

Table 1: Assumptions for Analysis

Client Age (Current)	65
Age When SSBs Begin	70
Real Rate of Return (Stocks)	6 percent (static)
Real Rate of Return (Bonds)	2 percent (static)
Inflation Rate (Annual) *	2 percent (static)
Basis of Stock (Taxable Account)	50 percent of current value
Basis of Bonds (Taxable Account)	100 percent of current value
Basis in TDA	\$0 (all contributions were pre-tax)
Standard Deduction for Single Individual Age 65 or Older **	\$14,250 (2021-2025); \$8,500 (2026 and later)
Personal Exemption **	\$0 (2021-2025); \$4,300 (2026 and later)

Notes: *The analysis uses real (inflation-adjusted) returns and real 2021 dollars. ** The analysis assumes the tax changes for individuals enacted in the Tax Cuts and Jobs Acts of 2017 expire as scheduled at the end of 2025. The standard deduction, personal exemption, and tax rate brackets for 2026 and later years are based on the 2017 amounts, inflated to the 2021 real dollars used in the analysis.