

WHAT'S NEW FOR YOUR 2025 YEAR-END PLANNING CHECKLIST?



RETIRE WISE

2025 is coming to a close, and as we head into the final stretch, it's the perfect time to make sure your year-end planning is on track. From "super catch-up" contributions for those nearing retirement to new updates under the One Big Beautiful Bill Act (OBBBA), there are some great opportunities to explore. Take a look at the list below and see what might be a good fit for you, and make sure to reach out with any questions you may have about changes to your personal year-end checklist. While the OBBBA is now law, the IRS continues to release guidance as it implements its many provisions. Stay alert for future updates that may affect your personal planning.

Retirement planning

- **Contribution limits for 401(k) plans are higher this year.** If you're under 50, you can put up to \$23,500 into your 401(k) for 2025. You have until December 31st to make your employer plan contributions for this tax year.
- **Extra boost for ages 60–63.** There's a new "super catch-up" option that lets you add up to **\$11,250 more**, for a total of **\$34,750**. If you're 50–59 or 64+, your catch-up limit is **\$7,500**, making your total **\$31,000**.
- **Inherited IRA rules are getting stricter.** Starting in 2025, the IRS will fine people who don't take required withdrawals from inherited IRAs. Most non-spouse beneficiaries need to empty the account within **10 years** of the original owner's death. If you've inherited an IRA, talk to a tax or financial pro to make sure you're on track.

Estate planning

- **Estate tax exemption is made permanent:** The high estate and gift tax exemption (adjusted annually for inflation) was made permanent under the OBBBA. For 2025, the exemption is \$13.99 million for individuals/\$27.98 million for married couples. In 2026, it increases to \$15 million for individuals/\$30 million for married couples.
- **Annual gift tax exclusion amounts increased** to \$19,000 in cash or other assets per recipient for individual taxpayers (\$38,000 for married couples making joint gifts) for 2025, up from \$18,000 (\$32,000 for married couples) in 2024. Gifts exceeding these amounts to a single recipient will reduce your lifetime gift and estate tax exemption.

Don't miss these temporary deductions under the OBBBA for tax years 2025 through 2028:

- **No tax on tips** up to \$25,000 for workers in qualifying occupations (subject to income phaseouts)
- **No tax on overtime** on up to \$12,500 in qualified overtime pay
- **Car loan interest deduction** up to \$10,000 for new, personal-use vehicles purchased after 2024 (subject to income phaseouts and other requirements)
- **Bonus deduction for seniors:** Tax payers aged 65 and older can claim an additional \$6,000 deduction/\$12,000 for a married couple if both qualify (subject to income phaseouts)
- **Act quickly to take advantage of clean energy tax credits** which are scheduled to terminate or begin to phase out this year under the OBBBA, including the \$7,500 electric vehicle tax credit.

For questions about these and other year-end planning opportunities, contact the office now to schedule a time to talk.

Tips for Traveling with Confidence This Holiday Season

The last few years have seen record breaking year-over-year holiday travel volume, and this year should be no exception. According to AAA, over 119 million Americans are expected to travel between December 21 and January 1, 2025. Whether you're planning to hit the road to visit friends or family this holiday season or brave the crowds at airports here or abroad, preparation is key.

Consider the following tips to help make holiday travel a safe and enjoyable experience.

- **Confirm special arrangements in advance** with travel services providers to ensure mobility, dietary, emotional support, and other needs can be accommodated.
- **Pack smart and light**, especially if your trip will require lugging baggage through airports or train stations. Consider shipping packages and baggage ahead to your destination.
- **Dress for comfort and mobility.** Check the average temperatures for your destination ahead of time. Dressing in layers allows you to easily adjust to changing conditions.
- **Bring a well-stocked health kit** with basic first aid items such as band aids and over-the-counter pain relievers, as well as a few extra days of prescription medications in the event of travel delays or interruptions.
- **Embrace technology** for enhanced security and connectivity on the go. Smartphones provide easy access to maps, transportation, banking, currency conversion, translation services, etc.
- **Take advantage of TSA Precheck** for domestic flights and the **Global Entry** program for international flights to avoid standing in long security lines. While you need to apply for these programs in advance, once approved, your status lasts for five years.
- **Protect your belongings.** Leave expensive jewelry, extra credit cards, and other valuables at home. Make digital copies of important documents, such as your passport, ID, and insurance cards. Use locks on luggage and keep important items in your carry-on.
- **Pack your patience!** Even the best laid plans can go sideways due to weather or other circumstances outside of your control. Pack a book, needlework, or deck of cards to help pass the time when faced with delays, or use mobile devices to access audio books, podcasts, online games, and more.



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