

Knowledge is Power

How to Save Your Retirement Plan from Inflation?

It is February, and that means we are in the heart of tax filing season. People everywhere are gathering documents, organizing their information and preparing their tax returns. Of course, everyone wants to pay as little in taxes as possible. So are there still ways to save taxes and/or become more tax efficient for the 2023 tax year?

The majority of strategic tax-savings moves that need to be done to save tax dollars and become more tax efficient must be done before the end of the year for that tax year; this means December 31st of each year is the deadline. However, there are a few tax-planning moves that can be made into the next year, with deadlines usually around April 15th and October 15th. The following are the tax-planning moves that are still available for the 2023 tax year:

- Contribute to an Individual Traditional IRA – The deadline to do this is April 15th for the previous tax year if you are eligible. For 2023, the contribution maximum is \$6,500 for those under the age of 50 in 2023 and \$7,500 for those age 50 or older. The contribution amount will reduce your taxable income for 2023, thus saving you tax dollars for that year.
- Contribute to an Individual Roth IRA – The deadline here is also April 15th for the previous tax year if you are eligible. The contribution limits are the same as for the traditional IRA, meaning you can contribute that amount into the traditional IRA, the Roth IRA, or a combination of both up to the maximum. A Roth IRA contribution won't save you any taxes for the 2023 tax year, but the qualified withdrawals will be tax free so that could lower your taxes in the future.
- Contribute to a SEP IRA – For those people who are self-employed, the contribution deadline for a SEP IRA is October 15th for the previous tax year.
- Contribute to a Health Savings Account (HSA) – The deadline for contributing to a HSA account is April 15th for the previous tax year. A HSA contribution reduces your taxable income for 2023 and allows for tax-free growth and withdrawals for healthcare expenses.

Join me this weekend on The Retirement Matters Money Show as we discuss these moves in detail and provide you with some additional tax-planning advice for both last year and the years moving forward. The show airs on Sunday morning at 8:00 on WWKI (100.5 FM) or anytime online at www.theretire-

mentmoneymattersshow.com. You can also obtain this information by reaching out to us at Hayes Advisory Group at 452-PLAN (7526), 800-939-1603 or brian@hayesadvisorygroup.com.