



BECOME A **TAX** **SUPER HERO!**





Are you taking the **right steps** to help reduce your **tax exposure**?

The end of the year can be an ideal time to explore opportunities to reduce your tax exposure for that year – and possibly into the future. Here are some strategies to consider when planning:

CONTRIBUTE

Contribute more to your retirement plan accounts. Contributing to tax-deferred retirement vehicles – such as 401(k)s, 403(b)s or IRAs – can be one of the most effective tax savings strategies. Consider increasing your plan contributions, or making catch-up contributions if you're over age 50.

CONVERT

Fund a Roth IRA or complete a Roth IRA conversion. Consider funding a Roth IRA or converting a traditional IRA or employer-sponsored plan to a Roth account. You'll need to pay income taxes on your Roth contributions, but your distributions will not be subject to income tax.

EVALUATE

Evaluate the different distribution options for your IRAs and/or qualified plans. Changes to Required Minimum Distribution (RMD) rules pose an opportunity for you to determine how to address your RMD strategy. At the same time, you should also review your beneficiary designations and distribution options.

DONATE

Increase your charitable contributions. Charitably inclined individuals can also utilize it as a time to reduce their tax burden. For a charitable deduction to apply to the current year, the contribution must be made by December 31 to a 501(c)(3) tax-exempt organization that is eligible for tax-deductible contributions.

FUND

Fund a permanent life insurance policy or tax-deferred annuity. Permanent life insurance offers income-tax-deferred growth of policy cash value, tax-favored access to cash value and an income-tax-free death benefit.¹ Tax-deferred annuities provide control over the timing of income recognition.

STRATEGIZE MORE FOR LESS TAX EXPOSURE.

¹ Accessing cash values may result in surrender fees and charges, may require additional premium payments to maintain coverage, and will reduce the death benefit and policy values.

CONTRIBUTION DEADLINES



→ 401(k) Contribution Deadlines

- ★ Traditional 401(k): Typically, contributions to a traditional 401(k) must be made by the end of the calendar year. For example, contributions for the tax year 2024 need to be made by December 31, 2024.
- ★ Roth 401(k): Contributions to a Roth 401(k) follow the same deadlines as traditional 401(k) plans. These contributions are made with after-tax dollars, and while they don't offer an immediate tax break, qualified withdrawals are tax-free.

It's essential to check with your employer or plan administrator for specific dates and to ensure that your contributions are set up and deducted from your paycheck by the year-end deadline.

→ IRA Contribution Deadlines

- ★ Traditional and Roth IRAs: The deadline for contributing to both traditional and Roth IRAs typically aligns with the tax filing deadline. For most taxpayers, the deadline is April 15 of the following year. For example, the deadline for contributions for the tax year 2022 was April 15, 2023.
- ★ Deadline Extensions: In some years, the deadline might be extended. For instance, the IRS extended the deadline for contributions to IRAs for the tax year 2022 until May 17, 2023, due to the COVID-19 pandemic. It's recommended to check with the IRS or with us to confirm the current year's deadline.

→ HSA Contribution Deadlines

- ★ Health Savings Account (HSA): Contributions to an HSA can typically be made until the tax-filing deadline, including extensions. For most individuals, this means the deadline aligns with the tax filing deadline of April 15. However, if you file for a tax extension, you can contribute until the extended deadline, usually October 15.
- ★ Extension of Time: This extended deadline for HSA contributions is beneficial for those seeking additional opportunities to reduce taxable income or fund their accounts for future healthcare expenses.

→ 529 College Savings Plan Deadlines

- ★ 529 Plans: Contribution deadlines for 529 college savings plans can vary by state. Most states do not have strict calendar year-end deadlines, and contributions can often be made until the tax filing deadline of the state. It's essential to check with the specific plan or your state's guidelines for exact deadlines.
- ★ State Tax Benefits: Some states offer tax deductions or credits for contributions made to 529 plans. Understanding these state-specific deadlines is crucial to take advantage of potential tax benefits.



Consider Tax-Loss Harvesting with Capital Losses:

As you review your investment portfolio, look for opportunities to engage in tax-loss harvesting. This strategy involves selling investments that have declined in value to offset capital gains you've incurred during the year. By realizing these losses, you can reduce your taxable income, potentially moving you into a lower tax bracket and lowering your overall tax liability.



Resources for

TAX PREPARATION

→ Tax Prep Software

- ★ **TurboTax:** TurboTax is one of the most popular tax preparation software options. It offers a user-friendly interface, step-by-step guidance, and various versions designed to accommodate various tax situations, from simple returns to more complex ones.
- ★ **H&R Block:** H&R Block provides a range of tax preparation software and in-person services. Their digital tools make it easy for individuals to file their taxes from the comfort of their own homes.
- ★ **TaxAct:** TaxAct is known for its affordability and straightforward tax preparation solutions. It offers a free version for simple returns and paid versions for more complex situations.

These tax software options are designed to help you complete your tax return accurately, guide you through deductions and credits, and often provide electronic filing options for faster processing and refunds.

→ Certified Public Accountants (CPAs)

- ★ **Hiring a CPA:** If your financial situation is more complex or you're looking for expert advice, hiring a Certified Public Accountant (CPA) can be a smart choice. CPAs are licensed professionals with in-depth knowledge of tax laws and can provide personalized guidance to optimize your tax situation. They can also represent you in case of an IRS audit.
- ★ **Tax Planning:** A CPA can help you with year-round tax planning, ensuring you make the right financial decisions to minimize your tax liability. They can provide insights into how various financial choices impact your tax situation.
- ★ **Filing Support:** CPAs can handle all aspects of tax preparation, including helping you organize your financial records, ensuring compliance with tax laws, and filing your tax return accurately and on time.

→ Enrolled Agents (EAs)

- ★ **Enrolled Agents:** Enrolled Agents (EAs) are tax professionals authorized by the IRS. They specialize in tax matters and can represent you before the IRS, which can be particularly valuable if you face a tax audit or other tax-related issues.
- ★ **Tax Planning:** EAs are knowledgeable about tax laws and can assist in strategic tax planning. They can help you identify tax-saving opportunities and ensure that you're making the most of available deductions and credits.
- ★ **Tax Compliance:** EAs can help ensure that your tax return is in compliance with IRS regulations, reducing the risk of audits and penalties.

IRS Website

The official website of the Internal Revenue Service (IRS) is an invaluable resource.

It provides access to tax forms, publications, and tools for calculating taxes. It's a reliable source for up-to-date tax information and guidance.

[Click here!](#)



Tax Guides & Publications

Various tax guides and publications, whether in print or online, can provide in-depth information about tax laws, recent changes, and tax-saving strategies. They can be particularly useful for individuals who want to delve deeper into the intricacies of the tax code.

[Click here!](#)





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