



PROACTIVE TAX PLANNING for



OUR SPEAKERS



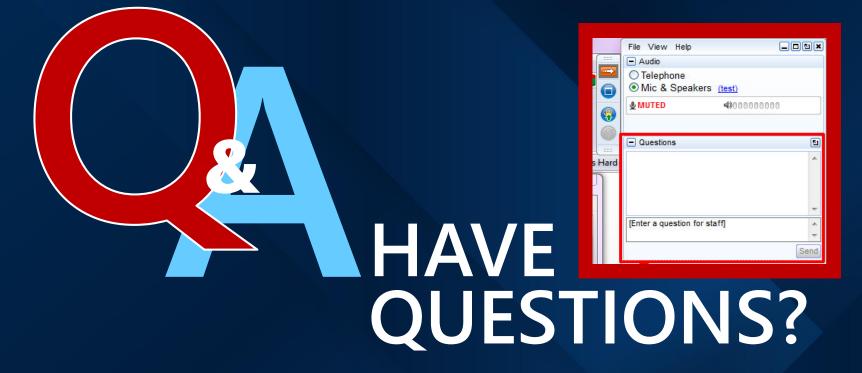


PATRICK HUGHES, CFP®

Managing Partner & Financial Advisor

BERKELEY MEREDITH, CFP®, CPWA®, CDFA®

Financial Advisor



ABOUT HUGHES FINANCIAL SERVICES





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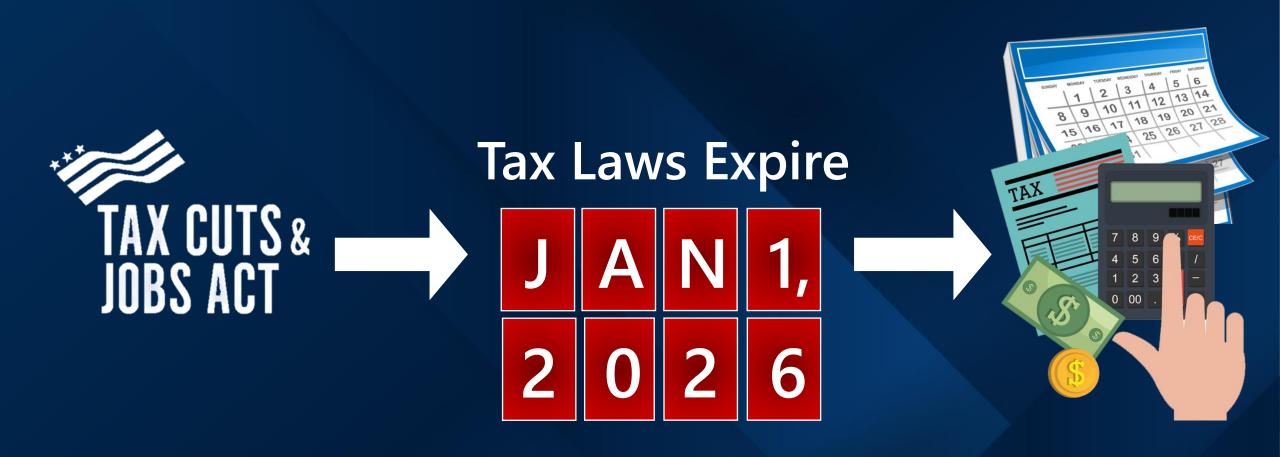


Tax Prep

Tax Planning

"By failing to prepare, you are preparing to fail."

BENJAMAIN FRANKLIN



PROACTIVE Tax Planning Determine Your Taxable Income

GROSS INCOME

- Pretax items (i.e., 401k, 457B, QCD)
- Itemized/standard deductions

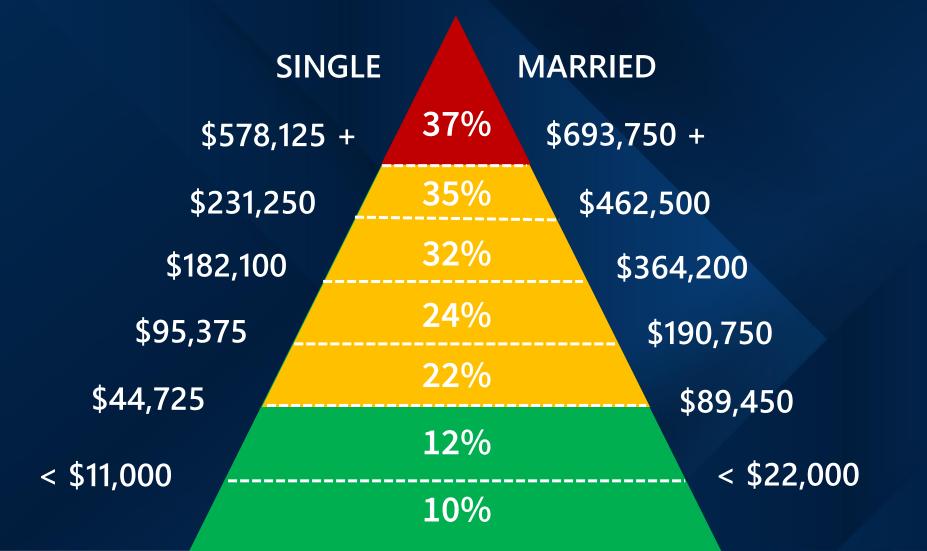
TAXABLE INCOME (Form 1040 Line 15)



PROACTIVE Tax Planning Itemized vs Standard Deductions

2023 Standard Deduction Amounts							
Single \$13,850	Married Filing Jointly \$27,700	Married Filing Separately \$13,850	Head of Household \$20,800				

PROACTIVE Tax Planning 2023 Tax Brackets



PROACTIVE Tax Planning 2023 Retirement Contribution Plan Limits

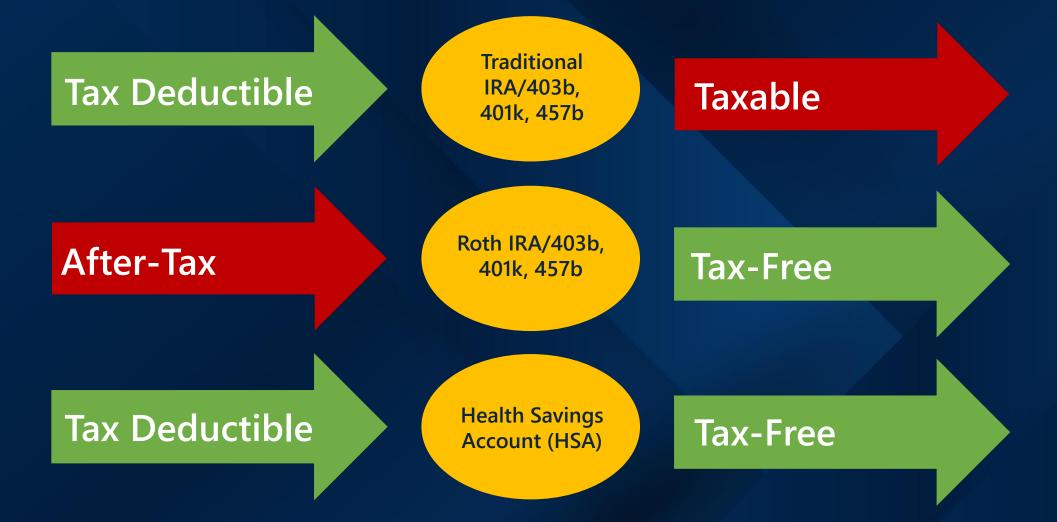
 Elective deferrals to 401(k), 403(b), 457(b), 457(c)(1) plans
 \$22,500

 Catch-Up to 401(k), 403(b), 457(b), 457(c)(1) plans
 \$7,500

 Traditional IRA
 \$6,500

 Catch-Up to IRAs
 \$1,000

PROACTIVE Tax Planning Maximize Retirement Plan Contributions



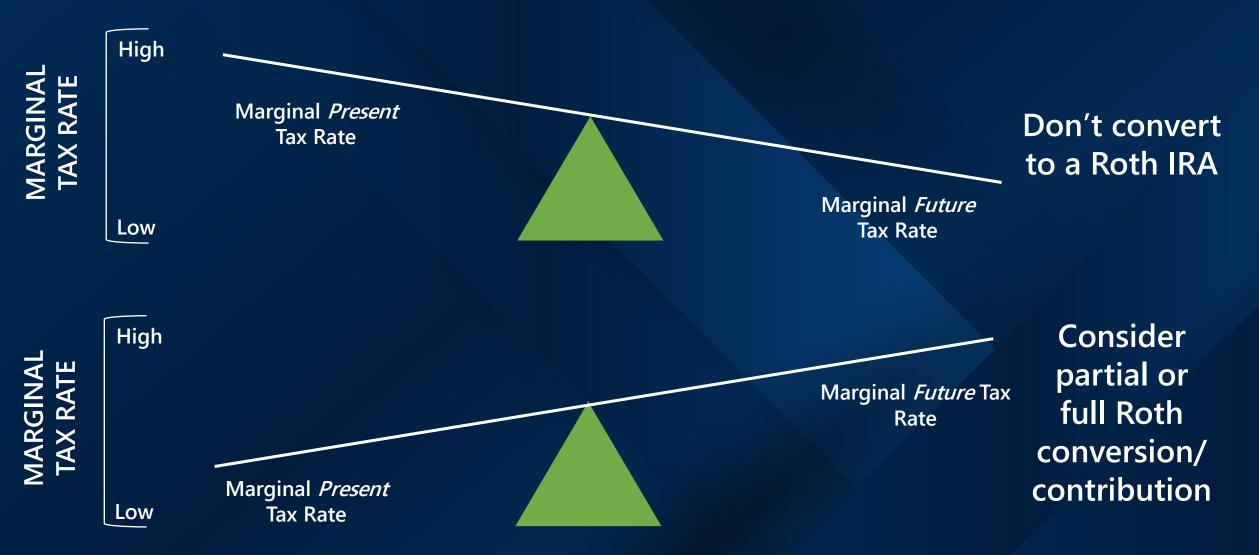
FOR CONTRIBUTIONS

PROACTIVE Tax Planning Roth IRA Conversion



- May lower taxable lifetime income
- Tax-free compounding
- No RMD requirements
- Tax-free withdrawals for beneficiaries

PROACTIVE Tax Planning Family Tax Bracket Management



PROACTIVE Tax Planning Medicare Premiums & IRMAA Surcharges (Income Related Monthly Adjustment Amounts)

IRMAA:

The Sneaky Surcharge That Makes Medicare More Expensive

Calculated according to your adjusted gross income that was reported on tax returns 2 years prior

PROACTIVE Tax Planning Medicare Premiums & IRMAA Surcharges (Income Related Monthly Adjustment Amounts)

2023 IRMAA BRACKETS							
2021 MAGI (Single)	2021 MAGI (Joint)	Part B	Part D				
\$97,000 or less	\$194,000 or less	\$164.90	Your plan premium				
\$97,000 – 123,000	\$194,000 – 246,000	\$230.80	\$12.20 + your plan premium				
\$123,000 – 153,000	\$246,000 - 306,000	\$329.70	\$31.50 + your plan premium				
\$153,000 – 183,000	\$306,000 - 366,000	\$428.60	\$50.70 + your plan premium				
\$183,000 – 500,000	\$366,000 – 750,000	\$527.50	\$70.00 + your plan premium				
\$500,000 or more	\$750,000 or more	\$560.50	\$76.40 + your plan premium				

Calculated according to your adjusted gross income that was reported on tax returns 2 years prior

PROACTIVE Tax Planning Harvesting Gains and Losses



PROACTIVE Tax Planning Charitable Giving Strategies for 2023







Spouses

Certain Trusts

* Applicable until the minor reaches the age of majority

SOURCE: Michael Kitces

PROACTIVE Tax Planning SECURE Act 2.0 Changes



DISTRIBUTIONS (RMDs) 70.5 \rightarrow 72 \rightarrow 73 \rightarrow 75



"ROTHIFICATION"



PROACTIVE Tax Planning Inflation Reduction Act of 2022

\$7,500 Clean Vehicle Credit

- Adjusted Gross Income Threshold: 150K (S), 300K (MFJ)
- In 2024: point-of-sale mechanism
- Domestically sourced materials; fueleconomy.gov



PROACTIVE Tax Planning Inflation Reduction Act of 2022

Energy Efficient Home Improvement Credit

- \$500 lifetime limit will be replaced with \$1,200 annual limit
- Credit equal to 30% of costs of eligible home improvements up to limit
- Includes windows, doors, energy audits, AC, heating, water heaters, furnaces, skylights, etc.



PROACTIVE Tax Planning Annual Tax Projections

ANNUAL



PROACTIVE Tax Planning Send us your 2022 tax returns

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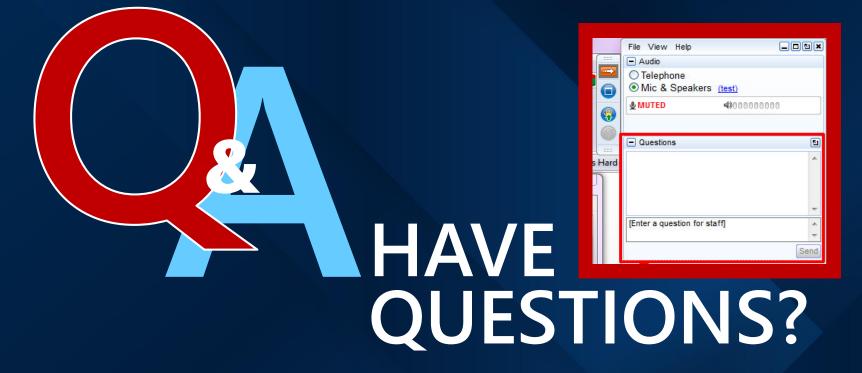
2023 MIDYEAR OUTLOOK

WEDNESDAY, JUNE 7 12:00 PM – 12:30 PM





SCAN ME



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SOURCES: Academy of Preferred Financial Advisors (APFA); irs.gov; accountingtoday.com; visiwealth.com; Michael Kitces; youtube.com

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