# How to Maximize Your IRA Beyond Age 73

IRA investors have generally done a good job accumulating funds for retirement. However, once retirement begins, there is less widespread education around **how to manage those funds strategically** to make them last for you, your spouse, your children, and even your grandchildren.

Here are some key strategies we use in our practice to help clients make the most of their IRAs:

1) **In general, delay taking distributions from your IRA as long as possible.**
   For Traditional IRAs, this typically begins at age 73, for Required Minimum Distributions (RMDs). Roth IRAs do not require RMDs during your lifetime or your spouse's.

2) **Recognize we are living together.**
   Your portfolio should reflect reality. It may be wise to keep a portion of your IRA invested for long-term growth – even during retirement.

3) **Consider stock exposure focused on dividend-paying and dividend-growing investments.**
   These can support long-term income while aligning with your overall risk tolerance. In our patience, most retired clients hold **40% to 60%** in stocks for long-term growth potential.

4) **Allocate a portion to bonds and money market funds for income.**
   If your stock portfolio experiences a down year (typically 1 in every 4 years), having lower-risk assets allows you to withdraw income **without selling equities at a loss.** Many clients maintain **40% to 50%** in income-oriented investments for stability.

5) **Rebalance through RMDs.**
   When RMDs are required, it may make sense to withdraw from appreciated assets. This helps restore your desire portfolio allocation.

6) **Redirect dividends and interest to a money market account.**
   Instead of reinvesting, let income flow to your money market account, so funds are available when RMDs are due.

7) **Consider funding a long-term care policy.**
   With proper coverage in place, you may avoid liquidating IRA assets to cover extended care costs.

8) **Review your estate plan.**
   Ensure your **beneficiary forms** are up to date and consider strategies to minimize state estate taxes. Make sure your heirs understand their options.

These strategies can help grow the value of your IRA during retirement, provide a reliable income stream, and support a potential legacy for future generations.

We've seen these strategies work well over time.  It's rewarding to watch clients continue to draw income from their IRAs for 10-15 years and still see growth in the account.  With proper planning, your IRA can serve as **a source of income, protection, and intergenerational value.**

### IRA Basics: A Quick Recap

- An **Individual Retirement Account (IRA)** allows individuals to invest pre-tax income toward retirement with **tax-deferred growth.**
- Contributions may be **fully or partially deductible**, depending on income and filing status.
- RMDs begin at age 73 and are taxed as ordinary income.
- Early withdrawals before 59 ½ may incur a 10% penalty unless certain exceptions apply.
- **Roth IRAs** are funded with after-tax dollars.  Contributions grow tax-free and are not subject to RMDs during the owner's or spouse's lifetime.

### Important Notes

- Bonds are subject to **interest rate and credit risk.**
- Money market funds are **not FDIC-insured,** and although they aim to maintain a $1.00 value, losses can occur.
- Diversification and asset allocation do not guarantee a profit or protect against loss.