy can become something few families ever have: a private bank of their own, one that protects the people they love, grows without market losses, and lends to them on their own terms.

— Suba Narla, *The Private Bank Pivot*

Most families spend their lives paying interest to someone else: on cars, homes, credit cards, student loans, and business equipment. Over a lifetime, that interest can add up to a staggering sum, and every dollar of it leaves the family forever. "Be Your Own Banker" is the idea of reversing that flow.

— Suba Narla, *The Private Bank Pivot*

From The Living Benefits Pivot

A living benefit is any feature of an insurance policy or annuity that pays you while you are still alive when a serious health event happens... The common thread is simple: the money shows up when you need it most, not only when you are gone.

— Suba Narla, *The Living Benefits Pivot*

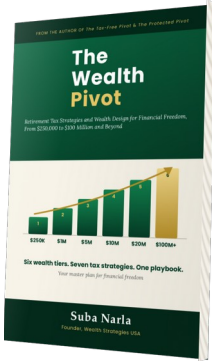
The pivot in this book is a change in how you think about insurance, from "money for my family when I die" to "money for my life, my care and my family, whether I die early, live long, or get sick along the way."

— Suba Narla, *The Living Benefits Pivot*

THE PIVOT SERIES

The Pivot Series From Suba Narla

Six books, one goal: a retirement with guaranteed income, tax-free flexibility, and protection from the risks that keep retirees awake at night.



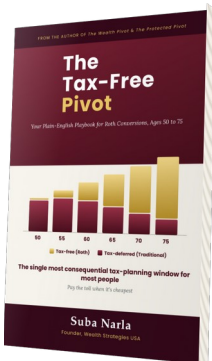
BOOK ONE

The Wealth Pivot

Retirement Tax Strategies and Wealth Design for Financial Freedom, From \$250,000 to \$100 Million and Beyond

The master blueprint: the three-bucket tax design, withdrawal sequencing, Roth conversions, charitable and state-tax strategies, and tier-by-tier playbooks that show how the same rules play out at every level of wealth.

“Six wealth tiers. Seven tax strategies. One playbook.”



BOOK TWO

The Tax-Free Pivot

Your Plain-English Playbook for Roth Conversions, Ages 50 to 75

A decade-by-decade guide to moving retirement money from “taxed later” to “tax-free forever” — filling cheap brackets, defusing RMDs, dodging IRMAA cliffs, and paying the conversion toll in the years when it is cheapest.

“The single most consequential tax-planning window for most people.”



BOOK THREE

The Protected Pivot

Annuities, IRA & 401(k) Rollovers, Roth Conversions and Tax-Smart Retirement Strategies for Ages 50 to 85

The safe-money companion to your Roth conversion plan: how fixed indexed annuities protect savings with a 0% floor, how rollovers work, and how guaranteed lifetime income builds a paycheck you can't outlive.

“Protect it. Grow it. Convert it to tax-free.”



BOOK FOUR

The Private Bank Pivot

Be Your Own Banker with Fixed Index Universal Life — Tax-Free Income, Funding for College, Business, Real Estate, Retirement & Legacy

How a properly designed IUL policy can become a private bank of your own — protecting your family, growing without market losses, and lending to you on your own terms — plus the pitfalls to avoid.

“Protect your family. Grow your cash value. Borrow it tax-free.”



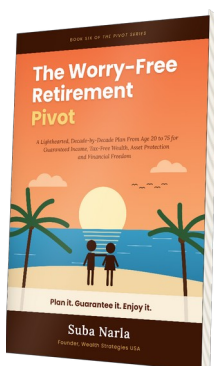
BOOK FIVE

The Living Benefits Pivot

How Life Insurance, Hybrid Long-Term Care and Annuity Riders Pay You While You're Living

The missing piece of every retirement plan: accelerated death benefits, chronic and critical illness riders, hybrid life/LTC policies, and annuity health riders that keep a health event from undoing a lifetime of saving.

“Plan for care. Protect your savings. Get paid while you're living.”



BOOK SIX

The Worry-Free Retirement Pivot

A Lighthearted, Decade-by-Decade Plan From Age 20 to 75 for Guaranteed Income, Tax-Free Wealth, Asset Protection and Financial Freedom

The book that ties the series together: four spending buckets, the Rule of 72, three time buckets, an income floor that covers the essentials, how to judgment-proof your family — and Top 10 lists for the fun part, from bucket-list adventures to Bora Bora.

“Plan it. Guarantee it. Enjoy it.”

Available in paperback and Kindle editions on Amazon ·
www.WealthStrategiesUSA.com

ABOUT THE AUTHOR

Suba Narla



Financial Advisor, Wealth Strategist & Founder, Wealth Strategies USA

Suba Narla is a Financial Advisor, Wealth Strategist, and Founder of Wealth Strategies USA, as well as a writer and educator focused on retirement income and tax strategies across the full spectrum of household wealth. His work centers on a simple premise: the mechanics of a good retirement plan — how withdrawals are sequenced, when Roth conversions make sense, how guaranteed income is built, how estate structures are designed — are the same regardless of net worth, even as the tools available and the risks that dominate change dramatically as assets grow. He especially enjoys converting clients' tax-deferred incomes to tax-free incomes.

The Worry-Free Retirement Pivot, the sixth book in The Pivot Series, ties the other five together — bringing the four spending buckets, the Rule of 72, and the income floor to readers from age 20 to 75, with a healthy dose of humor and a firm belief that retirement money is meant to be enjoyed.

He is an independent insurance broker affiliated with several insurance companies, including American Equity, Annexus, Athene, Nationwide, North American, Allianz, Securian and Symetra. The information in this book is provided to explain concepts, not to recommend any company or product.

Married for more than forty years and the proud father of two physicians, he is — by his own account — a far better grandfather than golfer. He lives and writes in the United States, and his favorite words to say out loud remain "Bora Bora."

www.WealthStrategiesUSA.com

Worry less. Live more. Retire happy.

A worry-free retirement isn't about being rich — it's about being **happy**: your essentials covered no matter what the market does, your taxes managed, and your dreams funded.

The Worry-Free Retirement Pivot ties all six Pivot books into one lighthearted, practical plan.

Inside, you'll learn:

- ◆ The four spending buckets and the Rule of 72
- ◆ An income floor no market crash can touch
- ◆ How 401(k)s, IRAs, Roths, FIAs and IULs work together
- ◆ How to judgment-proof yourself and your family
- ◆ A decade-by-decade checklist from age 20 to 75
- ◆ Top 10 lists: adventures, places, hobbies and more

"Close the gap with guarantees, and worry leaves the room."

— from *The Worry-Free Retirement Pivot*



Suba Narla is a Financial Advisor, Wealth Strategist, and Founder of Wealth Strategies USA, and the author of The Pivot Series.

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