

Withdrawing from an IRA Account Using the Annual Fixed Savings Function

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When a client with an IRA is ready to begin taking withdrawals, the SIPS plan offers several ways to initiate them. For this how to article, we will focus on using the Annual Fixed Savings Function to withdraw money from the SIPS plan for a specific time frame. Below is a hypothetical client we will use as an example:

Client Information:

- John Doe, age 60; birth date: 01/01/1966; retirement age: 67

Incomes:

- Wages: \$175,000 growing at 2.8%; Social Security (SS) at 67: \$40,000 COLA at 2.8%

Assets:

- Taxable Brokerage Account (BA): \$1,000,000; Conservative, 2% net growth per year
- Tax-Deferred Traditional 401(k): \$2,000,000, Conservative, 2% net growth per year
- Tax-Deferred Individual IRA: \$850,000; Conservative, 2% net growth per year

Goals and Objectives:

- Would like to retire at their full retirement at age 67.
- Target Income: The first year will start at \$100,000 with an inflation factor of 2.8%. When in retirement, the target income will start at \$80,000 and continue to grow at 2.8%.
- Tax-Deferred Individual IRA: Contribute the full amount until the age of 67 and starting in retirement years will withdraw a yearly amount of \$12,000 until the RMD are being withdrawn.
- Tax-Deferred Traditional 401(k): Contribute 5% to receive the employer match (\$8,750 employee and \$8,750 employer) until the age of 67. In retirement years, withdrawal amounts to meet the RMD.
- Taxable Brokerage Account (BA): Contribute the yearly excess amount from the target income until the age 67 and when retirement starts withdrawing to meet the target income. When there are excess amounts in retirement years, reinvest it back into the Brokerage Account.

Step 1: Edit: Click on the green Edit button underneath the Structured Income Planning subheading.

Structured Income Planning

Dynamic Mode

Scenario: Withdrawing From An IRA Annual Fixed Savings

Table with 20 columns (Year, John, Account, Income, etc.) and 28 rows. It details financial projections from 2026 to 2065, including taxable brokerage accounts, tax-deferred 401(k), and tax-deferred IRAs, with associated income, distributions, and taxes.

Step 2: Manage: Click on the green Manage button within the Tax Deferred IRA column.

Structured Income Planning

Edit Save Cancel Add Account Add Income Add Inc-Tax Add Target Edit or Add Scenario Display Options

Scenario: Withdrawing From An IRA Annual Fixed Savings

Total required	View Beneficial RMD	Year	Taxable Brokerage Account				Tax Deferred Traditional 401(k)				Tax Deferred IRA				Accounts Total	Planned Distribution	Percent Distribution	Wages	Social Security	Employer Match	Approx Income Tax	After Tax Income	After Tax Target	Income Gap	Year																					
			John	Account	Income	Account	Income	Account	Income	Account	Income	Accounts Total	Subtotal of account	Manage Infl Factor												Manage Infl Factor	Manage Infl Factor	Manage Eff Tax Rate	Manage Infl Factor	from total income to target																
			2.00 %	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %	2.00 %	2.80 %	2.80 %	2.80 %												2.80 %	2.80 %	2.80 %																		
REGULAR RMD across all accounts	net return	60	1,000,000	2,000,000	2,000,000	850,000	850,000	850,000	850,000	3,850,000	0	0	2.80 %	2.80 %	2.80 %	2.80 %	0	0	8,750	(34,670)	17%	100,000	100,000	0	2026																					
John total RMD	initial amount	60	1,000,000	2,000,000	2,000,000	850,000	850,000	850,000	850,000	3,850,000	0	0	2.80 %	2.80 %	2.80 %	2.80 %	0	0	8,750	(34,670)	17%	100,000	100,000	0	2026																					
			1,603,569				3,188,421				1,055,210				2,640,062				1,332,839				2,439,750				66,642				(1,467,512)				5,011,780				5,011,781				0			

Step 3: Annual Fixed Savings: Click on the Annual Fixed Savings radio button.

Manage Account

Save Cancel View / Edit Income View / Edit Death Benefit View / Edit Actual Values

Account name: Tax Deferred IRA

Initial account balance: \$850,000

Hypothetical return: 2.0 %

Bonus: 0.0 %

Optional: Account description, Account company, Other

Tax calculation option: Tax Income Distributions (Qualified)

Add money later - deferred account: 0 years deferred

Asset plan allocation: Conservative - max 10.0%

Risk level: Conservative

Account owner: John

Account type: IRA

Based on: John's age Client2's age Joint

Structured Income Type

Start payout from income rider

Annual fixed withdrawal 12.0

Annual percentage withdrawal 0.0 %

Required minimum distribution (RMD)

Beneficial IRA RMD (based on beneficiaries life)

Calculated Plan Withdrawals

Make-up total owners RMD from one account

Make-up total benefit RMD from one account

Make-up income gap based on target income

Annual Savings

Annual fixed savings

Number of months of payout in first year: 12.0

Enter manual payout

Income Data

Year	Income savings	Variable
1	8,000	8,000
2	8,000	8,000
3	8,000	8,000
4	8,000	8,000
5	8,000	8,000
6	8,000	8,000
7	8,000	8,000
8		
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Request Additional Rider Remove Income Rider

Step 4: Annual Fixed Savings Textbox: Enter the monetary amount that you would like to withdraw. Withdrawals are modeled as a negative number. (-12,000)

Manage Account

Save Cancel View / Edit Income View / Edit Death Benefit View / Edit Actual Values

Account name: Tax Deferred IRA

Initial account balance: \$850,000

Hypothetical return: 2.0 %

Bonus: 0.0 %

Optional: Account description, Account company, Other

Tax calculation option: Tax Income Distributions (Qualified)

Add money later - deferred account: Years deferred: 0

Asset plan allocation: Conservative - max 10.0%

Risk level: Conservative

Account owner: John

Account type: IRA

Add an income rider: Based on: John's age

Select income rider: [Dropdown]

Number of months of payout in first year: 12.0

Enter manual payout: [Checkbox]

Structured Income Type

Income Riders: Start payout from income rider

Liquorate or annuitize: Annuitize (for years certain): 1.0 %

Withdrawals: Annual fixed withdrawal, Annual percentage withdrawal: 0.0 %, Required minimum distribution (RMD), Beneficial IRA RMD (based on beneficiaries life)

Calculated Plan Withdrawals: Make-up total owners RMD from one account, Make-up total benef RMD from one account, Make-up income gap based on target income

Annual Savings: Annual fixed savings [-12,000]

ADD INCOME: Pick year(s), Start year for rest of plan, Start year for X years, Pick year(s) to remove, Remove year to end of plan, Reset all years

Year	Income	Variable
1	savings	8,000
2	savings	8,000
3	savings	8,000
4	savings	8,000
5	savings	8,000
6	savings	8,000
7	savings	8,000
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Step 5: Income Data Checkbox: Click on the text boxes of the years that you would like the withdrawals to happen.

Manage Account

Save Cancel View / Edit Income View / Edit Death Benefit View / Edit Actual Values

Account name: Tax Deferred IRA

Initial account balance: \$850,000

Hypothetical return: 2.0 %

Bonus: 0.0 %

Optional: Account description, Account company, Other

Tax calculation option: Tax Income Distributions (Qualified)

Add money later - deferred account: Years deferred: 0

Asset plan allocation: Conservative - max 10.0%

Risk level: Conservative

Account owner: John

Account type: IRA

Add an income rider: Based on: John's age

Select income rider: [Dropdown]

Number of months of payout in first year: 12.0

Enter manual payout: [Checkbox]

Structured Income Type

Income Riders: Start payout from income rider

Liquorate or annuitize: Annuitize (for years certain): 1.0 %

Withdrawals: Annual fixed withdrawal, Annual percentage withdrawal: 0.0 %, Required minimum distribution (RMD), Beneficial IRA RMD (based on beneficiaries life)

Calculated Plan Withdrawals: Make-up total owners RMD from one account, Make-up total benef RMD from one account, Make-up income gap based on target income

Annual Savings: Annual fixed savings [-12,000]

ADD INCOME: Pick year(s), Start year for rest of plan, Start year for X years, Pick year(s) to remove, Remove year to end of plan, Reset all years

Year	Income	Variable
1	savings	8,000
2	savings	8,000
3	savings	8,000
4	savings	8,000
5	savings	8,000
6	savings	8,000
7	savings	8,000
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Step 6: Pick year(s): Click on the green button Pick year(s).

Manage Account

Save Cancel View / Edit Income View / Edit Death Benefit View / Edit Actual Values

Account name: Tax Deferred IRA

Initial account balance: \$850,000

Hypothetical return: 2.0 %

Bonus: 0.0 %

Optional

Account description: []

Account company: []

Other: []

Tax calculation option: Tax Income Distributions (Qualified)

Add money later - deferred account

Years deferred: 0

Asset plan allocation: Conservative - max 10.0%

Risk level: Conservative

Account owner: John

Account type: IRA

Add an income rider

Based on: John's age Client2's age Joint

Select income rider: []

Number of months of payout in first year: 12.0

Enter manual payout:

Request Additional Rider Remove Income Rider

Structured Income Type

Income Riders

Start payout from income rider

Liquidate or annuitize

Annuitize (for years certain) 1.0 %

Liquidate account (in so many years)

Withdrawals

Annual fixed withdrawal []

Annual percentage withdrawal 0.0 %

Required minimum distribution (RMD)

Beneficial IRA RMD (based on beneficiaries life)

Calculated Plan Withdrawals

Make-up total owners RMD from one account

Make-up total benef RMD from one account

Make-up income gap based on target income

Annual Savings

Annual fixed savings -12,000

ADD INCOME

Pick year(s)

OR

Start year for rest of plan

OR

Start year for X years

OR

Pick year(s) to remove

OR

Remove year to end of plan

Reset all years

Income Data

Year	Income	Variable
1	savings	8,000
2	savings	8,000
3	savings	8,000
4	savings	8,000
5	savings	8,000
6	savings	8,000
7	savings	8,000
8	savings	8,000
9	savings	8,000
10	savings	8,000
11	savings	8,000
12	savings	8,000
13	savings	8,000
14	savings	8,000
15	savings	8,000
16	savings	8,000
17	savings	8,000
18	savings	8,000
19	savings	8,000
20	savings	8,000
21	savings	8,000
22	savings	8,000
23	savings	8,000
24	savings	8,000

Step 7: Income Data Table: SIPS will automatically have the term "savings" appear in the income column, and the numeric amount will be in the variable column of the table.

Manage Account

Save Cancel View / Edit Income View / Edit Death Benefit View / Edit Actual Values

Account name: Tax Deferred IRA

Initial account balance: \$850,000

Hypothetical return: 2.0 %

Bonus: 0.0 %

Optional

Account description: []

Account company: []

Other: []

Tax calculation option: Tax Income Distributions (Qualified)

Add money later - deferred account

Years deferred: 0

Asset plan allocation: Conservative - max 10.0%

Risk level: Conservative

Account owner: John

Account type: IRA

Add an income rider

Based on: John's age Client2's age Joint

Select income rider: []

Number of months of payout in first year: 12.0

Enter manual payout:

Request Additional Rider Remove Income Rider

Structured Income Type

Income Riders

Start payout from income rider

Liquidate or annuitize

Annuitize (for years certain) 1.0 %

Liquidate account (in so many years)

Withdrawals

Annual fixed withdrawal []

Annual percentage withdrawal 0.0 %

Required minimum distribution (RMD)

Beneficial IRA RMD (based on beneficiaries life)

Calculated Plan Withdrawals

Make-up total owners RMD from one account

Make-up total benef RMD from one account

Make-up income gap based on target income

Annual Savings

Annual fixed savings []

ADD INCOME

Pick year(s)

OR

Start year for rest of plan

OR

Start year for X years

OR

Pick year(s) to remove

OR

Remove year to end of plan

Reset all years

Income Data

Year	Income	Variable
1	savings	8,000
2	savings	8,000
3	savings	8,000
4	savings	8,000
5	savings	8,000
6	savings	8,000
7	savings	8,000
8	savings	8,000
9	savings	-12,000
10	savings	-12,000
11	savings	-12,000
12	savings	-12,000
13	savings	-12,000
14	savings	-12,000
15	savings	-12,000
16	savings	-12,000
17	savings	-12,000
18	savings	-12,000
19	savings	-12,000
20	savings	-12,000
21	savings	-12,000
22	savings	-12,000
23	savings	-12,000
24	savings	-12,000

Step 8: Save: Click on the green button Save underneath the Manage Account subheading.

