SINGH PWM GUIDE

The HNW Guide to RMD Minimization

Six Structural Tools for Households With $5M+ in Pre-Tax Accounts

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What this guide answers

Bracket-fill Roth conversions get most of the attention in retirement tax planning, and for good reason, they work. But a household with $5M or more concentrated in pre-tax accounts usually cannot convert its way out of the RMD problem in the gap years alone; there simply is not enough low-bracket room before age 73 to convert a balance that size without pushing straight through the top of every bracket. This guide covers five additional structural tools that do not compete with conversions for bracket space: Qualified Charitable Distributions at scale, the one-time QCD election to a charitable remainder trust or gift annuity, Qualified Longevity Annuity Contracts, Net Unrealized Appreciation on company stock, and donor-advised fund bunching. Used together with a conversion plan, not instead of one, they change how much of a large pre-tax balance ever gets taxed at your top marginal rate.

IN SHORT

- A $5M+ pre-tax balance usually cannot be converted away in the gap years alone. The other five tools exist because conversions run out of room.
- QCDs, the CRT/CGA election, and QLACs each remove dollars from the RMD calculation itself, permanently or for a period of years, without using any bracket space.
- Company stock inside a 401(k) needs its own decision before any rollover. NUA treatment is available exactly once, at the moment of distribution, and a rollover forecloses it permanently.

Contents

1. The Decision in Front of You

> If your pre-tax accounts total $5M or more, the standard advice, "do bracket-fill Roth conversions in your gap years", is correct but incomplete. There usually is not enough room between your current bracket and the top of the 24% or 32% bracket to convert a balance that size before RMDs force the issue at 73. This guide is for that specific household: substantial pre-tax wealth, a real philanthropic intent, in some cases company stock or other complicating assets, and a planning window that needs more than one tool. Every strategy here is illustrative, not a guarantee, and several require decisions made before a distribution happens, not after.

$400,000+

Illustrative first-year RMD on a $5M pre-tax IRA grown to roughly $10.7M by age 73

$222,000

2026 combined annual QCD limit for a married couple, both age 70½+, entirely excluded from taxable income and MAGI

$420,000

Combined QLAC premium a married couple can carve out of RMD calculations, deferring that portion of income to age 85

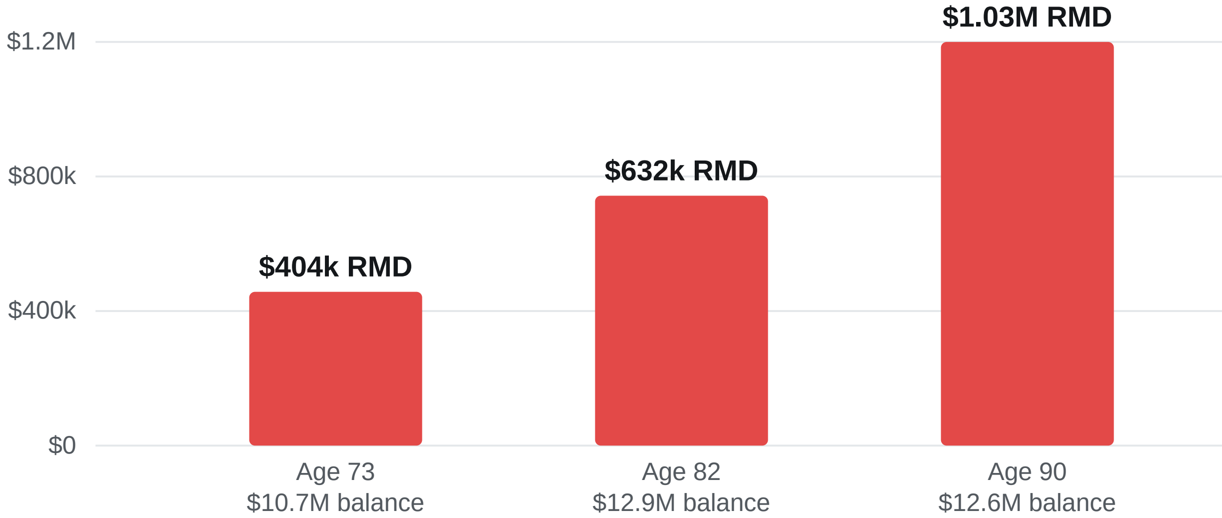
None of the five tools in this guide replace bracket-fill Roth conversions. They exist because, for a balance this size, conversions alone are not enough room. Used together, they change how much of a large pre-tax balance is ever taxed at your household's top marginal rate.

THIS IS WRONG FOR YOU IF

Your pre-tax balance is under roughly $2M, in which case bracket-fill conversions alone (covered in our companion guide, The Retirement Tax Playbook) usually get you most of the way there. Several of these tools also assume specific facts that may not apply to you: the CRT/CGA election and QCDs require genuine charitable intent, not a tax-planning afterthought, and NUA only matters if your plan actually holds appreciated employer stock.

A $5M pre-tax balance keeps growing faster than the RMD divisor shrinks, the same problem that hits smaller balances, at a larger scale.

Figure 1. A $5M traditional IRA, growing at 6%, and the RMD it forces at each age.



Illustrative. Assumes a $5M traditional IRA at age 60, no withdrawals until RMD age, 6% average annual growth, RMDs calculated using the IRS Uniform Lifetime Table divisors. Used for scale only, not a projection of any actual account.

Source: IRS Publication 590-B, Appendix B (Uniform Lifetime Table). Retrieved September 16, 2026.

Age	Projected balance	Divisor	RMD
73	$10,700,000	26.5	$404,000
82	$12,900,000	18.5	$632,000
90	$12,600,000	12.2	$1,033,000

2. How the Six Tools Actually Work

> Each of these tools does something structurally different: some remove dollars from the RMD base itself, some change the tax character of a gain, and one simply uses bracket space more deliberately. None of them substitute for a coordinated multi-year plan, and several are one-time, irreversible elections.

Tool 1: Bracket-fill Roth conversions

The starting point, covered in full in our companion guide, The Retirement Tax Playbook: convert traditional IRA dollars to Roth in the years between retirement and RMD age, filling your current bracket up to (but not past) the next one, before the balance and the forced RMD grow any larger. For a $5M+ balance, this alone will not clear the account before 73, which is exactly why the other five tools matter.

Tool 2: Qualified Charitable Distributions at scale

Once you are 70½ or older, you can direct up to $111,000 per year, per IRA owner, directly from your IRA to a qualified 501(c)(3) charity. A married couple with separate IRAs, both 70½+, can direct up to $222,000 combined in 2026. The distribution counts toward your RMD but is excluded entirely from taxable income and from MAGI, the figure that drives IRMAA tiers and the NIIT threshold. The check must go directly from the custodian to the charity; a check made out to you and endorsed over does not qualify, and a donor-advised fund is not an eligible recipient of a QCD.

Tool 3: The one-time QCD election to a CRT or CGA

Under SECURE 2.0, each IRA owner gets exactly one lifetime opportunity to direct up to $55,000 of their QCD to fund a charitable remainder trust (CRT) or a charitable gift annuity (CGA), rather than an outright gift. This turns a portion of the RMD-satisfying gift into a lifetime income stream for you or a named beneficiary, with the remainder passing to charity. The $55,000 counts inside your annual QCD ceiling, it does not sit on top of it, and the election can only be used once, ever, per person.

Tool 4: Qualified Longevity Annuity Contracts (QLACs)

A QLAC is a deferred income annuity purchased inside a traditional IRA or 401(k). The premium, up to $210,000 per person in 2026 ($420,000 for a married couple each funding their own), is excluded from the RMD calculation entirely until payments begin, which must start no later than age 85. This does two things: it shrinks the balance your RMD is calculated against for as long as the QLAC is deferring, and it guarantees a fixed income stream starting at a specified age. It does not eliminate tax, income from the QLAC is still ordinary income when paid, it defers and smooths it.

Tool 5: Net Unrealized Appreciation (NUA) on company stock

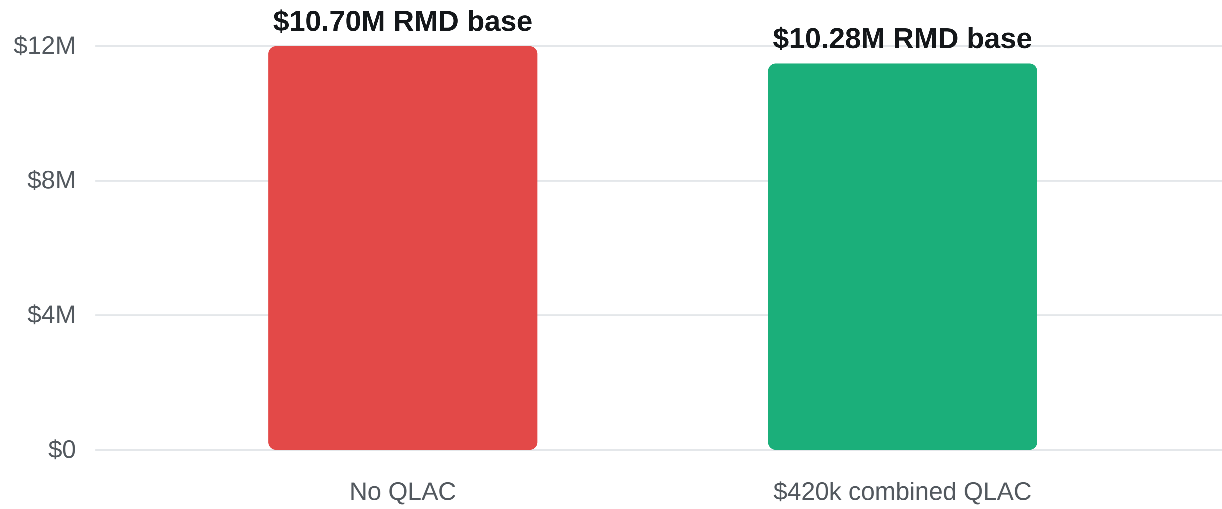
If your 401(k) holds employer stock with a cost basis well below its current value, a qualifying lump-sum distribution lets you move that stock into a taxable brokerage account, pay ordinary income tax only on the stock's original cost basis in the year of distribution, and defer tax on all the embedded appreciation until you sell, at which point it is taxed at long-term capital gains rates rather than ordinary rates. This only works if the entire plan balance is distributed within a single calendar year, triggered by a qualifying event, and rolling any part of the distribution into an IRA instead permanently forecloses NUA treatment on that portion. The decision has to be made before the rollover, not after.

Tool 6: Donor-advised fund bunching with appreciated securities

Separate from QCDs, which must come directly from an IRA, a donor-advised fund (DAF) lets you contribute appreciated taxable brokerage securities, not IRA assets, take the full charitable deduction in the year of contribution, and recommend grants to charities over time. Bunching several years of intended giving into one high-income year, such as the year you complete a large Roth conversion or an NUA distribution, can offset a meaningful share of that year's ordinary income with itemized deductions, while the securities you donate avoid capital gains tax entirely.

A $420,000 combined QLAC carve-out permanently removes that amount from the RMD calculation until payments begin at 85.

Figure 2. RMD calculation base, with and without a $420,000 QLAC carve-out.



Illustrative. Both scenarios assume the same $10.7M projected balance at age 73. The QLAC scenario assumes both spouses each fund a $210,000 QLAC in the years before 73. Income from the QLAC is still ordinary income when paid starting at age 85; this figure shows the RMD-calculation effect only, not total lifetime tax.

Source: SECURE 2.0 Act QLAC provisions; IRS Publication 590-B. Retrieved September 16, 2026.

Scenario	RMD calculation base at 73	Illustrative age-73 RMD
No QLAC	$10,700,000	$404,000
$420,000 combined QLAC	$10,280,000	$388,000

3. What the Numbers Say in 2026

> Every dollar figure below is current for tax year 2026, sourced to the IRS or SECURE 2.0 directly, and several are federal figures reused from our companion guides where they were already verified.

2026 figures for the six-tool toolkit

Tool	2026 limit or figure	Source
QCD, per IRA owner, annual	$111,000	IRS, inflation-adjusted
QCD, married couple with separate IRAs	$222,000	IRS, inflation-adjusted
One-time QCD to CRT or CGA, per person, lifetime	$55,000	SECURE 2.0, inflation-adjusted
QLAC premium, per person, lifetime	$210,000	SECURE 2.0, IRS Notice 2025-67
QLAC premium, married couple, combined	$420,000	SECURE 2.0, IRS Notice 2025-67
Top long-term capital gains rate, MFJ	20%, above $613,700 taxable income	IRS Rev. Proc. 2025-32
Net Investment Income Tax (NIIT)	3.8%, above $250,000 MAGI, MFJ, not indexed	26 U.S.C. § 1411
Federal estate/gift exemption, per person	$15,000,000 ($30M per couple, portable)	2025 tax law, IRS

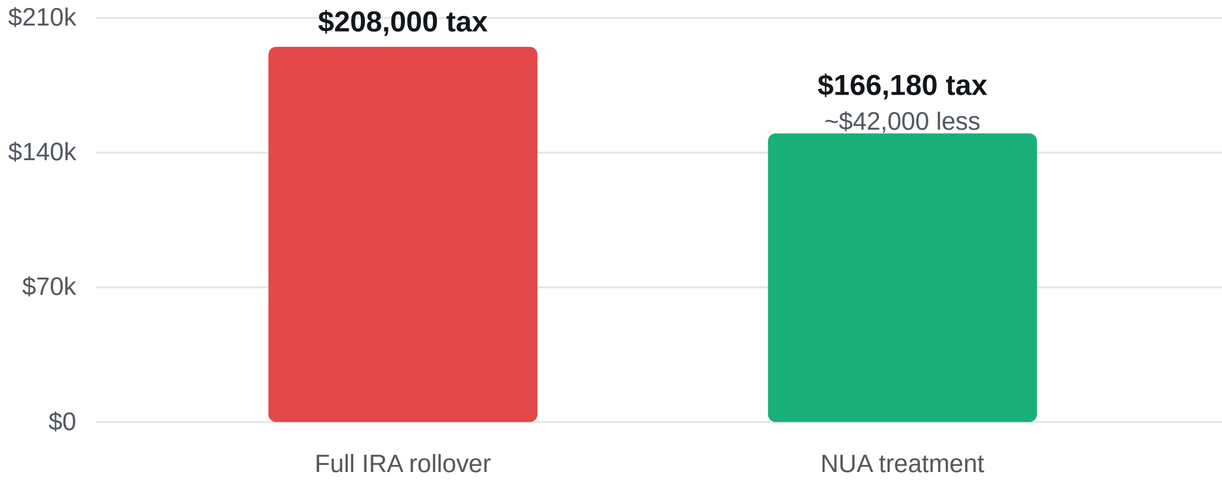
WHAT IS FIXED VS. WHAT INDEXES

The QCD, one-time CRT/CGA election, and QLAC limits all index annually for inflation, check the current-year figure before acting each year. The NIIT threshold is statutory and has not moved since 2013. The QLAC's age-85 payment-start deadline is fixed by statute and does not index.

Want these numbers run against your actual basis and bracket? Schedule a Strategic Fit Interview.

NUA treatment on appreciated company stock taxes the basis as ordinary income now and the gain at capital gains rates later, instead of taxing the entire balance as ordinary income.

Figure 3. $650,000 in company stock, $140,000 basis: full rollover versus NUA treatment.



Illustrative. Assumes $650,000 in company stock with a $140,000 cost basis, a 32% ordinary marginal rate on the rollover scenario and on the basis portion of the NUA scenario, and a 23.8% combined rate (20% long-term capital gains plus 3.8% NIIT) on the $510,000 embedded gain under NUA. Actual rates depend on your bracket and holding period at sale.

Source: IRS guidance on NUA treatment; IRS Rev. Proc. 2025-32 (2026 capital gains brackets); 26 U.S.C. § 1411 (NIIT). Retrieved September 16, 2026.

Scenario	Tax base	Illustrative tax
Full IRA rollover, withdrawn at 32%	$650,000 ordinary	$208,000
NUA: basis at 32% ordinary	$140,000 ordinary	$44,800
NUA: gain at 23.8% (LTCG + NIIT)	$510,000 gain	$121,380
NUA total	—	$166,180

4. The Worked Example

> Robert and Diane Whitfield, 61 and 60, are a fictional household built to illustrate how these tools interact. Both retired this year with $6.2M in investable assets: $5.0M in pre-tax 401(k) and IRA accounts, including $650,000 of company stock with a $140,000 basis inside Robert's 401(k), $600,000 in Roth accounts, and $300,000 in a taxable brokerage account. They give roughly $40,000 a year to causes they care about and plan to keep giving through retirement.

Year of retirement: the NUA decision, made first

Before rolling anything over, Robert takes a qualifying lump-sum distribution from his 401(k). The company stock moves to a taxable brokerage account under NUA treatment; the rest of the balance rolls to a traditional IRA as usual. He pays ordinary tax on the $140,000 basis this year. The $510,000 embedded gain is now taxed at long-term capital gains rates whenever he eventually sells, not at his ordinary rate, illustrated in Figure 3. Had he rolled the stock into the IRA along with everything else, this option would have been gone permanently.

Ages 61 to 72: bracket-fill conversions, QLAC purchase, and DAF bunching

In the gap years before RMDs begin, the Whitfields run bracket-fill Roth conversions each December, filling their bracket up to the top of the 24% bracket but no further, per the framework in our companion Playbook guide. In the year Robert completes his NUA distribution, they also contribute $150,000 of appreciated taxable brokerage shares (not IRA assets) to a donor-advised fund, front-loading several years of intended giving into the same high-income year and taking the deduction against that year's ordinary income. Each of them separately purchases a $210,000 QLAC inside their IRA, $420,000 combined, removing that amount from future RMD calculations and locking in income starting at 85.

Age 70½: QCDs begin, including the one-time CRT election

Once both spouses turn 70½, they begin directing $80,000 a year combined from their IRAs directly to charity via QCD, well under their $222,000 combined annual ceiling, satisfying part of their future RMD without adding a dollar to taxable income or MAGI. In one of those years, Diane uses her one-time $55,000 QCD election to fund a charitable gift annuity, converting part of her lifetime QCD capacity into a fixed income stream for herself with the remainder passing to charity at her death.

Age 73: RMDs begin, smaller than they would have been

By the time RMDs start, the Whitfields' pre-tax balance is smaller than it would have been under a do-nothing plan, both because years of conversions moved dollars to Roth and because the QLAC premiums never entered the RMD calculation. Their annual QCDs continue to offset a meaningful share of each year's forced distribution without touching their bracket.

> **WHY THE ORDER MATTERED**
>
> The NUA decision had to happen before any rollover, not after. The QLAC purchase had to happen before 73, while the balance was still growing. None of these five tools competed with the Whitfields' Roth conversion room, each used a different mechanism, which is exactly why a $5M+ household needs more than one tool.

Want a second set of eyes on your own sequencing?

The Whitfields are fictional. The order-of-operations problem, NUA before rollover, QLAC before 73, is real for any household with company stock and a large pre-tax balance. We can walk through your actual sequence.

Schedule a Strategic Fit Interview

5. The Four Ways This Goes Wrong

Not hypothetical risks. Each one shows up repeatedly in real HNW households, and each one is preventable, but only if it is caught before an irreversible decision, not after.

1. **The "deal with it at 73" default**

   Treating the gap years as a waiting period instead of the only window for conversions, NUA elections, and QLAC purchases. By 73, the balance is larger, the RMD is forced, and three of the six tools in this guide are either less effective or unavailable.

2. **The NUA giveaway**

   Rolling company stock straight into an IRA along with everything else, without checking the cost basis first. This permanently converts what could have been long-term capital gains treatment on the appreciation into ordinary income treatment on every future withdrawal, and it cannot be undone once the rollover happens.

3. **The QCD-to-DAF mistake**

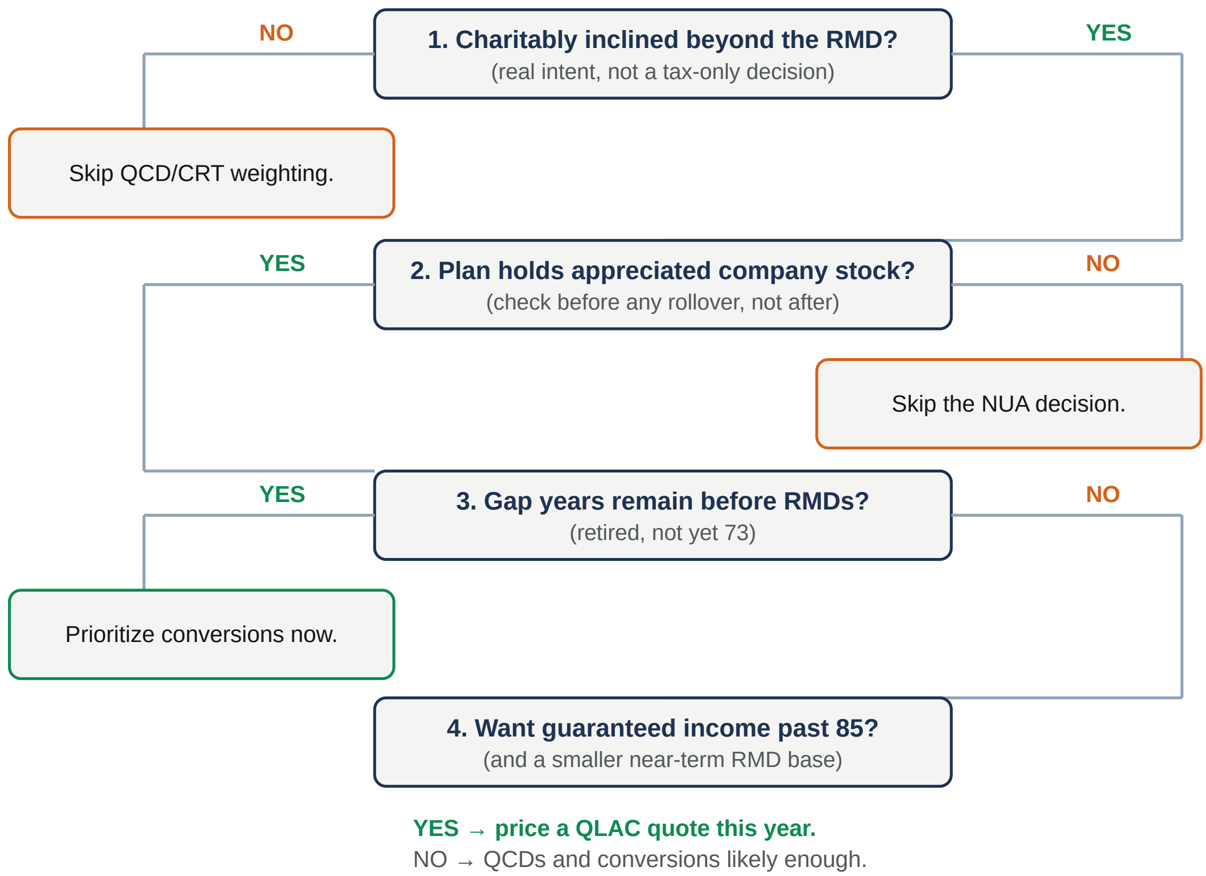
   Directing a QCD to a donor-advised fund. Donor-advised funds are explicitly excluded from QCD eligibility; the distribution must go straight to a public charity or, for the one-time election, to a CRT or CGA. This is one of the most common errors and it forfeits the entire tax benefit for that distribution.

4. **The single-tool trap**

   Running Roth conversions and stopping there, on the assumption that one tool is the whole plan. QCDs, the CRT/CGA election, and QLACs do not use bracket space and do not compete with conversions; leaving them unused is not caution, it is leaving structural tax reduction on the table.

Which tools carry the most weight depends on four facts about your household, not a single rule.

Figure 4. Your six-tool weighting framework.



A simplified framework, not a substitute for a full multi-year tax and estate projection.

Source: Singh PWM planning framework, built on IRS and SECURE 2.0 inputs cited throughout this guide.

Question	If yes	If no
1. Charitably inclined beyond the RMD?	Go to question 2	Skip QCD/CRT weighting
2. Holds appreciated company stock?	Go to question 3	Skip the NUA decision
3. Gap years remain before RMDs?	Prioritize conversions now	Go to question 4
4. Want guaranteed income past 85?	Price a QLAC quote this year	QCDs and conversions likely enough

6. Your Decision Framework

> Run the four questions in Figure 4 in order. They are not independent, a household that is charitably inclined, holds company stock, and still has gap years left typically ends up weighting three or four of the six tools at once, not picking a single one.

The order matters because two of these decisions close permanently: the NUA election has to happen at the moment of distribution, before any rollover, and the CRT/CGA election can only be used once per person, ever. Conversions and QCDs, by contrast, are annual decisions you can revisit every year based on your bracket and your charitable intent that year.

Not sure which questions apply to you yet?

That is normal, most of the answers depend on numbers that are not on this page: your actual basis, your actual bracket, your actual charitable intent. A Strategic Fit Interview fills those in.

Schedule a Strategic Fit Interview

7. Your Action Plan

> Seven steps, each with an owner and a rough timing trigger, not a single deadline.

1. **Inventory pre-tax balances and check for company stock.** Before any distribution decision, confirm whether any 401(k) holds employer stock and pull the cost basis. This quarter.
2. **Run the NUA math before any rollover.** If company stock is present, model NUA treatment against a full rollover before you initiate any distribution. Before separation from service or retirement, not after.
3. **Model bracket-fill Roth conversions through your gap years.** Run the numbers every December, filling your current bracket without overshooting into the next one. Annually, before December 31.
4. **Set up QCD infrastructure with your custodian.** Confirm your custodian's process for direct-to-charity IRA transfers before you turn 70½, so the mechanics are ready the year you become eligible.
5. **Evaluate the one-time CRT/CGA election.** If you have both charitable and lifetime-income goals, model this once you are 70½+ and have QCD capacity. Once, ever, per person.
6. **Price a QLAC quote.** If guaranteed income past 85 and a smaller near-term RMD base matter to you, get quotes before your first RMD year. Before age 73.
7. **Revisit the full stack every year something changes.** A new bracket, a changed charitable intent, a new grandchild, or a market move that shifts your balance materially are all triggers to re-run this framework. Annually, at minimum.

8. Worksheet

> Fill this in before your next planning conversation. Every blank is a number your advisor will ask for.

Total pre-tax balance (401(k) + traditional IRA)	______________
Company stock inside any 401(k)? (Y/N, value, cost basis)	______________
Years remaining until your RMD age (73 or 75)	______________
Current marginal federal bracket	______________
Top of that bracket, dollars of conversion room remaining this year	______________
Annual charitable giving, current level	______________
Have you used your one-time CRT/CGA QCD election? (Y/N, each spouse)	______________
Interested in a QLAC quote? (Y/N)	______________
Appreciated taxable securities available for DAF bunching	______________

Notes:

9. What Changes This

> Every dollar figure in this guide indexes or resets on a schedule. Re-check before acting each year.

- **Every October or November:** the IRS publishes the following year's QCD limit, CRT/CGA election ceiling, QLAC premium cap, and federal brackets. Re-run this framework's numbers each time.
- **Once, ever, per person:** the CRT/CGA QCD election. There is no annual reset; once used, it is gone.
- **At the moment of any 401(k) distribution:** the NUA decision. There is no window to reconsider after a rollover happens.
- **Age 85:** QLAC payments must begin no later than the first day of the month after your 85th birthday. This deadline is fixed by statute and does not index.

Re-check trigger: revisit this whole framework any year your bracket, your balance, your charitable intent, or your health and longevity expectations change materially, not just once at retirement.

If this was useful

Share it with someone it would help. And if you want to talk through how it applies to your situation, the door is open.

Schedule a Strategic Fit Interview

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> *The highest compliment for me is that you share my values and views with the ones you care for. Thank you for your Trust!*

Sources and disclosures

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11. Singh PWM, existing answer content on donor-advised funds, charitable remainder trusts, and NUA (lib/content/answers.ts), used as the firm's own previously-verified mirror for mechanics described in Section 2, independently re-verified this session against IRS guidance.