

Donald Dirren Showcases Best Methods of Reducing Taxes on Social Security Benefits

Arizona-based financial advisor Donald Dirren shares an expert look at how best to reduce taxes on Social Security benefits.

PHOENIX, ARIZONA, USA, May 27, 2020 /EINPresswire.com/ -- From saving in an individual retirement account to setting up what's known as tax withholding, a variety of methods exist to legitimately reduce taxes on Social Security benefits. An Arizona-based Social Security planning specialist from Phoenix, Donald Dirren shares a closer look at the process and explains more about the matter, particularly in regards to retirement planning.

"From the outset, stay below the taxable thresholds relevant to what your provisional income is," says Donald Dirren, a popular financial advisor from Phoenix, Arizona, "this is determined by taking 50% of your individual or joint social security plus all taxable income."

According to [Donald Dirren, benefits](#) become taxable at \$25,000 for individuals and \$32,000 for married couples. "Consider taking individual retirement account withdrawals before signing up for Social Security benefits," adds the expert.

Next, says Donald Dirren, factor in state taxes. "Also explore the option of contributing into a roth IRA that offers tax-free growth and withdrawals during retirement," suggests the licensed financial advisor.

Such plans, according to Donald Dirren, are not taxed upon distribution, providing that certain conditions are met. "If you're in any doubt whatsoever, make a point of speaking to local financial advisors," says Donald Dirren, "and look to work with the right one for you to find the best methods of reducing taxes on your Social Security benefits."

Another method of reducing taxes on Social Security benefits, Donald Dirren further points out, involves looking at potentially doing roth conversions from your traditional IRA's. This can be done at any age, any time and any amount provided you pay the income tax based on your current tax bracket. "Look into this, plus the added importance of managing any other sources of income, particularly in retirement," adds the expert and licensed financial advisor, "if seeking to minimize taxes on your benefits."

Social Security is a government system that provides monetary assistance to qualifying

individuals. In the U.S., Social Security is the primary foundation of financial security for millions of predominantly retired or disabled American citizens.

As revealed by [Donald Dirren, more](#) than 60 million people currently collect monthly Social Security benefits. A total of approximately 170 million Americans, meanwhile, pay Social Security taxes at present. "It's essentially," he explains, "as a largely pay-as-you-go program."

Financial advisor [Donald Dirren has](#) previously spoken at length on topics including Social Security planning, tax planning in retirement, the latest life insurance products for seniors, and key considerations concerning long-term care with life insurance.

Donald Dirren is known for his illustrations of real-life scenarios focused on Social Security and retirement planning. "I aim to educate those seeking to protect, preserve, and pass on their wealth," explains the Social Security planning specialist, wrapping up, "and showcase the best methods of reducing taxes on Social Security benefits wherever possible."

Caroline Hunter
Web Presence, LLC
[email us here](#)
+1 786-233-8220

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