

Retirement Income

Retirement Income Results

Starting balance	\$50,000
Annual contribution	\$5,000
Current age	40
Age of retirement	65
Years of retirement	30
Rate of return before retirement	3%
Rate of return during retirement	3%
Current tax rate	25%
Retirement tax rate	25%
Expected rate of inflation	3%
Is this savings tax-deferred?	yes
Increase annual deposit with inflation?	no
Total contributions	\$125,000
Savings total before taxes	\$292,454
Savings total after taxes	\$219,341
Value of savings today (after inflation)	\$104,758

Your retirement savings is estimated to provide \$439 per month at retirement after taxes and inflation (in today's dollars).

According to your inputs, at age 65 your savings will provide \$1,227 per month for 30 years. This is before taxes. After taxes you will have \$920 per month. In today's dollars, this is equivalent to \$439 with 3% annual inflation.

Savings can provide

Income of before taxes	\$1,227 per month
Income of after taxes	\$920 per month
Value of income today (with 3% annual inflation)	\$439

Income Taxes

We estimate that you will owe 25% income tax on \$1,227 of your monthly retirement income. This assumes that all of your investments were before taxes, and that you will pay income taxes on those investments as well as any interest when withdrawals are made. The remaining balance will still earn tax deferred interest. Please note, if your savings are in a Roth IRA, none of your qualified withdrawals will be subject to income taxes.

Monthly Income at age 65 for 30 Years
press spacebar to hide graph

[-
]

Balances by year

Age	Investments	Interest	Taxes	Savings Balance
40	\$5,000	\$1,650	\$0	\$56,650
41	\$5,000	\$1,850	\$0	\$63,500
42	\$5,000	\$2,055	\$0	\$70,554
43	\$5,000	\$2,267	\$0	\$77,821
44	\$5,000	\$2,485	\$0	\$85,306
45	\$5,000	\$2,709	\$0	\$93,015
46	\$5,000	\$2,940	\$0	\$100,955
47	\$5,000	\$3,179	\$0	\$109,134
48	\$5,000	\$3,424	\$0	\$117,558
49	\$5,000	\$3,677	\$0	\$126,235
50	\$5,000	\$3,937	\$0	\$135,172
51	\$5,000	\$4,205	\$0	\$144,377
52	\$5,000	\$4,481	\$0	\$153,858
53	\$5,000	\$4,766	\$0	\$163,624
54	\$5,000	\$5,059	\$0	\$173,683
55	\$5,000	\$5,360	\$0	\$184,043
56	\$5,000	\$5,671	\$0	\$194,715
57	\$5,000	\$5,991	\$0	\$205,706
58	\$5,000	\$6,321	\$0	\$217,027
59	\$5,000	\$6,661	\$0	\$228,688
60	\$5,000	\$7,011	\$0	\$240,699
61	\$5,000	\$7,371	\$0	\$253,070
62	\$5,000	\$7,742	\$0	\$265,812
63	\$5,000	\$8,124	\$0	\$278,936
64	\$5,000	\$8,518	\$0	\$292,454