

Shorepoint's Lighthouse

Planning Tips to Help Navigate Your Financial Journey



Increases Provide Opportunities for Investors

As of January 1, 2023, significant changes to limits on retirement planning and gifting as well as taxation adjustments require our attention. With this Happy New Year have come increases that may be beneficial to your financial situation.

- Employees may now contribute more to their 401ks: limits are now \$22,500 or \$30,000 for those over 50 years old.
- IRA limits have increased to \$6,500 or \$7,500 for those over 50.
- Health Savings Accounts (HSAs) have also increased what we can contribute: Individual limit is \$3,850 | Family limit is \$7,750
- Clients may now gift up to \$17,000 per recipient without having to file a gift tax return.

- Current Social Security benefit recipients are seeing an 8.7% increase in their payment due to a large cost of living adjustment.
- The standard deduction for tax filing has gone up: Individual is \$13,850 | Married filing jointly is \$27,700
- Tax brackets have also been inflation-adjusted, which will potentially save clients income tax going forward.

What Should I Do?

- If you can afford it, adjust your retirement plan deferral percentages up accordingly so you reach the new limits by 12/31/23.
- If you are an IRA contributor, try to max out your 2023 contribution; typically you'll have until at least 4/15/24 to complete this.
- If it makes sense, fill up that HSA to the limit. As with IRAs, you have until at least 4/15/24 to complete this.
- If you're in estate tax minimization mode, let's review your gifting strategy!

At Shorepoint, financial planning and investments work together as seamlessly as we can make them do so. And these rule changes are just a few, exciting ways for clients to improve their financial positions. We look forward to reviewing these changes with clients.

And there is more good news to come!