WARPSimLab Tax Report

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Report Basis: Real Dollars (Inflation Adjusted)

Projection Period: 2026-2056

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Tax Highlights

Lifetime Total Tax

$359,820

Lifetime Federal Income Tax

$156,090

Lifetime State Income Tax

$124,552

Lifetime Payroll Tax

$79,177

Average Effective Tax Rate

14.88%

Highest Marginal Tax Bracket

12.00%

Tax Overview

This report summarizes the taxes estimated by WARPSimLab over the simulation period. It is intended to explain how federal income taxes, state income taxes, payroll taxes, Roth assets, HSA assets, and required minimum distributions affect the simulated plan.

This report is not a tax return, does not replace tax software, and should not be interpreted as professional tax advice.

Tax Model Limitations

WARPSimLab uses simplified tax calculations intended to model broad retirement tax behavior rather than reproduce an individual tax return.

- Social Security benefits are currently treated as ordinary taxable income rather than using the detailed federal provisional-income rules.
- Taxable equity distributions: WARPSimLab assumes taxable equities are held primarily in low-turnover U.S. stock funds or ETFs and that applicable holding-period requirements are met. Qualified dividends and long-term capital gain distributions are combined into a single simplified taxable-equity-distribution amount and taxed using the federal preferential rate structure. The distribution amount is based on the simulator's taxable-equity portfolio bucket rather than individual securities.
- Emergency pre-tax withdrawals use a one-pass tax adjustment rather than repeatedly recalculating taxes and withdrawals until they converge.
- Roth accounts are modeled as tax-free retirement buckets. The simulator does not currently optimize Roth withdrawal timing or Roth conversions.
- HSA accounts are modeled as simplified tax-free buckets. The simulator does not currently distinguish qualified medical withdrawals from other uses.
- State income taxes are planning-grade approximations and may omit deductions, credits, local taxes, and state-specific retirement income rules.

Tax Settings Used

These are the tax calculation settings used when the simulation was run.

Calculate Income Taxes	Yes
Calculate Payroll Taxes	Yes
Calculate State Taxes	Yes
Tax Filing Status	Married filing jointly
State of Residence	NM
Include RMDs	Yes

Lifetime Tax Summary

This section summarizes estimated taxes across the full simulation period.

Lifetime Federal Ordinary Tax	$156,090
Lifetime Tax on Dividends and Capital Gains	$0
Lifetime Federal Income Tax	$156,090
Lifetime State Income Tax	$124,552
Lifetime Payroll Tax	$79,177
Lifetime Social Security Payroll Tax	$64,170
Lifetime Medicare Tax	$15,007
Lifetime Additional Medicare Tax	$0
Lifetime Total Tax	**$359,820**
Lifetime Gross Income	$2,418,728
Average Effective Tax Rate	**14.88%**
Highest Annual Tax Bill	$24,321
Lowest Annual Tax Bill	$4,035
Highest Marginal Tax Bracket	**12.00%**

Tax Insights

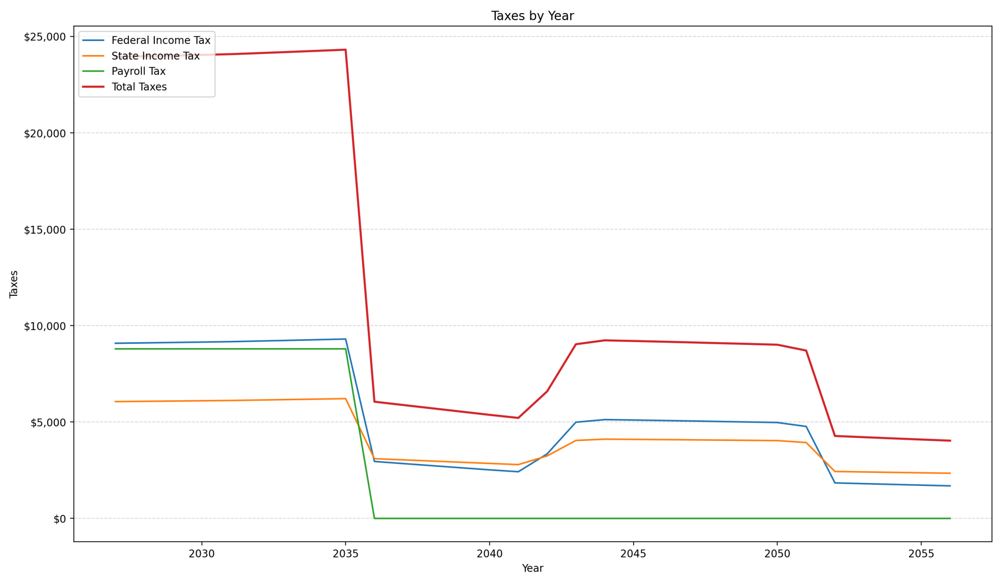
This section summarizes the most important tax characteristics of the simulation and explains why they occurred. These observations are generated directly from the simulation results.

- Federal income taxes account for 43.4% of lifetime taxes.
- State income taxes account for 34.6% of lifetime taxes.
- Payroll taxes account for 22.0% of lifetime taxes.
- Average effective tax rate over the simulation is 14.88%.
- Payroll taxes decline and eventually disappear once earned employment income ends.
- Required Minimum Distributions begin for the husband in 2044.
- Once RMDs begin, they increase taxable retirement income.
- The largest annual tax bill occurs in 2035 ($24,321).

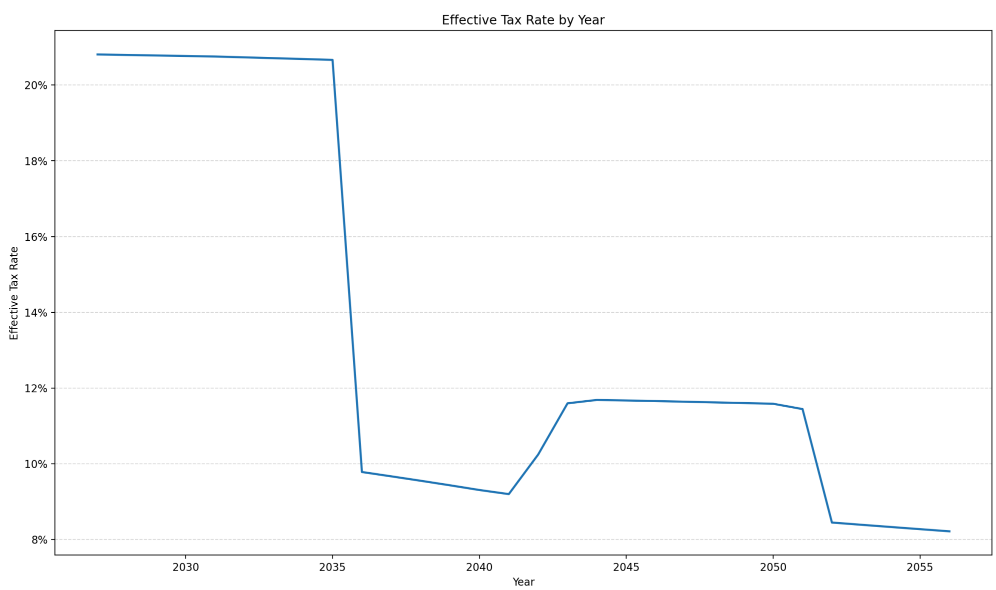
Tax Visuals

These charts show how estimated taxes and withdrawal sources change over time.

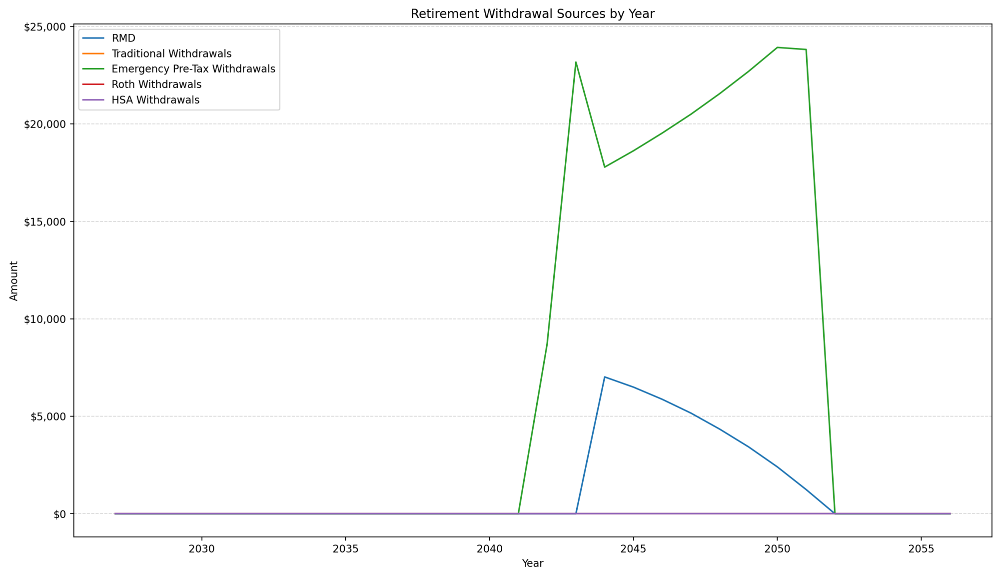
Taxes by Year



Effective Tax Rate by Year



Retirement Withdrawal Sources by Year



Tax Source Breakdown

These values summarize the income sources that contributed to taxable income and tax exposure during the simulation.

Work Income	$1,008,000
Social Security	$756,000
Pensions	$183,867
Annuities	$183,867
Traditional Withdrawals	$0
Emergency Pre-Tax Withdrawals	$200,332
RMDs	$35,964
Roth Conversions	$0
Bond Interest	$9,203
Cash Interest	$7,470
Qualified Equity Distributions	$7,025

Required Minimum Distribution Analysis

Required Minimum Distributions can increase taxable income later in retirement. This section summarizes when RMDs appear and their total simulated impact.

Husband First RMD Year	2044
Wife First RMD Year	No RMD
Largest Total RMD	$7,020
Husband Lifetime RMD	$35,964
Wife Lifetime RMD	$0
Lifetime Total RMD	$35,964

Roth Analysis

WARPSimLab treats Roth accounts as tax-free retirement buckets. When additional portfolio funding is needed for expenses, the simulator uses post-tax assets first, then pre-tax assets, and then Roth assets. Roth withdrawals do not increase ordinary taxable income. Roth conversions move assets from pre-tax accounts to Roth accounts and increase ordinary taxable income, but the converted amount is not treated as spendable household cash.

Starting Roth Balance	$0
Ending Roth Balance	$0
Total Roth Conversions	$0
Total Roth Withdrawals	$0

HSA Analysis

WARPSimLab treats HSA accounts as simplified tax-free retirement buckets. When additional portfolio funding is needed for expenses, the simulator uses post-tax assets first, then pre-tax assets, then Roth assets, and finally HSA assets. HSA withdrawals do not increase ordinary taxable income. The simulator does not currently distinguish qualified medical withdrawals from other uses.

Starting HSA Balance	$0
Ending HSA Balance	$0
Total HSA Withdrawals	$0

Year-by-Year Tax Details

These tables show annual taxes and the taxable or retirement flows that affect the simulation.

Annual Tax Summary

Year	Husband Age	Wife Age	Gross Income	Federal Income Tax	State Income Tax	Payroll Tax	Total Taxes	Effective Tax Rate	Marginal Tax Bracket
2027	56	56	$115,095	$9,088	$6,062	$8,798	$23,947	20.81%	12.00%
2028	57	57	$115,329	$9,108	$6,075	$8,797	$23,981	20.79%	12.00%
2029	58	58	$115,570	$9,128	$6,090	$8,798	$24,015	20.78%	12.00%
2030	59	59	$115,819	$9,149	$6,104	$8,797	$24,051	20.77%	12.00%
2031	60	60	$116,074	$9,171	$6,119	$8,798	$24,088	20.75%	12.00%
2032	61	61	$116,464	$9,204	$6,142	$8,797	$24,144	20.73%	12.00%
2033	62	62	$116,865	$9,237	$6,166	$8,798	$24,201	20.71%	12.00%
2034	63	63	$117,277	$9,272	$6,190	$8,797	$24,260	20.69%	12.00%
2035	64	64	$117,701	$9,308	$6,215	$8,797	$24,321	20.66%	12.00%
2036	65	65	$61,896	$2,956	$3,100	$0	$6,056	9.78%	12.00%
2037	66	66	$60,852	$2,846	$3,038	$0	$5,884	9.67%	12.00%
2038	67	67	$59,820	$2,737	$2,977	$0	$5,715	9.55%	12.00%
2039	68	68	$58,781	$2,629	$2,916	$0	$5,545	9.43%	12.00%
2040	69	69	$57,736	$2,520	$2,854	$0	$5,374	9.31%	12.00%
2041	70	70	$56,682	$2,423	$2,792	$0	$5,215	9.20%	10.00%
2042	71	71	$64,325	$3,347	$3,243	$0	$6,590	10.25%	12.00%
2043	72	72	$77,935	$4,992	$4,046	$0	$9,038	11.60%	12.00%
2044	73	73	$79,055	$5,127	$4,112	$0	$9,239	11.69%	12.00%
2045	74	74	$78,873	$5,105	$4,101	$0	$9,206	11.67%	12.00%
2046	75	75	$78,674	$5,081	$4,090	$0	$9,171	11.66%	12.00%
2047	76	76	$78,463	$5,056	$4,077	$0	$9,133	11.64%	12.00%
2048	77	77	$78,240	$5,029	$4,064	$0	$9,093	11.62%	12.00%
2049	78	78	$78,025	$5,003	$4,051	$0	$9,054	11.60%	12.00%
2050	79	79	$77,793	$4,975	$4,038	$0	$9,013	11.59%	12.00%
2051	80	80	$76,103	$4,772	$3,938	$0	$8,710	11.45%	12.00%

Year	Husband Age	Wife Age	Gross Income	Federal Income Tax	State Income Tax	Payroll Tax	Total Taxes	Effective Tax Rate	Marginal Tax Bracket
2052	81	81	$50,632	$1,843	$2,435	$0	$4,278	8.45%	10.00%
2053	82	82	$50,233	$1,803	$2,412	$0	$4,215	8.39%	10.00%
2054	83	83	$49,846	$1,765	$2,389	$0	$4,153	8.33%	10.00%
2055	84	84	$49,469	$1,727	$2,367	$0	$4,093	8.27%	10.00%
2056	85	85	$49,102	$1,690	$2,345	$0	$4,035	8.22%	10.00%

Annual Taxable and Retirement Flows

Year	Qualified Equity Distributions	Husband RMD	Wife RMD	Total RMD	Traditional Withdrawals	Emergency Pre-Tax Withdrawal	Roth Conversions	Roth Withdrawals	HSA Withdrawals
2027	$28	$0	$0	$0	$0	$0	$0	$0	$0
2028	$98	$0	$0	$0	$0	$0	$0	$0	$0
2029	$169	$0	$0	$0	$0	$0	$0	$0	$0
2030	$243	$0	$0	$0	$0	$0	$0	$0	$0
2031	$318	$0	$0	$0	$0	$0	$0	$0	$0
2032	$434	$0	$0	$0	$0	$0	$0	$0	$0
2033	$553	$0	$0	$0	$0	$0	$0	$0	$0
2034	$675	$0	$0	$0	$0	$0	$0	$0	$0
2035	$801	$0	$0	$0	$0	$0	$0	$0	$0
2036	$929	$0	$0	$0	$0	$0	$0	$0	$0
2037	$804	$0	$0	$0	$0	$0	$0	$0	$0
2038	$676	$0	$0	$0	$0	$0	$0	$0	$0
2039	$543	$0	$0	$0	$0	$0	$0	$0	$0
2040	$402	$0	$0	$0	$0	$0	$0	$0	$0
2041	$254	$0	$0	$0	$0	$0	$0	$0	$0
2042	$99	$0	$0	$0	$0	$8,706	$0	$0	$0
2043	$0	$0	$0	$0	$0	$23,175	$0	$0	$0
2044	$0	$7,020	$0	$7,020	$0	$17,786	$0	$0	$0
2045	$0	$6,497	$0	$6,497	$0	$18,623	$0	$0	$0

Year	Qualified Equity Distributions	Husband RMD	Wife RMD	Total RMD	Traditional Withdrawals	Emergency Pre-Tax Withdrawal	Roth Conversions	Roth Withdrawals	HSA Withdrawals
2046	$0	$5,872	$0	$5,872	$0	$19,534	$0	$0	$0
2047	$0	$5,162	$0	$5,162	$0	$20,503	$0	$0	$0
2048	$0	$4,338	$0	$4,338	$0	$21,561	$0	$0	$0
2049	$0	$3,431	$0	$3,431	$0	$22,698	$0	$0	$0
2050	$0	$2,404	$0	$2,404	$0	$23,926	$0	$0	$0
2051	$0	$1,241	$0	$1,241	$0	$23,821	$0	$0	$0
2052	$0	$0	$0	$0	$0	$0	$0	$0	$0
2053	$0	$0	$0	$0	$0	$0	$0	$0	$0
2054	$0	$0	$0	$0	$0	$0	$0	$0	$0
2055	$0	$0	$0	$0	$0	$0	$0	$0	$0
2056	$0	$0	$0	$0	$0	$0	$0	$0	$0

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