



PEAK RETIREMENT

◆ PLANNING, INC. ◆

7 QUESTIONS TO ASK WHEN SEARCHING FOR A TRUSTED GUIDE

1. ARE YOU A FIDUCIARY?

- **Explanation:** A fiduciary is legally obligated to act in your best interest. If you are looking for ongoing planning, and not merely a product salesman, you should look for someone who is licensed as a fiduciary.
- **Green Light** - "Yes."
- **Red Light** - "No." or doesn't answer directly or will not put it in writing.

2. DO YOU HAVE LIMITATIONS IN THE PRODUCTS OR SOLUTIONS YOU CAN OFFER ME?

- **Explanation:** Some advisors will only be able to offer products or funds from one company. Others will be incentivized to offer one fund over another. If you truly want an advisor acting in your best interest, you will want to ensure that they have every option at their disposal to fit your plan.
- **Green Light** - "No, we are independent."
- **Red Light** - "Yes, we are limited"; or "There really is no difference between being captive and independent; we offer the same solutions."

3. HOW DO YOU DO TAX PLANNING? WHAT SOFTWARE DO YOU USE? CAN YOU GIVE ME A COPY OF YOUR ANALYSIS?

- **Explanation:** Tax planning is hard work and involves more than deciding whether to direct your IRA contributions to a traditional plan or a Roth plan. The advisors who do this well will be proficient in some type of advanced planning software. Most advisors only do investment management.
- **Green Light** - Shows you their software, provides a tax report, does an annual review of your tax return, discusses Social Security taxes, Medicare premiums and capital gains tax treatment.
- **Red Light** - "Talk to your CPA," or they give a vague explanation.

4. HOW CAN YOU TELL IF I WILL BE SUBJECT TO THE SOCIAL SECURITY TAX TORPEDO?

- **Explanation:** If you will have other sources of income (including RMDs) in retirement outside of social security, then there is a good chance you will be subject to what is known as the "tax torpedo" which would force you to pay a 40-50% tax rate. How prepared (or unprepared) you are to address this tax trap will play a large part in determining how much you will pay in taxes throughout retirement. We believe that every retiree and pre-retiree needs to plan for this contingency.
- **Green Light** - Discusses provisional income and is able to give an estimate of whether your Social Security will be taxable, as well as how to avoid it.
- **Red Light** - "Tax torpedo?"; Or dodges the question.

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5. SHOULD I DO A ROTH CONVERSION? HOW MUCH?

- **Explanation:** Tax rates are on sale right now which means Roth conversions make sense for most people. Determining if this applies to you, as well as deciding how much to convert, and when, are all key questions to lower your taxes in retirement.
- **Green Light** – *Runs numbers in tax software, which looks at future RMDs, addresses Social Security tax, and is aware of tax rates increasing in 2026.*
- **Red Light** – *"We are not a tax professional, and you will need to see a CPA" or says no to a Roth conversion without doing an analysis.*

6. WHAT ARE YOUR TOTAL FEES (INCLUDING MANAGEMENT FEES, INTERNAL EXPENSES, PLATFORM FEES, TRADING COSTS, ETC.)?

- **Explanation:** Advisors can get paid in many ways, and sometimes fees are structured so that you need to pay other people as well, including custodians and fund managers. You will want to understand how much you will pay among all these types of fees, so that there are no surprises.
- **Green Light** – *They are able to clearly explain how much you will pay for every type of fee.*
- **Red Light** – *They do not give a clear answer, or they only mention their management fee.*

7. DO YOU WORK AS A TEAM OR INDIVIDUAL?

- **Explanation:** Understanding how the firm operates will give you an idea of the kind and quality of attention you will receive. Retirement planning is complex and only having one mind and body to do all the tasks for you and other clients can mean things get left out.
- **Green Light** – *"We work as a team, so that our current clients can receive the proactive focus and expertise that their plans require."*
- **Yellow Light** – *"I work as a solo shop, but I have limited myself to fewer than 100 clients so that I can provide ongoing, comprehensive service to all of them."*
- **Red Light** – *"I work as an individual and have more than 100 clients."*

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