



The Ultimate Guide to Tax Savings

As tax laws evolve and personal financial situations change, it's essential to stay informed about strategies that can help minimize your tax burden. Here are several tips to consider:

1. Maximize Retirement Contributions

Contributing to retirement accounts like 401(k)s/403(b)s and IRAs can reduce your taxable income. For 2025, the IRS has increased the 401(k)/403(b)s contribution limit to \$23,500, while the IRA contribution limit remains at \$7,000. If you're 50 or older, you may be eligible for additional catch-up contributions. These contributions not only bolster your retirement savings but also offer immediate tax benefits.

2. Consider a Roth IRA Conversion

Converting a traditional IRA to a Roth IRA involves paying taxes on the converted amount now, but it allows for tax-free withdrawals in retirement.* This strategy can be advantageous if you anticipate being in a higher tax bracket in the future or if your current IRA investments have decreased in value, potentially reducing the tax impact of the conversion.

3. Harvest Investment Losses

To balance capital gains from other investments, think about selling any investments that have lost value. Tax-loss harvesting is a method that can lower your taxable income. The "wash-sale" rule, which forbids buying the same or nearly identical securities again within 30 days of the sale, should be kept in mind.

4. Leverage Health Savings Accounts (HSAs)

If you're enrolled in a high-deductible health plan, contributing to an HSA can provide triple tax benefits: contributions are tax-deductible, growth is tax-free, and withdrawals for qualified medical expenses are tax-free. For 2025, the contribution limits are \$3,200 for individuals and \$6,450 for families, with an additional \$1,000 catch-up contribution allowed for those aged 55 and older.

5. Optimize Charitable Giving

You can avoid capital gains taxes by donating appreciated assets, like stocks, directly to charitable organizations, or you can create a donor-advised fund, which enables you to make a charitable contribution, receive an immediate tax deduction, and then distribute funds to charities over time.

The Ultimate Guide to Tax Savings

6. Plan for Gift and Estate Tax Changes

After December 31, 2025, the existing exemptions from the federal gift and estate taxes will be reduced. Consider tactics like giving assets to heirs now to lower the taxable value of your estate if it is above these limits. To learn more about possibilities like trusts or other estate planning tools, speak with a tax advisor.

7. Stay Informed on Tax Law Changes

Tax laws are subject to change, and staying informed can help you take advantage of new opportunities or adjust your strategies accordingly. Regularly consult with a tax professional to ensure your tax planning strategies remain effective and compliant with current laws.

Implementing these strategies can help you manage your tax liability more effectively. Always consult with a qualified tax advisor to tailor these tips to your specific financial situation.

*Withdrawals from Roth IRAs are tax free if taken after age 59½ and at least five years after the conversion.

This content is for informational purposes only and not tax, legal, or financial advice. Please consult a professional for guidance on your specific situation.

Sources:

<https://www.ml.com/articles/tax-tips-that-could-save-you-money.html>

<https://turbotax.intuit.com/tax-tips/tax-pro/6-tax-saving-strategies-and-tips-from-turbotax-experts/L7x25ralu>

For more information contact MCF at **retire@mcfadvisors.com** or 859.967.0990.



The Ultimate Guide to Tax Savings

IMPORTANT DISCLOSURE INFORMATION

MCF Advisors, LLC ("MCF") is a SEC registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. More information about the adviser can also be found by visiting: <https://adviserinfo.sec.gov/firm/summary/130372>. The above commentary is for informational purposes only. Information prepared from third-party sources is believed to be reliable though its accuracy is not guaranteed. This is not intended as an offer or solicitation with respect to the purchase or sale of any security. MCF may only transact business in those states in which it is registered, or qualifies for an exemption or exclusion from registration requirements. Please remember that past performance is not indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by MCF), or any non-investment related content, made reference to directly or indirectly in this blog/newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this blog/newsletter serves as the receipt of, or as a substitute for, personalized investment advice from MCF. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. MCF is neither a law firm nor a certified public accounting firm and no portion of this content should be construed as legal, tax, or accounting advice. A copy of MCF's current written disclosure statement and customer relationship summary ("Form CRS") discussing our advisory services and fees continues to remain available upon request. The scope of the services to be provided depends upon the needs of the client and the terms of the engagement. If you are a MCF client, please remember to contact MCF, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.