Strategic tax planning

Tactics to consider

At Wealth Enhancement, we don't just manage portfolios. We strive to unlock the full potential of our clients' wealth with personalized financial plans, the guidance of advisors, and a team of highly skilled specialists. We help our clients make the most of their wealth by focusing on key financial planning tactics, such as tax strategy.

Here are four proactive tax strategies that can support your financial goals.

1

Understand how your taxes will change through retirement

During your working years, it's easy to anticipate your cash flow. Many people fail to realize that finances can get more complex after you retire.

- Understand how your retirement income will be taxed and what limitations may exist.
- Implement tactical strategies to optimize changing tax rates.
- Coordinate decisions with your broader financial plan.

2

Create tax diversification

When we talk about tax diversification, we are talking about how you allocate your savings among taxable, tax-deferred, and tax-advantaged accounts.

- Identify how much you have in each tax bucket.
- Understand the size of the tax liability built into your retirement savings.
- Develop a roadmap for how to create better tax diversification across your net worth.

3

Plan ahead for required minimum distributions (RMDs)

There are many smart strategies, such as charitable giving tactics, that can help you manage the tax impact of your RMDs. Planning ahead is key.

- Understand how RMDs work and what yours will be.
- Work in advance to minimize Traditional IRA assets before age 73 if possible.
- Consider qualified charitable distributions to help mitigate RMDs if charitability inclined and over age 70½.

4

Consider tax implications for your heirs

Make sure your estate plan supports your intentions. For instance, if your heirs are in different tax brackets, they could inherit vastly different amounts.

- Understand how federal and state estate laws will affect your situation.
- Be strategic with your beneficiary selections to get the outcome you want.
- Plan for strategic transfer of wealth to your heirs to optimize your gifts to each.

Professional annual tax planning can help you take advantage of new and enhanced deductions created under the One Big Beautiful Bill Act.

This information is not intended to provide individualized tax or legal advice. Discuss your specific situation with a qualified tax or legal professional.

Wealth Enhancement®

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