



TURN TAX PREPARATION INTO AN OPPORTUNITY FOR STRATEGIC PLANNING

As we move deeper into tax season, many clients are gathering forms, reviewing deductions, and preparing to file. This time of year often feels deadline-driven and focused primarily on reporting the prior year's activity. Yet it also presents a meaningful opportunity to step back and evaluate how current tax decisions fit within your broader financial plan.

Preparing early and thoughtfully can help streamline the filing process while also creating space for more proactive planning conversations. In some cases, retirement contributions may still be eligible for the prior tax year, and certain strategic

decisions can be evaluated before the filing deadline. Taking time to review these items may help ensure that your short-term tax considerations remain aligned with your long-term objectives.

PRACTICAL CONSIDERATIONS BEFORE YOU FILE



REVIEWING DEDUCTIONS AND CREDITS

Before finalizing your return, it may be worthwhile to confirm that all eligible deductions and credits have been carefully reviewed, particularly considering updates to certain tax provisions that took effect in 2025. Tax rules evolve, and even modest legislative or threshold changes can influence eligibility, income phaseouts, or reporting requirements.

Beyond the standard deduction, this review may include charitable contributions, mortgage interest, qualifying medical expenses that exceed applicable thresholds, and education-related costs. For those who itemize, ensuring that proper documentation is retained and that expenses meet IRS criteria is essential. Even for taxpayers who typically claim the standard deduction, it can be beneficial to confirm that no changes in income or expense patterns warrant a different approach this year.

Tax credits may also apply depending on your circumstances. Unlike deductions, which reduce taxable income, credits directly reduce the amount of tax owed.

Education credits, dependent-related credits, and certain energy or efficiency incentives are examples that may be available, subject to eligibility rules. Because income limits, filing status, and other factors can affect qualification, a careful and informed review is important to help ensure accurate reporting. As your tax professional prepares your return, revisiting these items in coordination with your broader financial plan can help confirm that current-year decisions remain aligned with your longer-term objectives.



EVALUATING PRE-DEADLINE IRA CONTRIBUTIONS

One opportunity that extends beyond December 31 is the ability to make prior-year contributions to an Individual Retirement Account (IRA). In many cases,

contributions for the previous tax year may be made up until the filing deadline in April. For individuals who have not yet maximized their retirement savings, this window may provide additional flexibility before finalizing their return.

Traditional IRA contributions may be tax-deductible depending on income levels and participation in an employer-sponsored retirement plan such as a 401k. Deductibility can be subject to income phaseouts, particularly for individuals covered by workplace retirement plans or married couples filing jointly. Confirming eligibility before contributing is important helps avoid unintended tax consequences.

Roth IRA contributions are not deductible and are also subject to income limitations. However, under current law, qualified withdrawals from a Roth IRA may be tax-free if certain requirements are met. Because of this difference in tax treatment, some individuals consider how traditional and Roth contributions may complement each other within a long-term retirement strategy.

Determining whether to contribute to a traditional IRA, a Roth IRA, or potentially allocate between the two involves reviewing income, current tax considerations, anticipated retirement needs, and overall cash flow. Contribution limits apply, and eligibility rules vary based on filing status and modified adjusted gross income. Taking time to confirm your options before the filing deadline can help ensure that any contribution aligns with both your immediate tax situation and your longer-term financial objectives.



CONSIDERING ROTH CONVERSION STRATEGIES

Tax season can also serve as a natural checkpoint to revisit whether a Roth conversion warrants discussion within your broader retirement strategy. A Roth conversion transfers assets from a traditional IRA into a Roth IRA, with the converted amount generally taxed in the year it occurs. While the mechanics are straightforward, the broader implications require careful evaluation.

Some individuals explore Roth conversions as part of a long-term tax diversification strategy. The objective is not to eliminate taxes, but rather to create flexibility in how retirement income may be taxed. Holding both pre-tax and after-tax accounts can expand planning options when structuring withdrawals in retirement.

However, because a conversion increases taxable income in the year executed, the decision should be evaluated carefully. A higher taxable income may affect marginal

tax brackets, eligibility for certain deductions or credits, Medicare premium calculations, and other income-based considerations. Understanding how a conversion interacts with the rest of your financial picture is essential before proceeding.

Some investors consider partial or phased conversions over multiple years to spread out the tax impact, rather than converting a large amount in a single year. The timing and amount of any conversion should be reviewed alongside projected income, retirement timelines, and overall estate considerations.

Whether a Roth conversion is appropriate depends on your individual circumstances, current tax situation, and long-term objectives. For that reason, any conversion strategy should be evaluated thoughtfully and in coordination with your financial advisor and tax professional to help ensure it aligns with your comprehensive financial plan.



CONCLUSION

Tax season is more than a filing requirement. It can serve as a meaningful opportunity to step back and evaluate how current tax decisions align with your broader financial strategy. Reviewing retirement contributions, deductions, and longer-term tax considerations within the context of your overall plan can help ensure that each decision supports your long-term objectives and reflects your evolving priorities.

If you would like to revisit your retirement contributions, discuss IRA options, or evaluate whether a Roth conversion warrants consideration, we welcome the opportunity to coordinate with you and your tax professional. Because tax laws and individual circumstances vary, any strategy should be reviewed considering your specific situation and implemented thoughtfully within your comprehensive financial plan. We welcome you to connect with us to continue the conversation and explore how these decisions fit into the next phase of your financial life.

KNOW SOMEONE NAVIGATING TAX AND RETIREMENT DECISIONS?

We're always grateful when clients introduce us to friends or family members who may benefit from professional financial guidance. Tax season often raises important questions around retirement contributions, tax strategy, and long-term planning.

If someone in your life is looking for clarity or a second perspective, we would be happy to connect. Simply reply to this email with their contact information or feel free to forward this newsletter directly.

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STANDARDS IN EVERY PHASE OF LIFE»

— John W. Gardner —

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Contributions to a traditional IRA may be tax-deductible depending on the taxpayer's income, tax-filing status, and other factors. Withdrawal of pre-tax contributions and/or earnings will be subject to ordinary income tax, and if taken prior to age 59½, may be subject to a 10% federal penalty.

Unless certain criteria are met, Roth IRA owners must be 59½ or older and have held the IRA for five years before tax-free withdrawals are permitted. Additionally, each converted amount may be subject to its own five-year holding period. Converting a traditional IRA into a Roth IRA has tax implications. Investors should consult a tax advisor before deciding to do a conversion.

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