

# PSL

*Power Session LIVE*

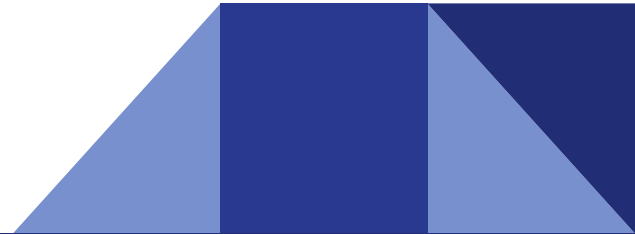
## **Year end (*and new year!*) tax planning opportunities**

**Because investor situations and objectives vary this information is not intended to indicate suitability or a recommendation for any individual investor.**

This is for informational purposes only, does not constitute individual investment advice, and should not be relied upon as tax or legal advice. Please consult the appropriate professional regarding your individual circumstance.

Client case studies are for illustration purpose only. The case studies may not be representative of the experience of other clients. Individual results may vary. Past performance does not guarantee or indicate the likelihood of future results.

Jim Silbernagel offers securities through Concorde Investment Services, LLC, member FINRA/SIPC. The Silbernagel Group is independent of CIS.

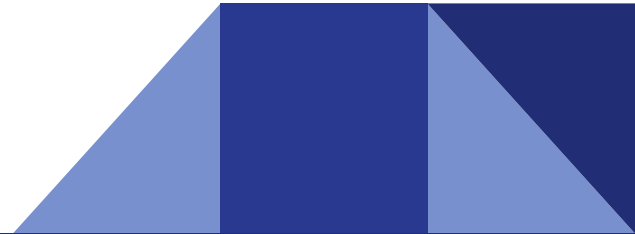


# Rhonda Shirazi, CPA

- Experienced CPA who served for nearly 18 years as a CFO for a small private college with over 30 years of tax and accounting experience.
- Her skilled practice includes work in Nonprofit Organizations, Higher Education Accounting & Consulting, Budgeting, Fundraising, Strategic Planning, Tax Preparation and General Accounting.
- She is a strong finance professional with a Bachelor's degree in Accounting from University of South Alabama and a Master's Degree from Regis University in Non-Profit Management.



# Tax table changes coming January 1



# 2022-2023 Tax Tables

<b>Standard Deduction</b>	<b>2022</b>	<b>2023</b>
<b>Married Filing Joint</b>	\$25,900	\$27,700
<b>Single &amp; Married Filing Separate</b>	\$12,950	\$13,850
<b>Head of Household</b>	\$19,400	\$20,800

Source: <https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2023>

December 2022

For Broker Dealer / RIA /  
Financial Professional use only.

(262) 626-2590

[www.RealWealthMarketing.com](http://www.RealWealthMarketing.com)

[Info@RealWealthMarketing.com](mailto:Info@RealWealthMarketing.com)

@RealWealthMktg

<b>Tax Brackets</b>	<b>2022</b>	<b>2023</b>
<b>Married Filing Joint &amp; Surviving Spouse</b>		
10%	\$0 to \$20,550	\$0 to \$22,000
12%	\$20,551 to \$83,550	\$22,001 to \$89,450
22%	\$83,551 to \$178,150	\$89,451 to \$190,750
24%	\$178,151 to \$340,100	\$190,751 to \$364,200
32%	\$340,101 to \$431,900	\$364,201 to \$462,500
35%	\$431,901 to \$647,850	\$462,501 to \$693,750
37%	Over \$647,850	Over \$693,751
<b>Single</b>		
10%	\$0 to \$10,275	\$0 to \$11,000
12%	\$10,276 to \$41,775	\$11,001 to \$44,725
22%	\$41,776 to \$89,075	\$44,726 to \$95,375
24%	\$89,076 to \$170,050	\$95,376 to \$182,100
32%	\$170,051 to \$215,950	\$182,101 to \$231,250
35%	\$215,951 to \$539,900	\$231,251 to \$578,125
37%	Over \$539,900	Over \$578,125

Source: <https://www.forbes.com/advisor/taxes/taxes-federal-income-tax-bracket>

December 2022

For Broker Dealer / RIA /  
Financial Professional use only.

(262) 626-2590

[www.RealWealthMarketing.com](http://www.RealWealthMarketing.com)

[Info@RealWealthMarketing.com](mailto:Info@RealWealthMarketing.com)

@RealWealthMktg

<b>Gift &amp; Estate Tax</b>	<b>2022</b>	<b>2023</b>
<b>Gift Tax Annual Exclusion</b>	\$16,000	\$17,000
<b>Estate Tax Exemption</b>	\$12,060,000	\$12,920,000

<b>Alternative Minimum Tax Exemption Amount</b>	<b>2022</b>	<b>2023</b>
<b>Married Filing Joint</b>	\$118,100	\$126,500
<b>Single &amp; Head of Household</b>	\$75,900	\$81,300
<b>Married Filing Separate</b>	\$59,050	\$63,250

<b>IRA &amp; Pension Plan Items</b>	<b>2022</b>	<b>2023</b>
<b>IRA Contribution</b>		
<b>Under Age 50</b>	\$6,000	\$6,500
<b>Over 50</b>	\$7,000	\$7,500
<b>MAGI Phaseout for deducting IRA Contribution</b>		
<b>Married Filing Joint</b>	\$109,000 to \$129,000	\$116,000 to \$136,000
<b>Single &amp; HOH</b>	\$68,000 to \$78,000	\$73,000 to \$83,000
<b>Married filing separately</b>	\$0 to \$10,000	\$0 to \$10,000
<b>Phaseout for deducting spousal IRA</b>	\$204,000 to \$214,000	\$218,000 to \$228,000

Sources: <https://www.irs.gov/businesses/small-businesses-self-employed/whats-new-estate-and-gift-tax>  
<https://www.irs.gov/newsroom/irs-provides-tax-inflation-adjustments-for-tax-year-2022>  
<https://www.irs.gov/newsroom/taxpayers-should-review-the-401k-and-ira-limit-increases-for-2023>

December 2022

For Broker Dealer / RIA /  
 Financial Professional use only.

(262) 626-2590

[www.RealWealthMarketing.com](http://www.RealWealthMarketing.com)

[Info@RealWealthMarketing.com](mailto:Info@RealWealthMarketing.com)

@RealWealthMktg

<b>MAGI Phaseout of Roth Contribution Eligibility</b>	<b>2022</b>	<b>2023</b>
<b>Married Filing Joint</b>	\$204,000 to \$214,000	\$218,000 to \$228,000
<b>Single &amp; Head of Household</b>	\$129,000 to \$144,000	\$138,000 to \$153,000
<b>Married Filing Separate</b>	\$0 to \$10,000	\$0 to \$10,000

<b>Saver's Credit Income Limit</b>	<b>2022</b>	<b>2023</b>
<b>Married Filing Joint</b>	\$68,000	\$73,000
<b>Head of Household</b>	\$54,750	\$51,000
<b>Single &amp; Married Filing Separately</b>	\$34,000	\$36,500

<b>401(k), 403(b) 457 and SARSEP Elective Deferral</b>	<b>2022</b>	<b>2023</b>
<b>Under age 50</b>	\$20,500	\$22,500
<b>Over age 50</b>	\$27,000	\$30,000

Sources: <https://www.inquirer.com/economy/roth-ira-contribution-limits-2023-20221107.html>  
<https://www.nerdwallet.com/article/taxes/can-you-take-the-savers-credit>  
<https://www.irs.gov/retirement-plans/how-much-salary-can-you-defer-if-youre-eligible-for-more-than-one-retirement-plan>



Other Retirement Data	2022	2023
IRA Contribution	\$6,000	\$6,500
Simple Retirement Contribution	\$14,000	\$15,500
Annual Defined Benefit Limit	\$245,000	\$265,000
Annual Defined Contribution Limit	\$61,000	\$66,000
SEP-IRA (25% of employee's compensation)	\$61,000	\$66,000

Long Term Capital Gains Tax Rate	2022	2023
<b>Single</b>		
0%	\$0 to \$41,675	\$0 to \$44,625
15%	\$41,676 to \$459,750	\$44,626 to \$492,300
20%	Over \$459,750	Over \$492,300
<b>Married Filing Joint</b>		
0%	\$0 to \$83,350	\$0 to \$89,250
15%	\$83,351 to \$517,200	\$89,251 to \$553,850
20%	Over \$517,200	Over \$553,850

Sources: <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-contributions>  
<https://www.forbes.com/advisor/taxes/capital-gains-tax/>

# Commonly Missed Tax Strategies

- Choosing Traditional vs. Roth vs. a mix of the two
- Savers credits – limits have changed
- Charitable strategies, e.g. Donor Advised Funds, Charitable Trusts
- Hiring your kids
- Renting your house out to your business
- Bracket planning
- Capital gains and interest income can be optional
- Crash in market – mutual funds can have distributions
- SS taxable? If no pension income?

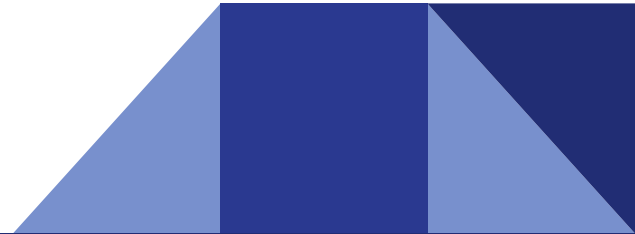


# Common Tax Planning Mistakes

- Distribution timing
- Not fully funding retirement accounts
- Selling mutual funds, stocks, bonds without understanding the taxes
- Signing an offer to purchase without understanding the tax consequences (especially capital gain recapture)
- Missing charitable contributions from an RMD
- If SS is taxable, do something about MAGI

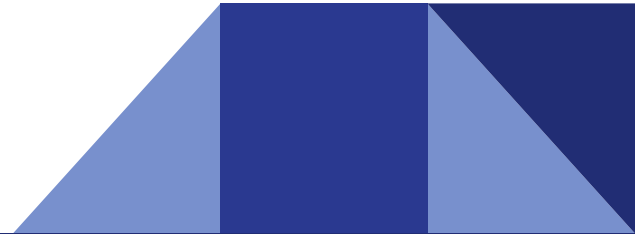
# Expanded IRA and 401k contribution limits

- The new limits for next year & the proposed changes & expanded limits
- People get refunds / too much withholding – don't have the money to put in 401ks
- Opportunities with in service distributions
- Tax credits for business owners starting a new 401k



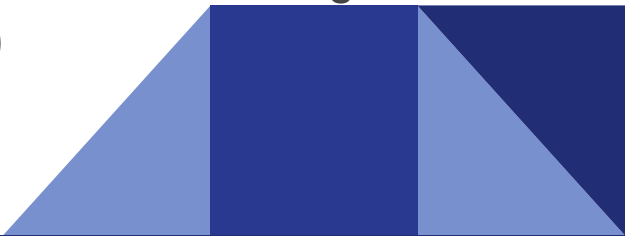
# Roth Conversion Considerations

- Surviving spouse's tax brackets
- Current/Future IRMAA and MAGI
- Non-spousal beneficiaries' tax brackets
- Future tax rates
- Availability of Roth conversions in the future



# Case study: The little details matter.

- Behind the scenes: Jim understood tax situation and was trying to get an investment appointment.
- Client contributed \$1,500 to his 401k, felt he didn't have money to do further contributions (was laid off from job)
- Currently would receive a 20% savers credit
- By putting \$500 more away into an IRA, he could receive a 50% savers credit
- If \$500 more into IRA, larger savers credit plus deduction, he would get a \$750 return. Used his refund to fund it plus has \$250



# Case study: The little details matter.

- **The math:**
  - Additional 30% credit on his \$1,500 401k contribution = \$450
  - Additional 50% credit on the \$500 = \$250
  - 10% tax deduction on \$500 = \$50
  - **Total taxes saved on \$500 contribution: \$750**
- **Who do you think got the 401k rollover?**

The case study may not be representative of the experience of other clients.  
Past performance does not guarantee or indicate the likelihood of future results.

# Case study 2: Clients in the 22% bracket

- Married couple with \$90,000 taxable income (22% bracket)
- Standard deduction: \$25,900
- Itemized deductions with property tax and medical bills add up to \$10,000-15,000.
- Give away \$10,000/year to charity.

## **CPA reviewed last 3 years of returns:**

- If they do a Donor Advised Fund of \$20,000 every other year (vs. \$10k every year), they'd be able to itemize their deductions to \$35,000, and drop their taxable income from \$90,000 to \$80,000 which brings them down from the 22% bracket to 12% bracket.

**Letter from CPA:** Have you considered a Donor Advised Fund or Charitable and double up so that you can itemize vs. always standard

The case study may not be representative of the experience of other clients.  
Past performance does not guarantee or indicate the likelihood of future results.



# Partnering with a CPA

DATE

Client Name  
ADDRESS  
CITY STATE ZIP

Dear Mr. & Mrs. LAST NAME,

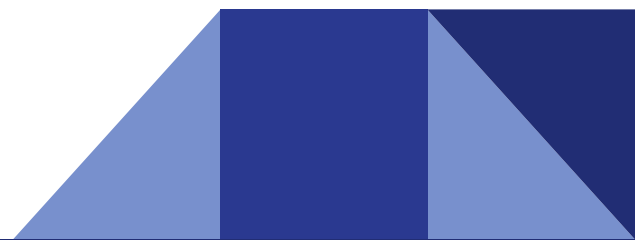
- I noted that you did not max out your retirement contribution. I recommend that you consult on a regular basis with your financial advisor to determine what type of retirement investment option(s) and more importantly, what level of retirement funding is best for you and your current and future financial needs.
- For every dollar you would put into a retirement plan you would save 22% on your taxes. In other words, for every \$1,000 you put in you would reduce your taxes by \$220.
- You are currently in the 10% bracket for income tax. It may be beneficial to do a Roth conversion. Some benefits of a Roth conversion are avoiding potentially higher tax rates in the future, **avoid required minimum distributions**, and the earnings grow tax free. I recommend that you consult with your financial advisor to determine what level of retirement funding is best for you and your current and future financial needs.
- It appears from the tax documents reviewed, that tax beneficial retirement planning does not exist. I recommend that you consult further with a financial advisor to determine what type of other retirement investment option(s) and more importantly, what level of retirement funding is best for you and your current and future financial needs.
- **ALL LETTERS TO INCLUDE:** Tax rates are scheduled to go up in 2026, you should be discussing with your financial professional if a Roth conversion makes sense for you.

# Partnering with a CPA

- Jim review with client
  - Focus on the difference from the year before
  - How much did you pay in taxes? “I got a refund” show them what they’re actually paying – how to get bigger refund / do less withholding

# The Advantages Partnering with a CPA

- Advantages for the advisor
  - Creates value for the client
  - Creates 'stickiness' with clients
  - Makes you more referrable
  - Allows you to gather more IRA deposits
  - Creates more rollover opportunities
  - Helps you find money to fund insurance
- Advantages for the CPA
  - Creates value for the client
  - Provides better client experience
  - Provides 'stickiness' with clients
  - Makes you more referrable
  - Creates revenue opportunities outside of tax season
    - Roth conversion analysis
    - Year-end tax planning



# Challenges with Partnering with a CPA

- CPAs may have tunnel vision
- Might view working with a financial professional as a conflict of interest
- Concerned about the risk of losing a client
- Already working with other financial advisors
- May already have licensed people working in the office
- Limited understanding of tax opportunities
  - Ex: Charitable Trusts
- Egos



# Partner with Real Wealth Tax

- Back office tax service for financial professionals & their clients
- Letter of recommendation from a CPA
- Tax planning, not just tax preparation



# Our Back Office Process

*At Real Wealth Tax & Accounting, we serve as a back office for financial professionals. We coordinate with our experienced CPAs and tax professionals to provide insight and solutions to advisors and their clients.*

## The Advisor Experience

### Discover

1. Discovery call
2. Understand pain points
3. Communicate & set expectations
4. Determine if we're going to work together

## The Client Experience

### Engage

1. Complete intake process & questionnaire
2. Authorize agreement

### Execute

1. Real Wealth Tax organizes client data from secure portal into tax software
2. CPA reviews client data
3. CPA prepares applicable tax forms & opportunity letter

### Deliver

1. Advisor presents opportunities to client
2. If applicable, Advisor gathers signatures for tax documents
3. If applicable, Real Wealth Tax files tax return



Schedule a call to learn more:



[RWTax.net/back-office](https://www.rwtax.net/back-office)

# Tax Opportunity Review



- Be the hero! Save your clients money on their taxes and get yourself more business, all in one swoop!
- Our CPA will find your clients opportunities for tax savings that you can turn into more appointments!
- Safe & secure document transfer
- 3 week delivery\*
- Individuals: \$300
  - We'll find \$500 savings or your money back
- Businesses: \$500
  - We'll find \$1,000 savings or your money back



*\*From the point of all documents received by Real Wealth Tax*

# Tax Preparation (available Jan. 2023)



- Back office tax service for financial professionals & their clients
- Letter of recommendation from a CPA
- Tax planning, not just tax preparation
- Individuals: \$300\*
- Businesses: \$500\*
- Option for additional consulting, e.g. Roth Conversion Analysis (\$150/hr)



*\*Additional charges may apply depending on complexity.*



Next up...

# Van Mueller's 50<sup>th</sup> Anniversary Sales Ideas



*Friday, January 13<sup>th</sup>  
10:30am CT*



# Register for all monthly webinars!



Honest, relaxed advice and NOT marketing and selling approach. Keep up the good work and guest webinar speakers.



Rob Winters



These sessions are awesome, keep 'em coming!



Lee Bowman



Good language of the many benefits of life insurance, the significance of the tax changes. Meet with me now to see how taxes will impact you. Very good session.



Bill Drennan



Highly value the thoughtful response to questions. I plan to change my prospecting technique to include evaluation of existing policies. Thanks for the good information.



David Osmond



Keep up the great work. Thank you for providing this. Our industry needs it! Thank you.



Steve Kastrul



Great webinar. Worth time invested.



Susan Lawson

## Subscribe





# Now it's time for Q&A with Rhonda & Jim!

Type in your questions!



Don't forget to register for these sessions ***every month!***

2<sup>nd</sup> Friday @ 10:30am CST

Subscribe

