

AVOID THESE TAX MISTAKES



Strategic Planning Can Make All the Difference

At Wealth Enhancement Group, we don't just manage portfolios. We strive to unlock the full potential of our clients' wealth with personalized financial plans, the guidance of advisors, and a team of highly skilled specialists. We help our clients make the most of their wealth by focusing on key financial planning tactics, such as tax strategy.

MISTAKE

1

NOT GRASPING HOW YOUR TAXES WILL CHANGE THROUGH RETIREMENT

During your working years, it's easy to anticipate your cash flow. Many people fail to realize it gets more complex after you retire.

- **Understand** how your retirement income will be taxed and what limitations may exist.
- **Implement** tactical strategies to optimize changing tax rates.
- **Coordinate** decisions with your broader financial plan.

MISTAKE

2

FAILING TO CREATE TAX DIVERSIFICATION

When we talk about tax diversification, we are talking about how you allocate your savings among taxable, tax-deferred and tax-advantaged accounts.

- **Identify** how much of your savings are in each tax bucket.
- **Understand** the size of the tax liability built into your retirement savings.
- **Develop** a roadmap for how to create better tax diversification across your net worth.

MISTAKE

3

GETTING STUCK WITH BIG REQUIRED MINIMUM DISTRIBUTIONS (RMDs)

There are many smart strategies, such as charitable giving tactics, that can help retirees minimize their RMDs. Planning ahead is key.

- **Understand** how RMDs work and what yours will be.
- **Work** in advance to minimize Traditional IRA assets before age 73 if possible.
- **Consider** QCDs to help minimize RMDs if charity is inclined and over age 70½.

MISTAKE

4

HANDING HUGE TAX BILLS TO YOUR HEIRS

Make sure your estate plan supports your intentions. For instance, if your heirs are in different tax brackets, they could inherit vastly different amounts.

- **Understand** how federal and state estate laws will affect you.
- **Be strategic** with your beneficiary selections to get the outcome you want.
- **Plan** for strategic transfer of wealth to your heirs to maximize your gifts to each.

Contact your Financial Consultant to discuss how Wealth Enhancement Group will work to support your optimized outcomes.