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## The TaxSmart Wealth Blueprint

The TaxSmart Wealth Blueprint is a comprehensive approach to building wealth and minimizing tax liabilities. It integrates key aspects of personal finance to help ensure long-term financial stability and success. By focusing on tax efficiency across different financial areas, this strategy helps individuals maximize their wealth while reducing tax burdens. Here are its six key pillars:

### 1. Risk Management

- **Insurance planning:** Adequate life, health, disability, property, and liability coverage, using tax-advantaged options like HSAs.
- **Risk mitigation:** Employ tax-efficient strategies such as tax-deductible premiums and investing in tax-sheltered insurance products.
- **Emergency funds:** Create tax-smart savings strategies (e.g., Roth IRA contributions) to build a financial cushion for unforeseen circumstances.
- **Comprehensive review:** Regularly assess insurance needs to ensure appropriate coverage as life situations change.

### 2. Investments

- **Tax-efficient portfolio management:** Optimize asset allocation across taxable, tax-deferred, and tax-exempt accounts.
- **Tax-loss harvesting:** Offset capital gains by selling underperforming assets.
- **Asset location strategy:** Place tax-inefficient investments in tax-deferred accounts and tax-efficient assets in taxable accounts.
- **Long-term capital gains strategies:** Holding investments for over a year to qualify for favorable long-term capital gains tax rates.
- **Diversification:** Spread investments across various asset classes to enhance tax efficiency.

### 3. Income Taxes

- **Tax planning strategies:** Utilize deductions, credits, and deferral options to minimize taxable income.
- **Tax bracket management:** Implement strategies to keep taxable income within lower brackets, particularly during retirement.
- **Retirement contributions:** Consider maximizing contributions to 401(k)s and IRAs to reduce current taxable income.
- **Charitable giving:** Consider leveraging donor-advised funds or qualified charitable distributions for tax benefits.
- **Income shifting:** Consider shifting income to family members in lower tax brackets when appropriate.

#### 4. Credit and Debt Management

- **Debt assessment:** Review current liabilities, including credit cards, mortgages, and loans.
- **Repayment strategies:** Prioritize high-interest debt with tax-deductible interest considerations.
- **Credit optimization:** Maintain a strong credit score for lower interest rates.
- **Debt restructuring:** Explore tax-advantaged refinancing options.
- **Financial discipline:** Prevent accumulating non-strategic debt.

#### 5. Retirement Planning

- **Income strategy:** Design a tax-efficient plan for withdrawing income from various accounts.
- **Withdrawal sequencing:** Consider drawing from taxable accounts first to allow for further growth potential in tax-deferred accounts.
- **RMD management:** Plan for required minimum distributions.
- **Social Security planning:** Optimize timing for maximum lifetime income.
- **Roth conversions:** Consider converting IRA funds in low-income years for future savings.
- **Retirement income diversity:** Create a mix of income sources for tax flexibility.

#### 6. Estate Planning

- **Wills and trusts:** Establish trusts to reduce estate taxes and streamline transfers.
- **Wealth transfer:** Use gift exemptions and step-up in basis to reduce the tax burden on heirs.
- **Minimize probate:** Structure asset ownership to avoid probate and reduce costs.
- **Legacy planning:** Develop a charitable giving strategy to receive estate tax benefits.
- **Periodic review:** Update estate plans as tax laws and circumstances change.

#### Integration of the TaxSmart Approach

The TaxSmart Wealth Blueprint integrates all aspects of financial planning with a focus on tax efficiency. By considering the interplay between investments, risk management, income taxes, credit, retirement, and estate planning, the blueprint forms a cohesive strategy designed to help optimize financial health. This approach helps clients achieve wealth accumulation and protection while minimizing tax burdens over their lifetime and beyond.