



PROACTIVE TAX PLANNING

for



OUR SPEAKERS



PATRICK HUGHES, CFP®

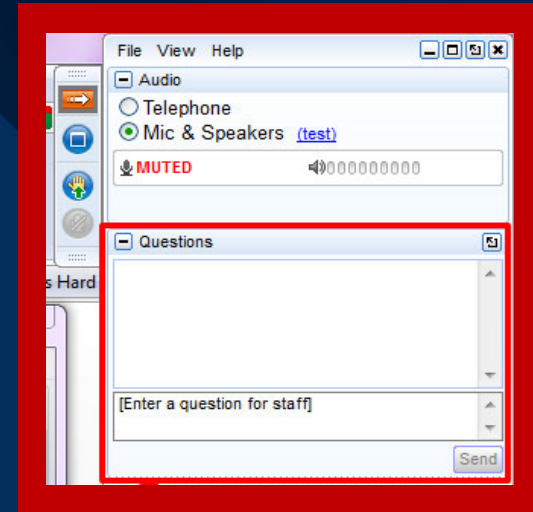
Managing Partner
& Financial Advisor



BERKELEY MEREDITH, CFP®, CPWA®, CDFA®

Financial Advisor

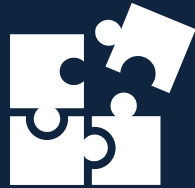
Q&A HAVE QUESTIONS?



ABOUT HUGHES FINANCIAL SERVICES



Independent
Registered
Investment
Advisor



Comprehensive
financial planning
and wealth
management



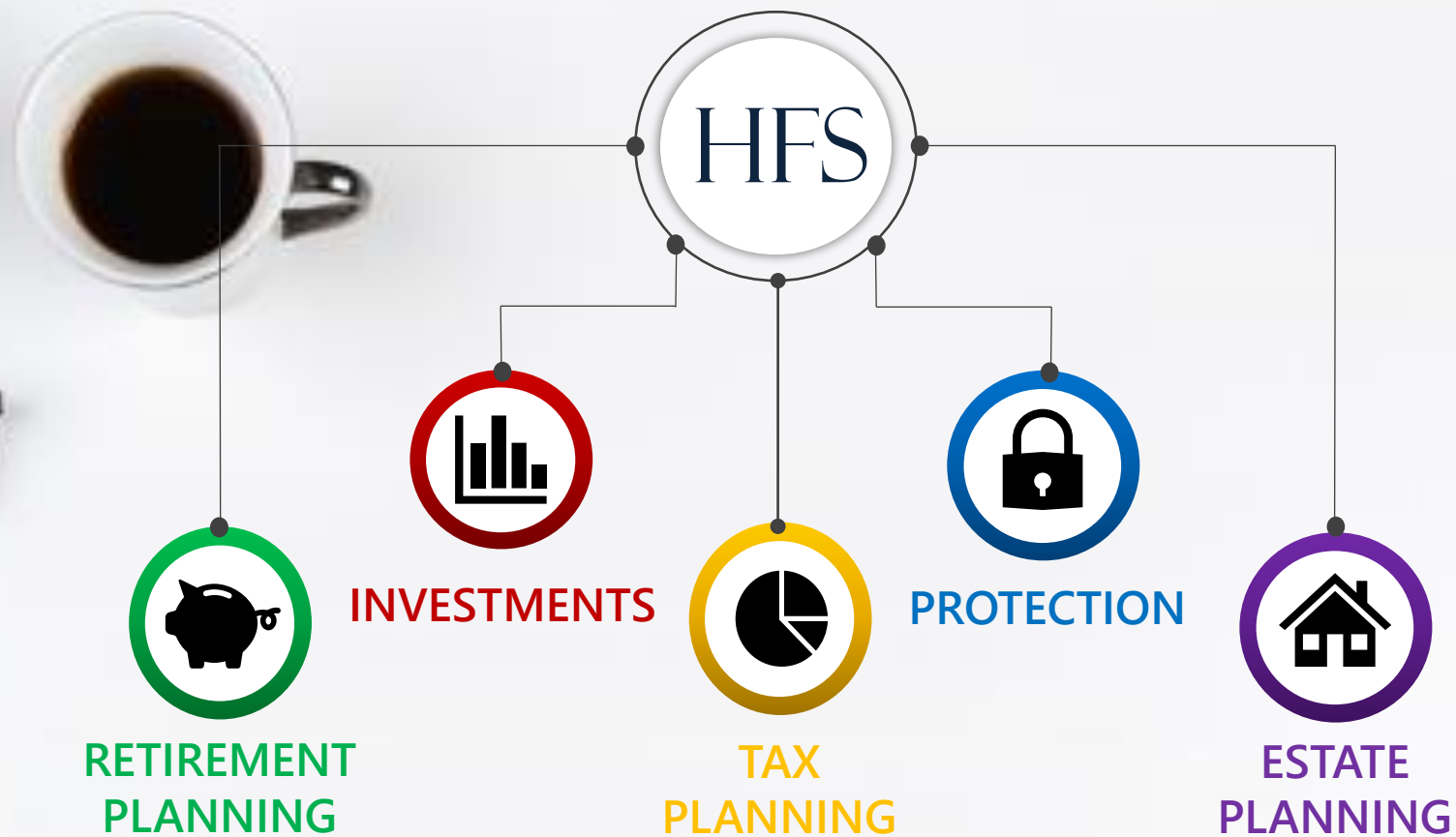
Fiduciary



Professional
certifications,
licenses, and
continuing
education



Over 115
years
combined
advisor
experience



5 KEY AREAS OF FINANCIAL PLANNING



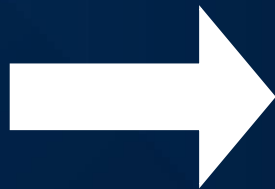
Tax Prep

VS

Tax
Planning

“By failing to
prepare, you are
preparing to fail.”

BENJAMAIN FRANKLIN



Tax Laws Expire

J A N 1,
2 0 2 6



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

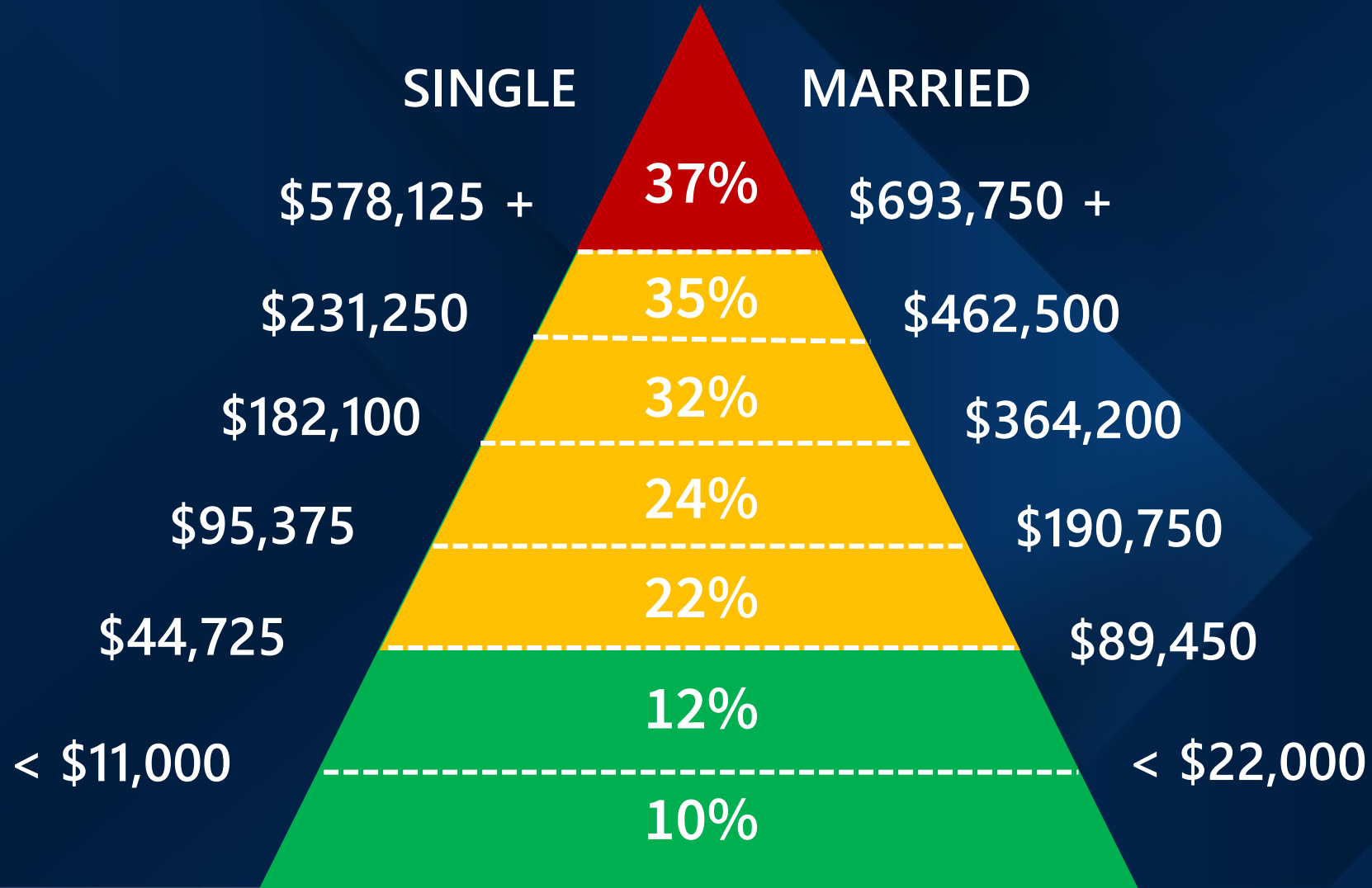
Itemized vs Standard Deductions

2023 Standard Deduction Amounts

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

Tax Deductible

Traditional
IRA/403b,
401k, 457b

Taxable

After-Tax

Roth IRA/403b,
401k, 457b

Tax-Free

Tax Deductible

Health Savings
Account (HSA)

Tax-Free

FOR DISTRIBUTIONS

PROACTIVE Tax Planning

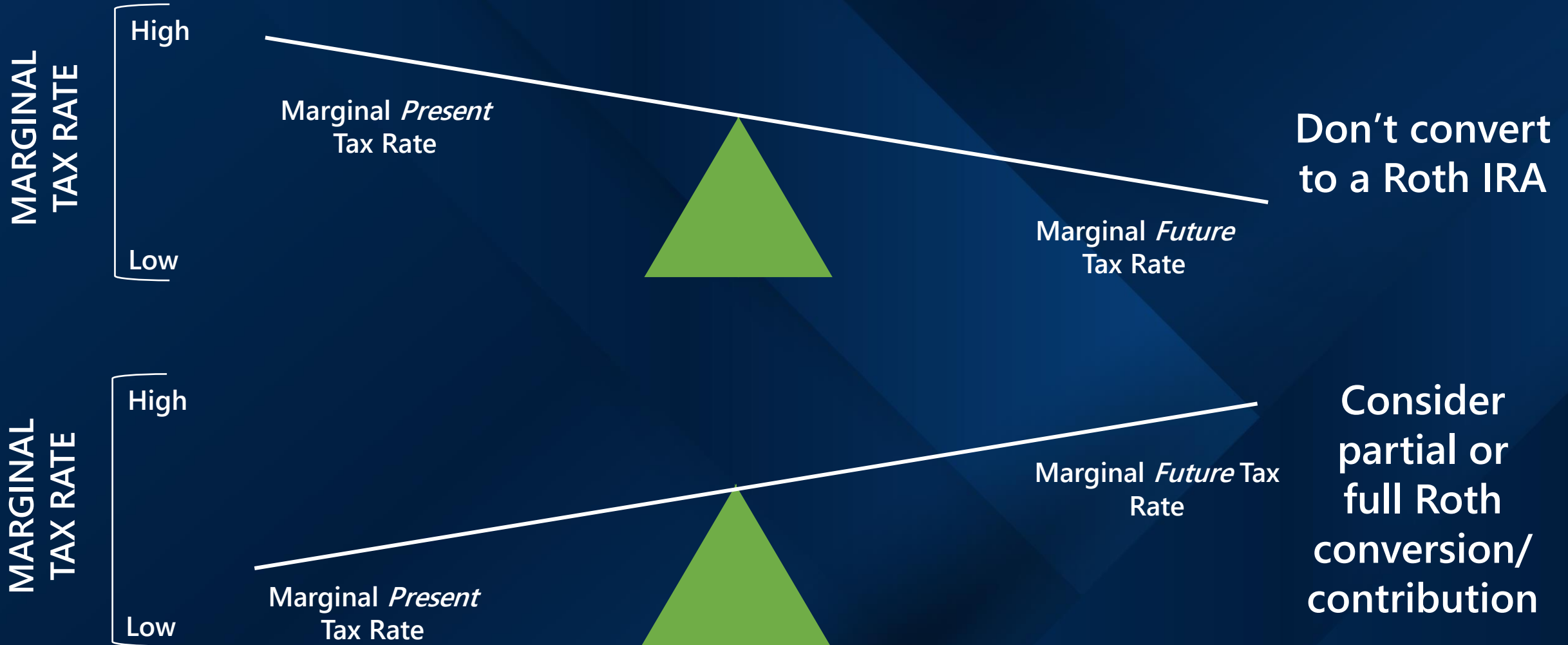
Roth IRA Conversion



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

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Family Tax Bracket Management



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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 |

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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



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Charitable Giving Strategies for 2023

1

Cash
donations

2

Donating
appreciated
securities

3

Bunching
donations

4

Donor
Advised
Fund

5

QCD from
an IRA



STRETCH IRA

2001-2017

PROACTIVE Tax Planning

IRA Beneficiaries and the SECURE Act



- Minor Children* of Decedent
- Disabled/Chronically Ill Persons
- Not More Than 10 Years Younger or Older Than Decedent
- Spouses
- Certain Trusts

- Non-Spouses
- Certain Trusts

- Charities
- Your Estate (Naming Your Will)
- Certain Trusts

* Applicable until the minor reaches the age of majority

SOURCE: Michael Kitces

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SECURE Act 2.0 Changes



DISTRIBUTIONS (RMDs)

70.5 → 72 → 73 → 75



"ROTHIFICATION"



529 PLANS

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](https://www.fueleconomy.gov)

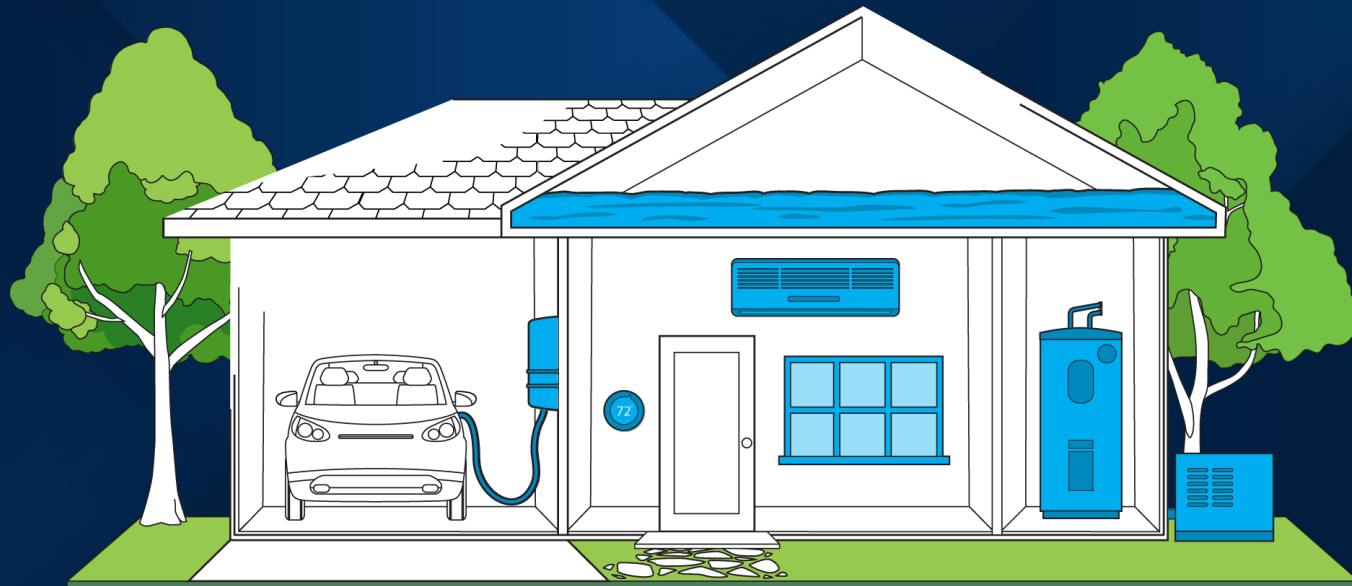


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Inflation Reduction Act of 2022

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.



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Annual Tax Projections



PROACTIVE Tax Planning

Send us your 2022 tax returns



Securely upload your returns to
your HFS Client Portal at
www.h4fs.com

HUGHES FINANCIAL
SERVICES, LLC



Stop by the HFS office and wait
while we scan your returns



We'll call you to schedule a quick
tax review

2023 MIDYEAR OUTLOOK

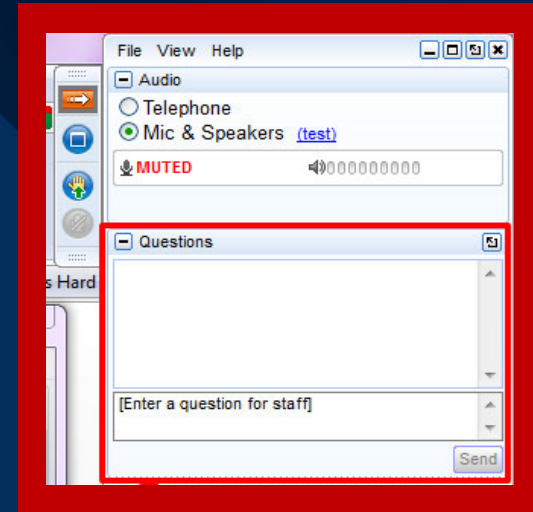
WEDNESDAY, JUNE 7

12:00 PM – 12:30 PM



SCAN ME

Q&A HAVE QUESTIONS?



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

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