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Money is all fun and games until the tax man cometh.

As I help people set themselves up financially there's seemingly always the element of taxation.

On income. On profits. On transfers. On distributions. On insurance. On social security. On pensions. On gifts. On cars. On homes. On hotel stays. On meals. And on and on.

One word of caution: taxes rules are not permanent. 'What may be a deduction, provision or tax rate,' says Matt McLearen, a managing partner with accounting firm Robinson, Farmer, Cox, 'may change over the course of an investor's career and retirement years.'

So not all the money on your account statement may be disposable. Sometimes I wish there were a way to show, on account statements, 'your portion' and 'Uncle Sam's portion'.

For example, that $1 million IRA could show your portion as $800,000, and $200,000 as Uncle Sam's portion.

You could possibly direct Uncle Sam's portion to specific charities of your choice. But that's for another article.

From an investment withdrawal perspective, you could use the traditional 4-percent rule which states that you can draw 4 percent from a diversified portfolio and adjust the amount annually for inflation and have a reasonably good chance of your money lasting 30 years.

As such, for taxable accounts like trusts, single/joint accounts you could go with 3.5% to allow for taxes on dividends, interest, and capital gains.

For tax deferred money you could use 3% which basically reflects a 25% effective income tax rate.

For Roth IRAs you don't need to subtract for taxes and can count the full 4 percent. Of course, this assumes no penalty taxes due to early withdrawals.

In not so many words, don't forget about taxes.

Or, as McLearen says, 'tax planning should be a component of an individual's overall wealth plan and goals'.

If all this sounds like too much to handle it may be worthwhile hiring a tax advisor.

With this we have touched on inflation (last week) and taxes this week. Next week we'll move on to an often misunderstood aspect of drawing money from investments: the risk caused by the sequence of investment returns.

It turns out investing actually is about timing. Until then,

Good luck.

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