Why Pennsylvania could be your "Smart Move"



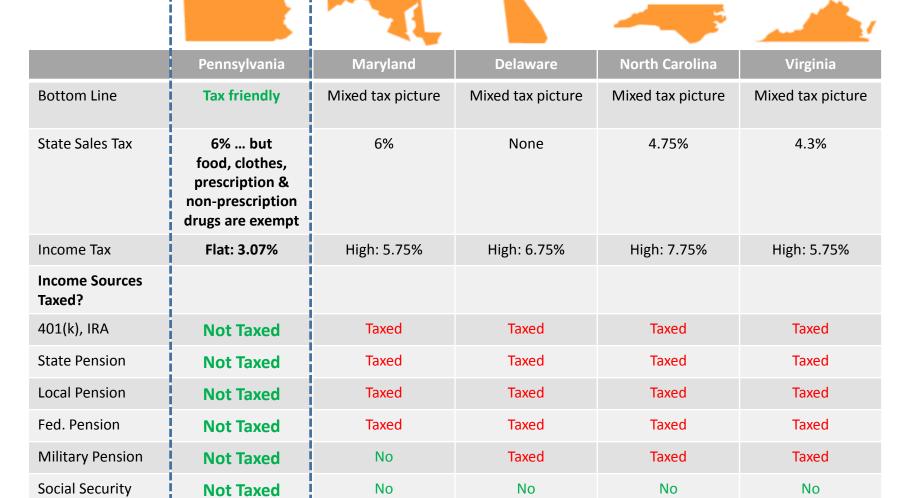
- Your tax burden in retirement can be very different depending on which state you live in; (See Exhibits 1 & 2)
 - Some states say they are "no tax on retirement income" states but they do tax some forms of retirement income, e.g. 401k income; (See Exhibit 1)
 - Pennsylvania is one of only 9 states that exempt all federal, military, and in-state pensions as well as all Social Security benefits from income tax, including: AL, HI, IL, LA, MA, MI, MS, & NY
- If most of your retirement income is from an IRA or 401K, you can still face a significant tax burden even in a "no tax on retirement income" state;
 - <u>Pennsylvania and Mississippi are the ONLY states that exempt all retirement income, even IRA and 401(k)</u> distributions
- Moving to Pennsylvania when you retire is a "Smart Move"—most states <u>don't</u> tax contributions to your retirement account <u>while you're working</u> but do tax withdrawals in retirement. Pennsylvania does the <u>opposite</u>—it doesn't tax withdrawals in retirement. *Moving to Pennsylvania means you can legally avoid any state tax on your retirement savings!*
- Penn National is an amenity-rich community located only 11 miles from the Maryland border. That means a mild climate similar to Washington, DC, a beautiful country setting, proximity to major metropolitan hubs, and the unique tax benefits of Pennsylvania!
 - Penn National is close to urban areas for entertainment and airports—Frederick, MD (40 minutes); Baltimore, MD & Washington, DC (90 minutes); New York City (3 hours)
 - State-of-the-art Medical facilities are nearby (20 minutes), Hershey Medical Center (60 minutes)

<u>Pennsylvania</u> is one of only 2 states to exempt <u>all retirement income</u>— <u>even IRA and 401(k)</u>

Exhibit 1: State by state tax comparison

Not Taxed





Taxed

Taxed

Private Pension

Taxed

Taxed

Exhibit 2: Potential tax savings from retiring at Penn National



State Income Tax Comparison - Mr. & Mrs. Penn National

Disclaimer: Every effort has been made to present an accurate comparison but you should consult your own financial advisor before relying on this information in connection with a purchase of real estate.

Example of retiree sources of income—

If you have mostly 401k income, the tax savings will be greater!

	Annual Retiree Income
Part-Time Jobs	\$ 7,000
Interest Income	10,000
Dividend Income	10,000
Capital Gains (Long-term)	10,000
401(K)/IRA's	50,000
Social Security	25,000
Total Income	\$ 112,000

Projected Income Tax by State:

Example: Annual state taxes in PA are only ~\$1K vs. ~5K in NC

Advantage

Annual PA

Projected State Taxes based on income breakdown

	<u>Annual Taxes</u> <u>A</u>	<u>dvantage</u>	Over 20 Years
Pennsylvania	\$ 1,136	\$ -	\$ -
Maryland (Montgomery Co.)	\$ 3,630	\$ 2,494	\$ 49,880
Maryland (Frederick Co.)	\$ 3,518	\$ 2,382	\$ 47,640
Delaware	\$ 1,604	\$ 468	\$ 9,360
North Carolina	\$ 4,862	\$ 3,726	\$ 74,520
Virginia	\$ 3,252	\$ 2,116	\$ 42,320

You could save \$50K in taxes over a 20 year period by retiring at Penn National – even more if most of your Retirement Income is from a 401k!