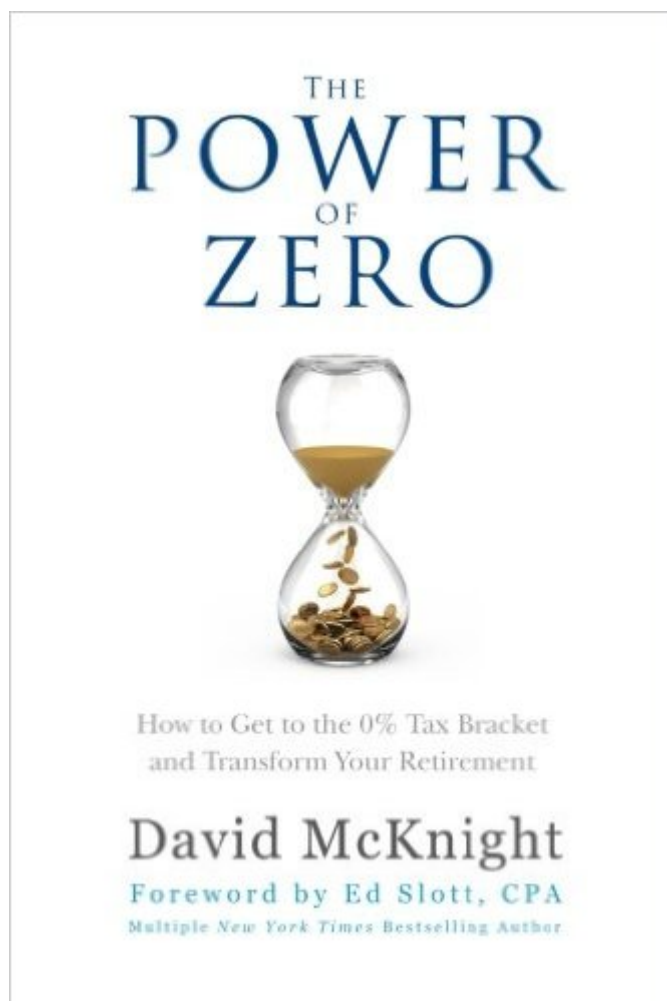


The book was found

# The Power Of Zero: How To Get To The 0% Tax Bracket And Transform Your Retirement



## Synopsis

There's a massive freight train bearing down on the average American investor, and it's coming in the form of higher taxes. The United States Government has made trillions of dollars in promises for programs like Social Security and Medicare it simply can't afford to keep. The only way to deliver on these promises is to raise taxes. It's simple math. Some experts have even suggested that tax rates have to double just to keep our country solvent. Unfortunately, if you're like most Americans, you've saved the majority of your retirement assets in tax-deferred vehicles like 401(k)s and IRAs. If tax rates go up, how much of your hard-earned money will you really get to keep? In David McKnight's ground breaking book *The Power of Zero*, he provides you with a step by step roadmap on how to get to the 0% tax bracket, effectively eliminating tax rate risk from your retirement picture. Why is the 0% tax bracket so powerful? Because if tax rates double, two times zero is still zero! The day of reckoning is fast approaching. Are you ready to do what it takes to experience the power of zero?

## Book Information

Paperback: 104 pages

Publisher: Acanthus Publishing (January 22, 2014)

Language: English

ISBN-10: 0989000192

ISBN-13: 978-0989000192

Product Dimensions: 6 x 0.2 x 9 inches

Shipping Weight: 7.5 ounces (View shipping rates and policies)

Average Customer Review: 4.6 out of 5 stars [See all reviews](#) (174 customer reviews)

Best Sellers Rank: #6,386 in Books (See Top 100 in Books) #14 in [Books > Business & Money > Personal Finance > Retirement Planning](#)

## Customer Reviews

McKnight thinks that taxes are very likely to increase. To protect your retirement income he feels it is necessary to target a 0% tax bracket in retirement. He aims for a taxable income small enough that you would be covered by your personal exemptions and the standard deduction, currently about \$20,000. If you achieved then there is no tax on your Social Security income. The author brings up some excellent points. In particular the fact that large accumulations in tax-deferred accounts can generate large MRD requirements after you reach 70.5 years old. This in turn can make most of social security payments taxable, it's similar to double taxation. He suggests

thinking of three portions or buckets of investment resources. The first bucket is 6 months income. This is to protect against adversity, and is taxable. The second is the tax-deferred bucket, which would contain IRAs, 403b, etc. After you retire and reach 70.5 years old you are required to take out a minimum required distribution each year. If you have a large accumulation then the taxable MRD can be quite large and can cause your Social Security income to be taxable. He suggests moving as much as possible of this money from the IRA or other retirement account into a tax-free bucket such as the Roth IRA. The third is the tax free bucket made up of a Roth IRA and the life insurance retirement plan (LIRP), and some possible tricks you might be able to do with your IRA or other plans. The Roth IRA is the least controversial and a great deal, but is very limited in the amount you can contribute while working. In retirement you can contribute up to the amount you earn working. Since most people don't work in retirement they cannot contribute anything.

I'm not sold on the 0% solution. The author uses shock tactics and examples of extremism to try to justify his overarching "0% tax bracket" solution. Let me point out some specific flaws and how I feel they are misleading. The author's main premise for why 0% tax bracket retirement planning is needed is that he believes it is inevitable for the government to raise taxes exorbitantly in the future, when retirees are likely to have minimal deductions and begin their taxable withdrawals. The author points to the fact that in the past, the highest marginal tax rates have been very high (70%! 90%!) almost as evidence that such precedent proves it's likely to happen again, and that our current tax regime is a 'historical low'. Now - while the high marginal tax brackets of the past are absolutely a fact of record, I believe the author is using this more as a scare tactic that is neither probable nor applicable. I point out that even if marginal rates were to return to such high levels, it's not very likely that the majority of retirees would be subject to such tax brackets. For example, the 1963 tax rate of 91% for a married couple would only apply to someone with a \$3 MILLION (in 2013 adjusted dollars) taxable income...not a very typical retiree annual withdrawal. Further - even if such a fortunate prospective retiree had enough of a nest egg to make such annual withdrawals, the recommended tactics in the book would NOT enable a person to drop down to a 0% bracket, or anywhere close. The author rightly argues that the US government has a future (current?) budget problem based on the likely growth and demographic shifts that affect many current spending programs, namely Social Security and Medicare.

[Download to continue reading...](#)

The Power of Zero: How to Get to the 0% Tax Bracket and Transform Your Retirement  
The Mobility Revolution: Zero Emissions, Zero Accidents, Zero Ownership  
The World's Best Tax Havens: How to

Cut Your Taxes to Zero and Safeguard Your Financial Freedom (Taxcafe.Co.UK Tax Guides)  
Non-Resident & Offshore Tax Planning 2014/2015: How To Cut Your Tax To Zero The Retirement Savings Time Bomb . . . and How to Defuse It: A Five-Step Action Plan for Protecting Your IRAs, 401(k)s, and Other Retirement Plans from Near Annihilation by the Taxman Selling Real Estate Without Paying Taxes: Capital Gains Tax Alternatives, Deferral vs. Elimination of Taxes, Tax-Free Property Investing, Hybrid Tax ... Paying Taxes: A Guide to Capital Gains) Small Business Tax Deductions Revealed: 29 Tax-Saving Tips You Wish You Knew (For Self-Employed People Only) (Small Business Tax Tips Book 1) Schedule C Tax Deductions Revealed: The Plain English Guide to 101 Self-Employed Tax Breaks (Small Business Tax Tips) (Volume 2) Schedule C Tax Deductions Revealed: The Plain English Guide to 101 Self-Employed Tax Breaks (For Sole Proprietors Only) (Small Business Tax Tips Book 2) The Smartest Retirement Book You'll Ever Read: Achieve Your Retirement Dreams--in Any Economy Retirement Planning | The Year Before You Retire - 5 Easy Steps to Accelerate Your Journey to an Early Retirement & Live a Life of Financial Freedom... The All-Weather Retirement Portfolio: Your post-retirement investment guide to a worry-free income for life Tip-Edge Orthodontics and the Plus Bracket, 2e The Complete Cardinal Guide to Planning For and Living in Retirement: Navigating Social Security, Medicare and Supplemental Insurance, Long-Term Care, ... Post-Retirement Investment and Income Taxes Tools & Techniques of Employee Benefit and Retirement Planning, 11th ed. (Tools and Techniques of Employee Benefit and Retirement Planning) The Truth about Retirement Plans and IRAs: All the Strategies You Need to Build Savings, Select the Right Investments, and Receive the Retirement Income You Want Investing 101: A Beginner's Financial Guide for a Rich Life. The Basics on How to Make Money and Build a Wealthy Retirement. (Stocks, Bonds, Gold, Real Estate, Retirement, Assets, Wealth) Journey Into Power: How to Sculpt your Ideal Body, Free your True Self, and Transform your life with Baptiste Power Vinyasa Yoga The Retirement Rescue Plan: Retirement Planning Solutions for the Millions of Americans Who Haven't Saved "Enough" The Baby Boomer Retirement Breakthrough: The Unfair Advantage for a Safe & Secure Retirement

[Dmca](#)