

HUGHES | FINANCIAL
SERVICES, LLC



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HANDS OFF UNCLE SAM!

Strategies to Reduce Your Tax Bill



PRESENTER



PATRICK HUGHES, CFP®
Managing Partner & Financial Advisor

ABOUT HUGHES FINANCIAL SERVICES



RIA

Independent
Registered
Investment
Advisor



Comprehensive
financial planning
and wealth
management



Fiduciary



Professional
certifications
and continuing
education



Over 80 years
combined
experience

WHERE ARE WE NOW

Time is of the Essence



WHERE ARE WE NOW

Time is of the Essence



**TAX CUTS &
JOBS ACT**



Tax Laws Expire

0 1 0 1 2 6



WHERE ARE WE NOW

CARES Act Tax Implications



- Economic Stimulus Payments (\$1,200/\$500)
 - Not taxable
- Unemployment Insurance Payments
 - Taxable
- Additional \$600 (per week until July 31, 2020)
 - Taxable

WHERE ARE WE NOW

CARES Act Tax Implications



WHERE ARE WE NOW

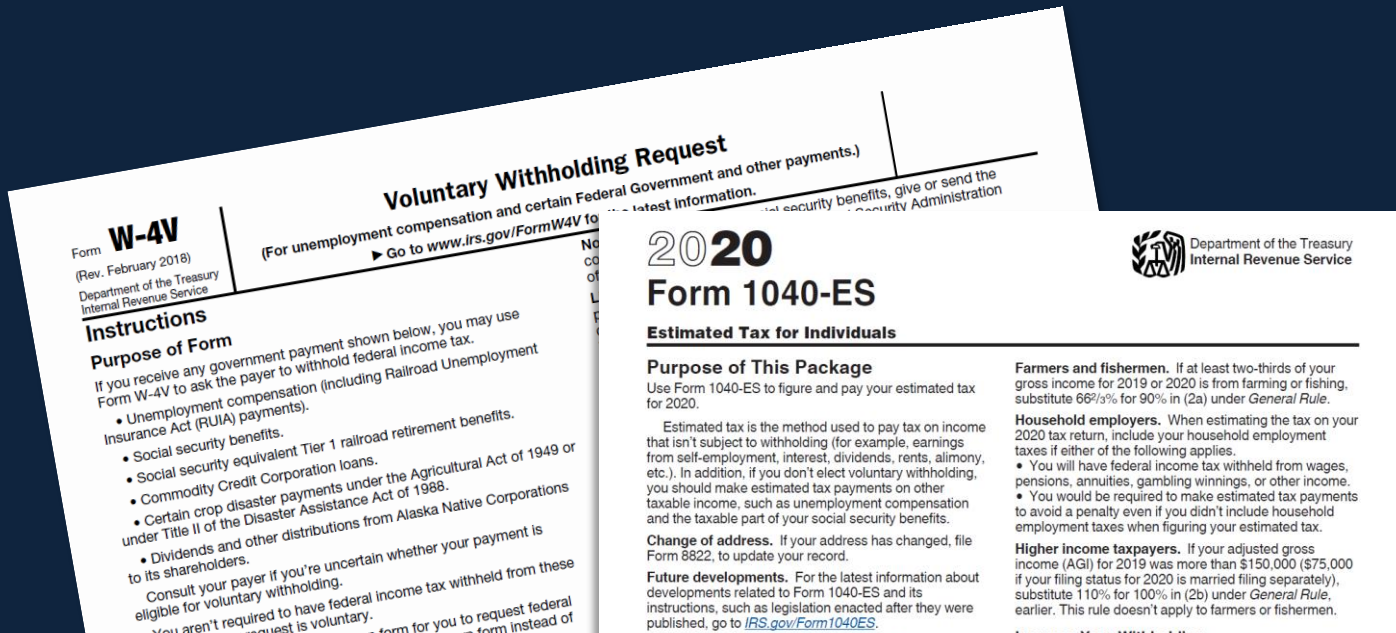
CARES Act Tax Implications



WHERE ARE WE NOW

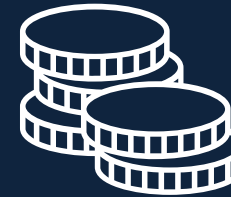
CARES Act Tax Implications

- Voluntary Withholding Request using IRS Form W-4 V
- File Estimated Taxes using IRS Form 1099-ES
- Save 25% in separate savings account to pay 2020 taxes



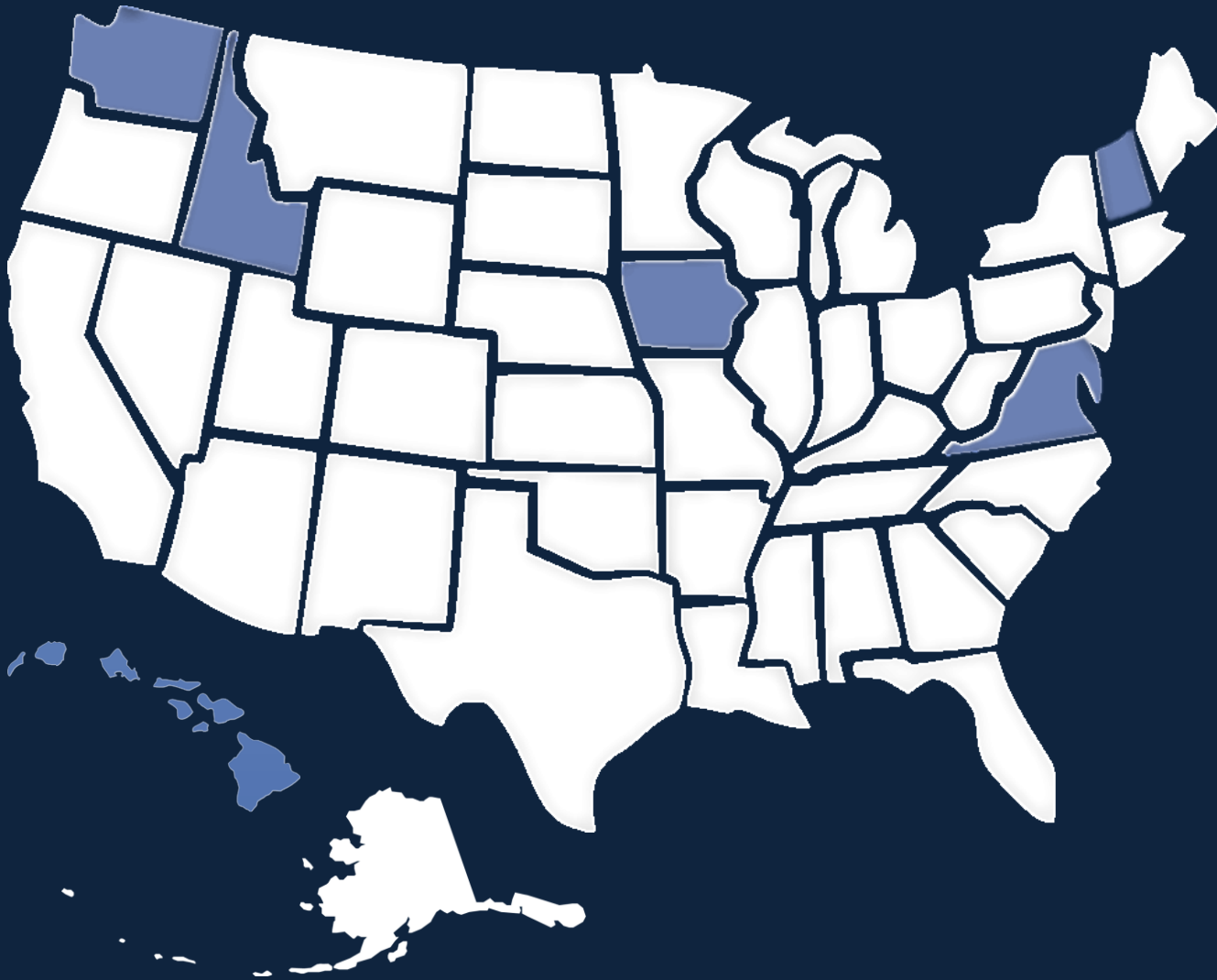
The image shows two IRS forms. The top form is the Voluntary Withholding Request (Form W-4V), which is used for unemployment compensation and certain federal government and other payments. It includes instructions on how to use the form and a section for the taxpayer's information. The bottom form is the 2020 Form 1040-ES, Estimated Tax for Individuals. It includes instructions on how to use the form and a section for the taxpayer's information. Both forms are from the Department of the Treasury, Internal Revenue Service.

25%



WHERE ARE WE NOW

Tax Filing Deadline Extension



Federal and most state tax filing deadlines extended to July 15

Exceptions are:

- Hawaii: July 20
- Idaho: June 15
- Iowa: July 31
- New Hampshire: June 15
- Virginia: June 1
- Washington: June 15



TAXES
YOU
PAY

TAXES
YOU
COULD
HAVE
PAID

LACK OF
PLANNING

TAX PLANNING

Four Key Components of Tax Planning



PLAN

Tax Efficiency Through Diversification



PLAN

Tax Efficiency Through Diversification: Asset Class Location



DEFER

Retirement Account Contribution Limits (2019)

Plan Type	Maximum Elective Deferral or Contribution ¹	Age 50 and Older Catch- Up Contribution Limit
TDA, 403(b), Thrift, 401(k) ²	\$19,000	\$6,000 ³
SIMPLE IRA, SIMPLE 401(k)	\$13,000	\$3,000
Traditional IRA, Roth IRA	\$6,000	\$1,000
Section 457(b) Eligible Deferred Compensation	\$19,000	\$6,000 ³

DEFER

Retirement Account Contribution Limits (2019)



July 15, 2020

DEFER

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REALIZE

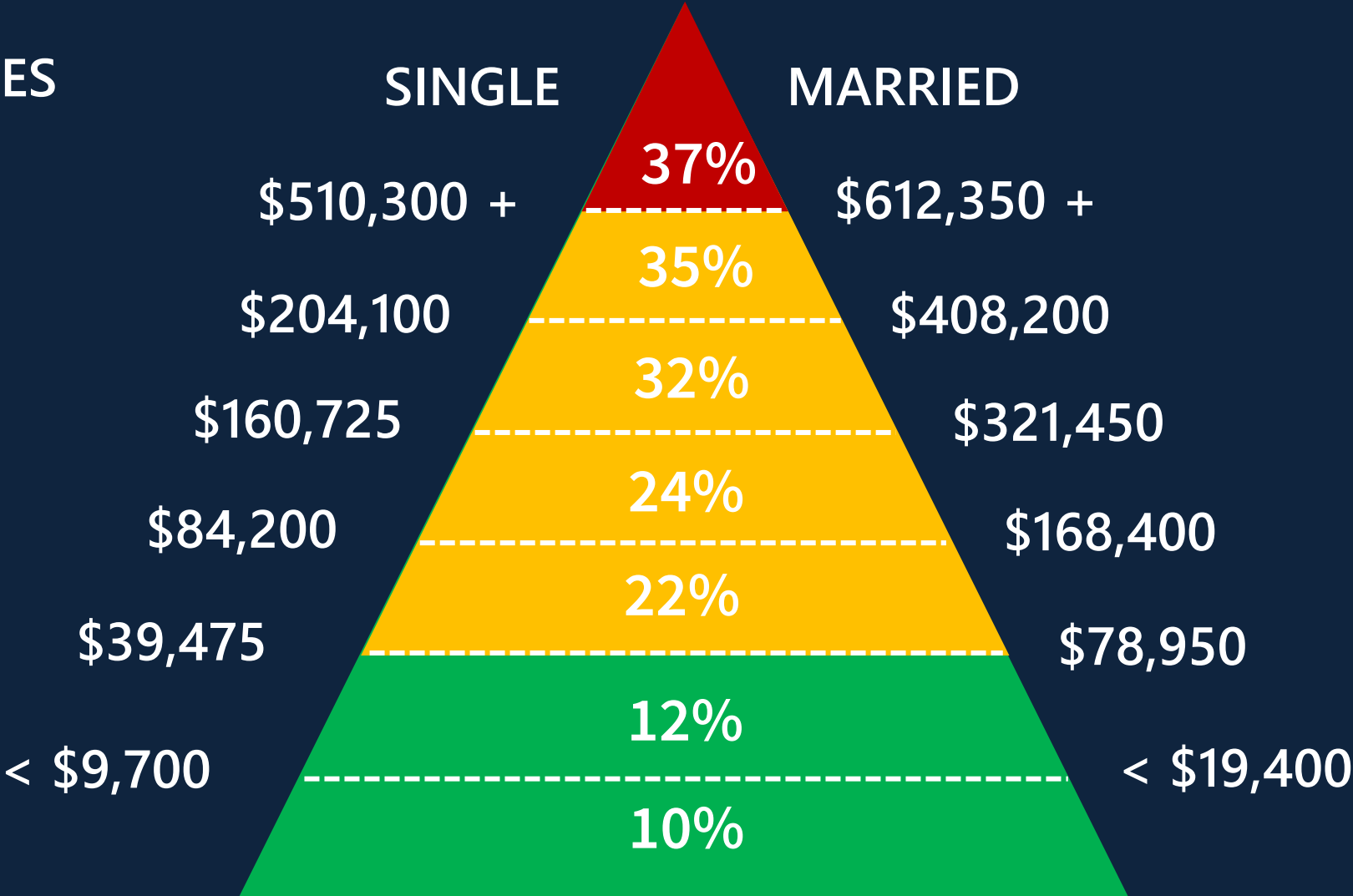
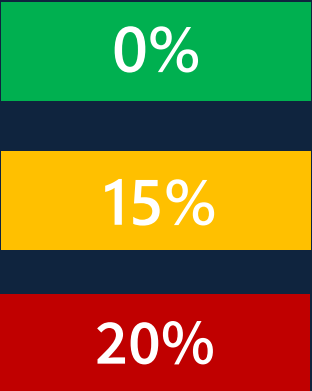
Harvesting Gains and Losses



REALIZE

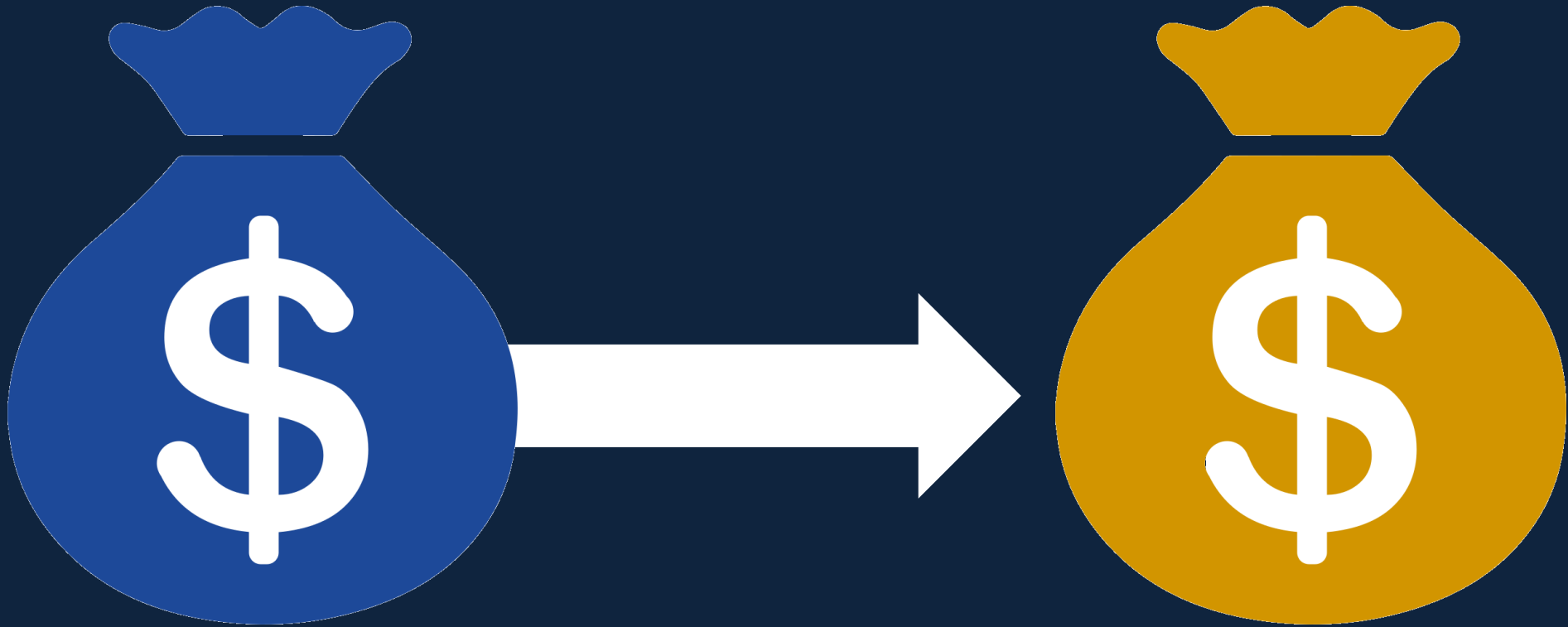
Harvesting Gains and Losses: Understand Your Tax Brackets

CAPITAL GAINS RATES



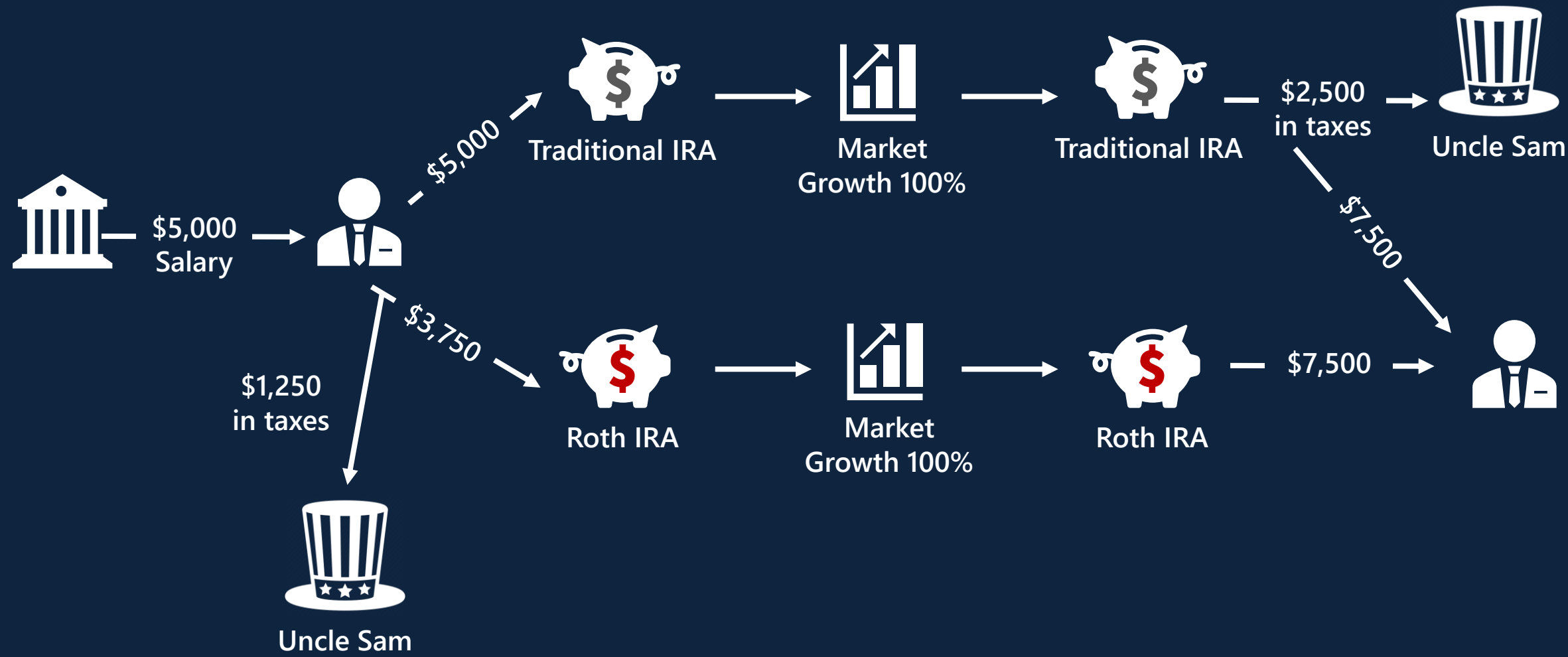
REALIZE

Roth Conversions



REALIZE

Roth Conversions: Traditional IRA vs Roth IRA

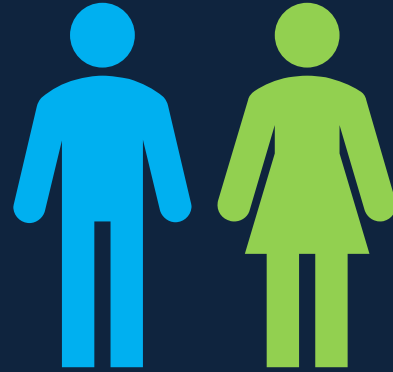


GIVE

QCD Your RMD



IRA Distribution



You













Qualified Charity



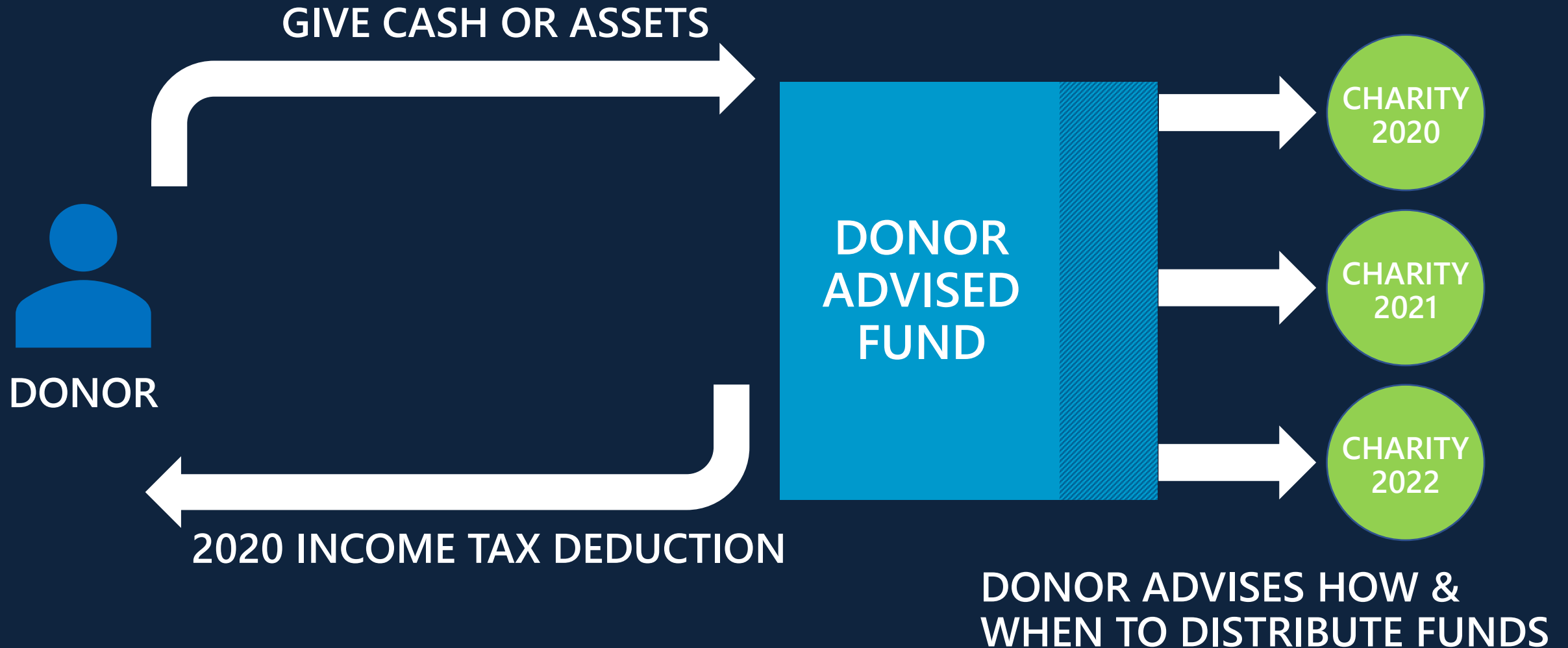
GIVE

Donate Appreciated Stocks, Bonds or Mutual Funds

Sell stock & donate cash proceeds		Donate stock directly to charity
 \$20,000	Value of stock when purchased	\$20,000 
 \$50,000	Current value	\$50,000 
 \$7,140	Capital gains and Medicare surtax paid on \$30,000 (23.8%)	\$0 
 \$42,860	Total contribution to charity (after deducting federal taxes)	\$50,000 
 \$15,858	Income tax savings by making contribution	\$18,500 

GIVE

Donor Advised Funds (DAF)



Hughes Financial Services will be hosting **20-minute virtual educational Lunch & Learn sessions this spring** during which we'll do a deep dive on an array of financial planning topics. Grab your device and lunch and join us each **Wednesday at 12:00 pm** to juice up your financial planning knowledge!



RECORDINGS AVAILABLE AT WWW.H4FS.COM

>> Use the Events Tab and Workshops & Webinars Link

- Roth IRAs: To Convert or Not to Convert
- Cybercrime 2020: How to Identify & Protect Against COVID-19 Scams
- Estate Planning Steps to Take During the COVID-19 Pandemic
- Fundamentals of Investing
- Value in the Vault: A Guide to the HFS Client Portal
- What is a Vital Documents File & Why You Need One
- Charitable Giving Strategies During COVID-19 & Beyond
- An Economy Under Attack: What the Experts Are Telling Us
- Hands Off Uncle Sam! Strategies to Reduce Your Tax Bill

CALL TO ACTION

What You Can Do Next



Watch on Demand
HFS Webinars



Upload 2019 Tax
Documents to Client Portal



Make an appointment
with HFS



Tell others
about HFS



Watch Video





"THE BEST WAY TO
TEACH YOUR KIDS
ABOUT TAXES IS BY
EATING 30% OF THEIR
ICE CREAM."

BILL MURRAY

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We offer our clients an impressive wealth of expertise in retirement and estate planning, investment and risk management, insurance, and education planning. Our advisers hold a variety of professional designations and certifications and are well versed in a number of financial disciplines. Our combined education and experience allows us to proudly offer you independent financial advice that you can trust.

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SOURCES: APFA, Michael Kitces, Youtube.com; IRS.gov; Forbes.com (5/6/20); turbotax.intuit.com

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