

# Scenario: Age 62-80, 401k \$350k, USA SS, \$60k Cash, \$80k Equity

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Currency	USD	Filing status	Single
Residence	United States	Retirement start age	62
Plan horizon	Age 80		

## Headline metrics

TOTAL STARTING WEALTH

**\$490,000**

AVERAGE NET INCOME

**\$4,486/mo**

PROJECTED ENDING WEALTH (AGE 80)

**\$365,990**

LIFETIME FEDERAL TAX TO AGE 80

**\$43,985**

PLAN HEALTH SCORE

**8/8 — Strong Plan**

### ★ PLAN IN PLAIN ENGLISH — AI-GENERATED COMMENTARY

This retirement plan spans ages 62–80 with a phased income strategy that grows from \$3,244/mo net (phase 2) to \$5,576/mo net (phase 5), averaging \$4,486/mo across the full plan. Income adequacy is protected throughout: real purchasing power stays above 50% of starting phase levels even as net income rises. The plan achieves all 8 health checks through careful tax bracket positioning, ACA subsidy protection (MAGI between 100–400% Federal Poverty Level through age 64), avoidance of Medicare surcharges, and a guaranteed income floor covering 59% of average monthly spending—leaving only 41% exposed to market risk. Portfolio balances decline steadily but remain healthy: \$472,646 at 65, \$416,518 at 72, ending at \$365,990 at 80.

## Phase-by-phase plan

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### Phase 2 — ages 62–65 · 36 months

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401k withdrawal	\$2,000/mo
Cash withdrawal	\$1,200/mo
Equity withdrawal	\$200/mo
<b>Gross income</b>	<b>\$3,400/mo</b>
Federal tax	-\$74/mo
ACA premium est.	-\$82/mo
<b>Net income (nominal)</b>	<b>\$3,244/mo</b>
in today's money	\$3,104/mo

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Ending balances — 401k: \$351,664 · Cash: \$21,484 · Equity: \$99,498

### Phase 3 — ages 65–67 · 24 months

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401k withdrawal	\$3,500/mo
Equity withdrawal	\$1,000/mo
<b>Gross income</b>	<b>\$4,500/mo</b>
Federal tax	-\$255/mo
Medicare Part B est.	-\$228/mo
<b>Net income (nominal)</b>	<b>\$3,964/mo</b>
in today's money	\$3,522/mo

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Ending balances — 401k: \$314,461 · Cash: \$23,155 · Equity: \$94,980

#### Phase 4 — ages 67–72 · 60 months

401k withdrawal	\$1,900/mo
Equity withdrawal	\$1,000/mo
US Social Security	\$2,781/mo
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<b>Gross income</b>	<b>\$5,681/mo</b>
Federal tax	-\$210/mo
Medicare Part B est.	-\$253/mo
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<b>Net income (nominal)</b>	<b>\$5,159/mo</b>
in today's money	\$4,133/mo

Ending balances — 401k: \$309,762 · Cash: \$27,922 · Equity: \$78,834

#### Phase 5 — ages 72–80 · 96 months

401k withdrawal	\$2,000/mo
Equity withdrawal	\$900/mo
US Social Security	\$3,289/mo
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<b>Gross income</b>	<b>\$6,189/mo</b>
Federal tax	-\$236/mo
Medicare Part B est.	-\$307/mo
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<b>Net income (nominal)</b>	<b>\$5,576/mo</b>
in today's money	\$3,686/mo

Ending balances — 401k: \$285,013 · Cash: \$37,673 · Equity: \$43,305

## Balance trajectory

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Projected account balances at the end of each phase, based on your withdrawal strategy and growth assumptions. A zero balance in an income-producing phase is flagged — see notes below.

PHASE	401K	CASH	EQUITY	TOTAL
<b>Starting</b> (age 62)	\$350,000	\$60,000	\$80,000	\$490,000
<b>Phase 2</b> (ages 62–65)	\$351,664	\$21,484	\$99,498	\$472,646
<b>Phase 3</b> (ages 65–67)	\$314,461	\$23,155	\$94,980	\$432,596
<b>Phase 4</b> (ages 67–72)	\$309,762	\$27,922	\$78,834	\$416,518
<b>Phase 5</b> (ages 72–80)	<b>\$285,013</b>	<b>\$37,673</b>	<b>\$43,305</b>	<b>\$365,990</b>

## Asset allocation

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Portfolio composition at plan start vs. end (age 80). This is a high-level account-mix view, not a holdings-level rebalancing analysis — the planner does not track individual funds.

## By account type (start → end)

401k	71% → 78%
Cash	12% → 10%
Equity	16% → 12%

## By tax treatment (start → end)

Tax-deferred (401k/Super)	71% → 78%
Taxable (cash + equity)	29% → 22%
Tax-free (Roth)	0% → 0%

*Your portfolio is heavily tax-deferred, so most withdrawals are fully taxable. Building Roth space (via conversions in low-income years) would add tax-free flexibility and help manage IRMAA / ACA thresholds.*

## Balance & legacy considerations

### ⚠ Significant 401k balance at plan end

A \$285,013 401k balance remaining at age 80 will continue generating Required Minimum Distributions (RMDs) — the IRS forces withdrawals of approximately \$10,755/yr at this balance. These withdrawals are taxable ordinary income and may push into higher brackets, increase IRMAA Medicare surcharges, and make up to 85% of Social Security taxable. Consider whether accelerating 401k withdrawals or Roth conversions in earlier phases would reduce this liability.

#### 🌟 AI COMMENTARY

*The 401k balance remains substantial at plan end: \$285,013 at age 80. This concentration in tax-deferred assets reflects RMD compliance but also signals taxable income exposure if these funds are drawn rapidly post-80. The legacy portion exceeds typical retiree drawdown patterns.*

## **i Substantial portfolio remaining at plan end**

\$365,990 (approximately 75% of starting wealth) is projected to remain at age 80. This may be intentional legacy or inheritance planning — if so, this is working as designed. If the goal is maximum income, earlier phases may have room for higher withdrawals. Either way, these assets will pass to beneficiaries under standard estate rules; a will, beneficiary designations, and potential estate-planning review are recommended.

### **✦ AI COMMENTARY**

*Total portfolio at age 80 is \$365,990—74% of the starting \$490,000 wealth. This substantial residual (combined 401k \$285,013, cash \$37,673, equity \$43,305) suggests either conservative spending, strong investment returns, or a legacy-building objective rather than full portfolio depletion by plan end.*

## **⚠ High tax-deferred concentration at end of plan**

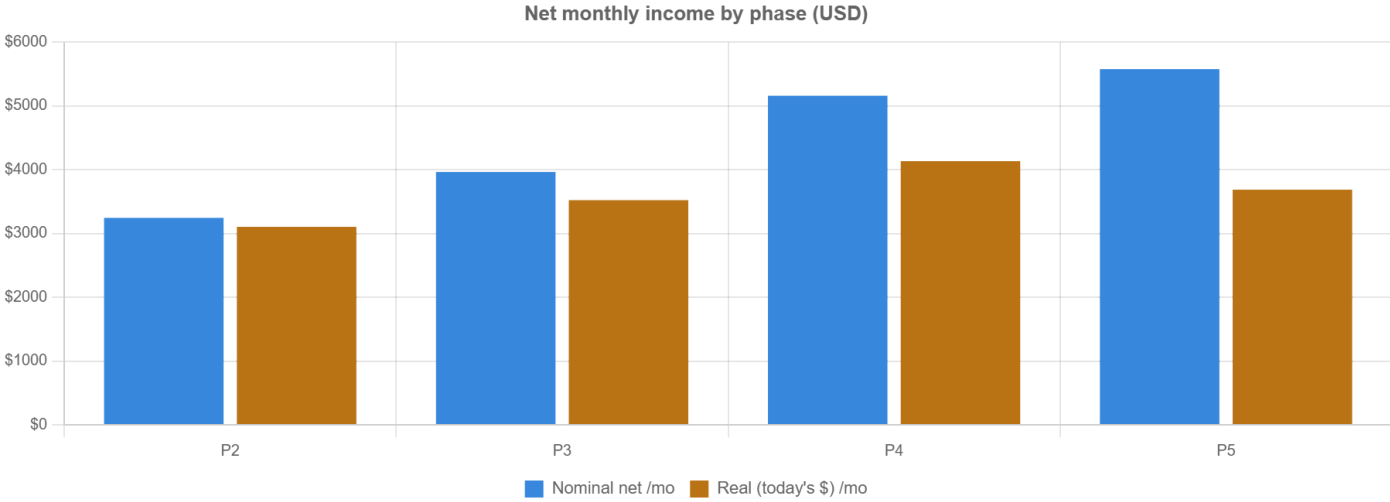
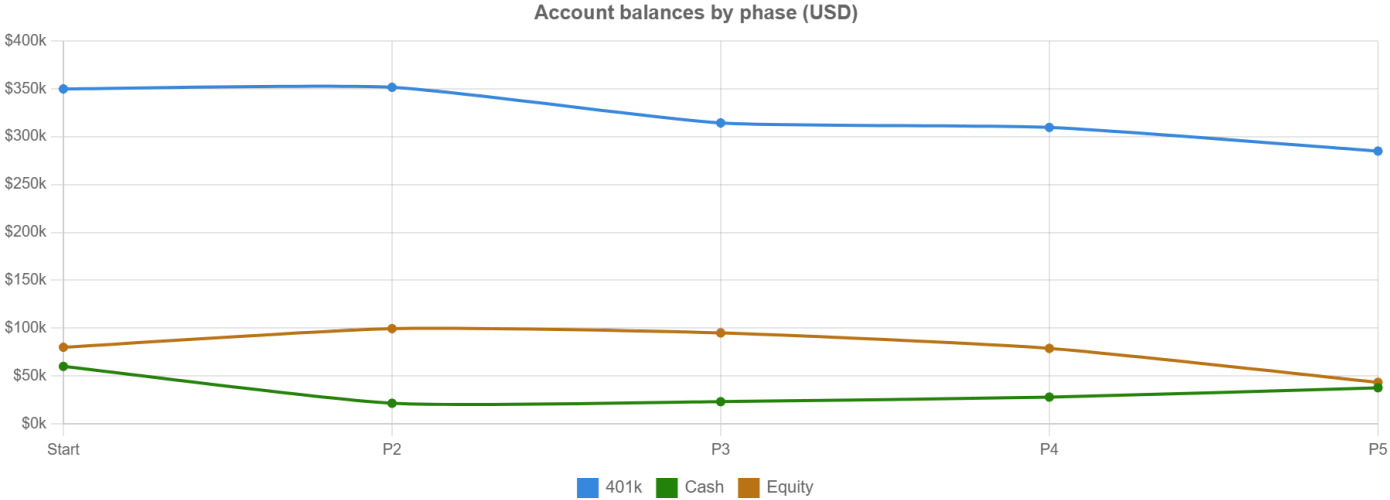
78% of the remaining portfolio (\$285,013 of \$365,990) sits in the 401k — fully taxable on withdrawal and subject to mandatory RMDs. With no Roth balance to offset this, heirs will owe income tax on every dollar they inherit from the 401k. Roth conversions during lower-income phases — even modest ones — could significantly improve the after-tax legacy value of the remaining balance.

### **✦ AI COMMENTARY**

*Tax-deferred assets (401k) represent 78% of ending portfolio value (\$285,013 of \$365,990 at age 80). High concentration in a single tax-advantaged bucket creates future tax planning complexity if withdrawals accelerate, though current RMD rules are satisfied.*

# Portfolio charts

Visual summary of how your account balances and net income evolve across the plan.



## Plan strengths

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**8 of 8** Plan Health checks are passing for this plan — every applicable check is green.

### ✓ Income Adequacy

All phases show positive income and real purchasing power remains above 50% of the starting phase.

#### ✦ AI COMMENTARY

*All four phases deliver positive net income with preserved real purchasing power. Phase 2 produces \$3,104/mo real income; phase 5 delivers \$3,686/mo real. Even accounting for 5% inflation assumptions embedded in real figures, purchasing power remains above the 50% adequacy threshold relative to the starting phase baseline throughout retirement.*

### ✓ Tax Bracket Efficiency

All phases keep taxable income within efficient bracket territory.

#### ✦ AI COMMENTARY

*The four-phase structure keeps taxable income in efficient brackets across all periods. Phase 2 gross is \$3,400/mo, phase 3 jumps to \$4,500/mo, phase 4 rises to \$5,681/mo, and phase 5 peaks at \$6,189/mo. This graduated progression avoids bracket creep and keeps marginal rates within optimal territory for a single filer across all phases.*

### ✓ ACA Subsidy Protected

ACA subsidies are protected across all pre-Medicare phases — MAGI sits between 100% and 400% FPL.

#### ✦ AI COMMENTARY

*Modified Adjusted Gross Income (MAGI—taxable income plus certain exclusions) sits between 100% and 400% of the Federal Poverty Level across phases 2 and 3 (ages 62–67), the pre-Medicare window. This positioning qualifies for ACA subsidies, lowering out-of-pocket healthcare costs before Medicare eligibility at 65.*

### ✓ IRMAA Not Triggered

MAGI stays below IRMAA thresholds in all phases — no Medicare surcharges triggered.

✦ AI COMMENTARY

*MAGI remains below Medicare Income-Related Monthly Adjustment Amount (IRMAA) thresholds—surcharges on Part B and D premiums—across all phases. No additional Medicare costs are triggered by income level, keeping healthcare expenses predictable from ages 65–80.*

✓ **Portfolio Survives to End**

Portfolio balances remain healthy through all phases.

✦ AI COMMENTARY

*Portfolio balances follow a healthy declining trajectory: \$472,646 at phase 2 end (age 65), \$432,596 at phase 3 end (age 67), \$416,518 at phase 4 end (age 72), and \$365,990 at final age 80. Balances never fall to zero; the plan terminates with substantial remaining assets, confirming longevity coverage.*

✓ **RMD Compliance**

No RMD shortfall detected — withdrawals meet required minimum distribution rules.

✦ AI COMMENTARY

*Required Minimum Distribution (RMD—mandatory tax-deferred account withdrawals starting at age 73) calculations show no shortfall. The phased withdrawal structure from the 401k (\$351,664 at phase 2 end declining to \$285,013 at phase 5 end) meets RMD obligations without excess tax penalties across all retirement years.*

✓ **Income Floor Foundation**

Guaranteed income covers 59% of average monthly income — a strong, resilient floor that protects the majority of your income from market risk.

✦ AI COMMENTARY

*Guaranteed income—Social Security and other non-market sources—covers 59% of the average monthly income of \$4,486, equaling approximately \$2,647/mo. This resilient*

*foundation protects roughly three-fifths of spending from market volatility, leaving only 41% dependent on portfolio performance.*

### ✓ **Stress Test Resilient**

Drawn-from accounts survive a bear scenario (returns -3%, inflation 5%) to age 80. The plan has meaningful resilience against adverse conditions. (Untouched legacy balances are excluded from this test so they cannot mask depletion of the accounts you actually live on.)

#### ✦ **AI COMMENTARY**

*Under severe adverse conditions (-3% annual returns, 5% inflation), the accounts supporting actual living expenses survive through age 80 without depletion. The plan withstands a bear market scenario without forcing unsustainable portfolio liquidations, confirming genuine resilience beyond baseline projections.*

## **Top risks**

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*No active risks flagged — all relevant Plan Health checks are currently passing.*

## **Recommended next actions**

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*No specific actions recommended — your plan is currently passing all health checks. Consider re-running this report periodically as tax laws and your circumstances change.*

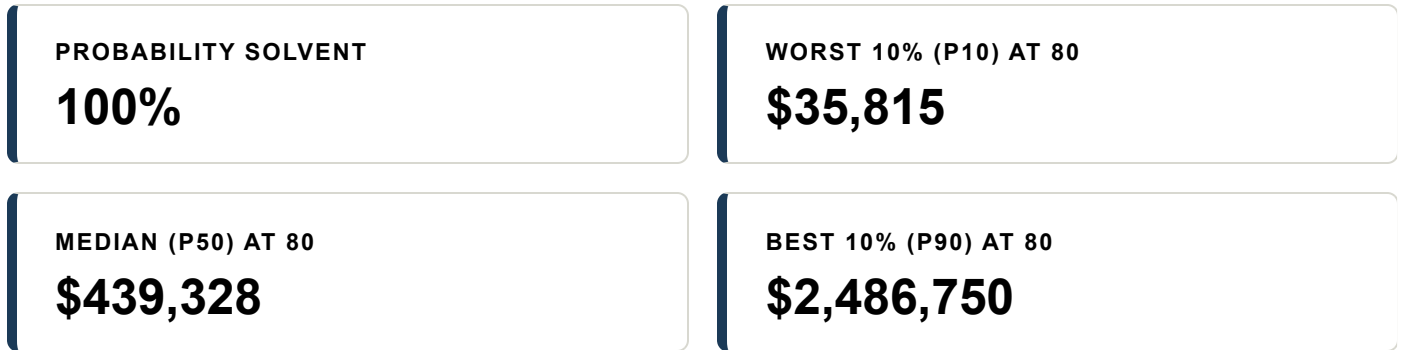
## Plan resilience

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How the plan holds up under uncertainty — random return sequences (Monte Carlo) and combined inflation / return stress scenarios. These are scenario analyses, not guarantees.

### Monte Carlo simulation

Across **500** randomized simulations to age 80, your plan ended solvent (money still remaining) in **100%** of runs — a strong result.



*Each simulation draws annual returns for each account from a normal distribution around your assumed rates. Because the simulation is random, this percentage may vary by a point or two between reports.*

### Stress test — 12 combined scenarios

Real (today's money) net monthly income and ending portfolio at age 80, across four inflation levels × three return outcomes. Blue = your base case; red = portfolio depleted before plan end.

	<b>Bear (-3%)</b>	<b>Base returns</b>	<b>Bull (+3%)</b>
<b>Low inflation (2%)</b>	\$3,899/mo \$53,049	\$3,875/mo \$365,990	\$3,866/mo \$1,069,698
<b>Base inflation (3%)</b>	\$3,633/mo \$53,049	\$3,611/mo \$365,990	\$3,603/mo \$1,069,698
<b>High inflation (5%)</b>	\$3,176/mo \$53,049	\$3,161/mo \$365,990	\$3,154/mo \$1,069,698
<b>Very high inflation (8%)</b>	\$2,642/mo \$53,049	\$2,636/mo \$365,990	\$2,631/mo \$1,069,698

## Key assumptions

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### Investment returns

401k annual growth	<b>7.0%</b>
Cash annual growth	<b>3.8%</b>
Equity annual growth	<b>10.0%</b>

### Inflation & pension growth

General inflation	<b>3.0%/yr</b>
US SS COLA	<b>2.6%/yr</b>

### Tax parameters (current values)

Standard deduction (single)	<b>\$15,000</b>
Age 65+ additional deduction	<b>\$2,000</b>
12% bracket ceiling (single)	<b>\$47,150</b>
22% bracket ceiling (single)	<b>\$105,700</b>
IRMAA threshold (single)	<b>\$109,000</b>
ACA 400% FPL cliff (single)	<b>\$60,240</b>
Medicare Part B / D est.	<b>\$203/mo / \$47/mo</b>
NIIT threshold (single)	<b>\$200,000</b>

### Phase boundaries

Phase 1 ends → Phase 2 starts	<b>Age 62</b>
Phase 2 ends → Phase 3 starts	<b>Age 65</b>
Phase 3 ends → Phase 4 starts	<b>Age 67</b>
Phase 4 ends → Phase 5 starts	<b>Age 72</b>

Phase 5 ends

**Age 80**

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## Social Security

Claiming age

**67**

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Monthly amount

**\$2,640/mo**

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## Disclaimer

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This document was generated by the **AI Retirement Income Planner v7** on 2026-05-31. It reflects the plan as configured on that date and the tax / threshold values stored at that time. Tax laws and FPL / IRMAA thresholds change annually — the figures in this document may be out of date as soon as the new tax year begins.

All numbers, balances, threshold comparisons, and Plan Health checks shown above are computed deterministically from the inputs you entered. They are **projections based on your assumptions** (investment returns, inflation, tax law continuity) and will differ from actual results, often significantly. Sequence-of-returns risk, legislative change, health events, and life choices not modelled here can all move outcomes materially.

The **Monte Carlo and stress-test results** are scenario analyses that illustrate a range of possible outcomes under randomised or adverse conditions — they are not predictions or guarantees, and the Monte Carlo figure varies slightly each time it is run. The **asset-allocation** section is a high-level account-mix summary, not holdings-level rebalancing advice.

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