TAX PLANNING GUIDE FOR 2025

Discover 5 Tax-Saving Opportunities

You May Be Missing

Strategies our advisors discuss with clients in Florida every day.

Most of the clients we work with are surprised to learn how many straightforward tax-saving strategies they are not yet using. These five come up consistently in our initial conversations. None require taking on more investment risk — they are about being more intentional with the accounts and decisions you already have.

01

Roth Conversion Before the Tax Window Closes

The Tax Cuts and Jobs Act expires after 2025 — act now while rates are lower.

The tax brackets established by the 2017 Tax Cuts and Jobs Act are scheduled to expire at the end of 2025. If Congress does not extend them, rates for many taxpayers will increase in 2026 and beyond. This creates a rare planning window: converting some or all of a traditional IRA to a Roth IRA now locks in today's lower rates permanently.

- Roth accounts grow tax-free — no Required Minimum Distributions, no income tax on qualified withdrawals.
- Converting in a lower-income year (before Social Security begins, for example) is especially effective.
- The right conversion amount depends on your bracket, other income sources, and estate planning goals.
- Our advisors model each scenario individually — the answer is always specific to your situation.

02

Tax-Loss Harvesting: Stay Invested, Reduce the Bill

Offset realized gains by selling underperforming positions strategically.

Tax-loss harvesting lets you sell an investment at a loss to offset capital gains elsewhere in your portfolio — reducing your tax bill without abandoning your investment strategy. You immediately reinvest in a similar (but not identical) holding, keeping your market exposure intact while capturing a real tax benefit.

- Short-term and long-term losses offset the corresponding type of gains first.
- Net losses of up to $3,000 per year can offset ordinary income; excess carries forward indefinitely.
- Watch for the IRS wash-sale rule: avoid buying substantially identical securities within 30 days.
- Executed consistently, this strategy can add 0.2% to 1.0% annually in after-tax returns.

03

Strategic Asset Location

Where you hold an investment is as important as what you hold.

Different account types are taxed in fundamentally different ways. Placing the right asset types in the right accounts — a practice called asset location — can meaningfully reduce your tax burden each year without changing what you own or how you are invested.

- Bonds, REITs, and actively managed funds generate taxable income — hold them inside IRAs or 401(k)s.
- Broad equity index funds and growth stocks are tax-efficient — well-suited for taxable accounts.
- Municipal bonds may make sense in taxable accounts for taxpayers in the highest federal brackets.
- This strategy costs nothing to implement — it is purely thoughtful account placement.

04

Maximize the HSA: A Triple Tax Advantage

The most tax-efficient savings account most people leave on the table.

A Health Savings Account (HSA) offers a combination of benefits no other account matches: contributions are tax-deductible, growth is tax-free, and withdrawals for qualified medical expenses are also tax-free. After age 65, funds can be withdrawn for any reason and taxed as ordinary income — making it function as a flexible second retirement account.

- 2025 limits: $4,300 for individuals, $8,550 for families (plus a $1,000 catch-up at 55+).
- Invest your HSA funds — do not let them sit in cash — to benefit from long-term, tax-free compounding.
- Save your medical receipts; you can reimburse yourself years or even decades later, still tax-free.
- Requires enrollment in a qualifying high-deductible health plan (HDHP).

05

Qualified Charitable Distributions (QCDs)

For those 70½ and older: give from your IRA and pay no tax on the amount.

A Qualified Charitable Distribution lets you transfer funds directly from your IRA to a qualified nonprofit — and that amount is completely excluded from your taxable income. This is especially valuable for retirees who take the standard deduction and would not otherwise receive a tax benefit from their charitable giving.

- QCDs count toward your Required Minimum Distribution (RMD) for the year.
- Up to $105,000 per person per year in 2025 can be donated this way.
- The distribution never appears in your adjusted gross income — a critical distinction.
- Lower AGI can reduce Medicare IRMAA surcharges and the taxable portion of Social Security benefits.

Ready to see which of these apply to your situation?

Schedule a complimentary 30-minute consultation with one of our advisors. We are fiduciary — legally required to act in your best interest, not ours.

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