

# UNLOCKING TAX SAVINGS

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FOR MICROSOFT  
EMPLOYEES



# TRIVIA TIME

How many CEO's have lead Microsoft over it's nearly 50 year history?



# UNLOCKING TAX SAVINGS: EXPERT STRATEGIES... FOR MICROSOFT EMPLOYEES

## SPEAKERS:



**ISAAC PRESLEY, CFA®**  
CEO  
PORTLAND, OR



**KELSEY STORSVED**  
OPERATIONS MANAGER  
RICHMOND, VA

# WE WILL COVER

- 2024 Tax Changes
- Understanding your TAX RETURN
- 5 Strategies to HELP REDUCE YOUR TAX BILL



# POLL TIME

When was the last time you or your advisor did forward-looking tax planning?

# 2024 CONTRIBUTION LIMITS

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# 2024 CONTRIBUTION LIMITS

## SUMMARY OF KEY MICROSOFT PROGRAMS

	Reduce Taxes Now	Tax-Deferred Growth	Tax-Free Withdrawals	'24 Annual Limits
HSA	✓	✓	✓	\$4,150 single \$8,300 family \$1,000 catch up
401(K)	✓	✓		\$23,000 + \$7,500 catch up if 50+
DEFERRED COMP (Level 67+)	✓	✓		75% of salary 100% of bonus
MEGA ROTH 401(K)		✓	✓	\$69,000 (reduce by 401k contributions)

# UNDERSTANDING YOUR TAX RETURN

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## 2023 TAX REPORT FOR JOE SAMPLE AND JANE SAMPLE

### SCENARIO: 2023 BASELINE

[Presentation Mode Off](#)

#### KEY FIGURES

Total Income:	\$479,838	Filing Status:	Married Filing Jointly	Tax Exempt Interest:	\$0
AGI:	\$479,838	Marginal Rate:	32.0%	Qualified/Ordinary Dividends:	\$9,995 / \$21,032
Deductions:	\$27,700	Average Rate:	21.2%	ST/LT Capital Gains:	\$3,000 / \$8,357
Taxable Income:	\$452,024	2024 Safe Harbor:	\$112,145	Carryforward Loss:	\$0
Total Tax:	\$101,949			Credits Claimed:	\$745

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Preparation Date: 08/28/2023

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#### MARGINAL TAX BRACKET INFORMATION

The marginal tax rate for your ordinary income is as follows:

Marginal Rate	Ordinary Income Threshold
10.0%	\$0 to \$22,000
12.0%	\$22,000 to \$89,450
22.0%	\$89,450 to \$190,750
24.0%	\$190,750 to \$364,200
32.0%	\$364,200 to \$462,500
35.0%	\$462,500 to \$693,750
37.0%	\$693,750 and above.

You: \$433,672

The marginal tax rate for your capital gains and qualified dividends income is as follows:

Marginal Rate	Taxable Income Threshold	Qualified Income (\$18,352 Total)
0.0%	\$0	\$0
15.0%	\$0 to \$89,250	\$18,352
20.0%	\$89,250 to \$553,850	\$0

You: \$452,024

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#### ITEMIZED DEDUCTION SUMMARY

Total Itemized Deductions: \$27,000 vs. Standard Deduction of \$27,700

Deduction	Amount Claimed
Health Care Expenses	\$0
Taxes Paid	\$10,000
Mortgage and Investment Interest Expense	\$12,000
Charity	\$5,000
<b>TOTAL</b>	<b>\$27,000</b>



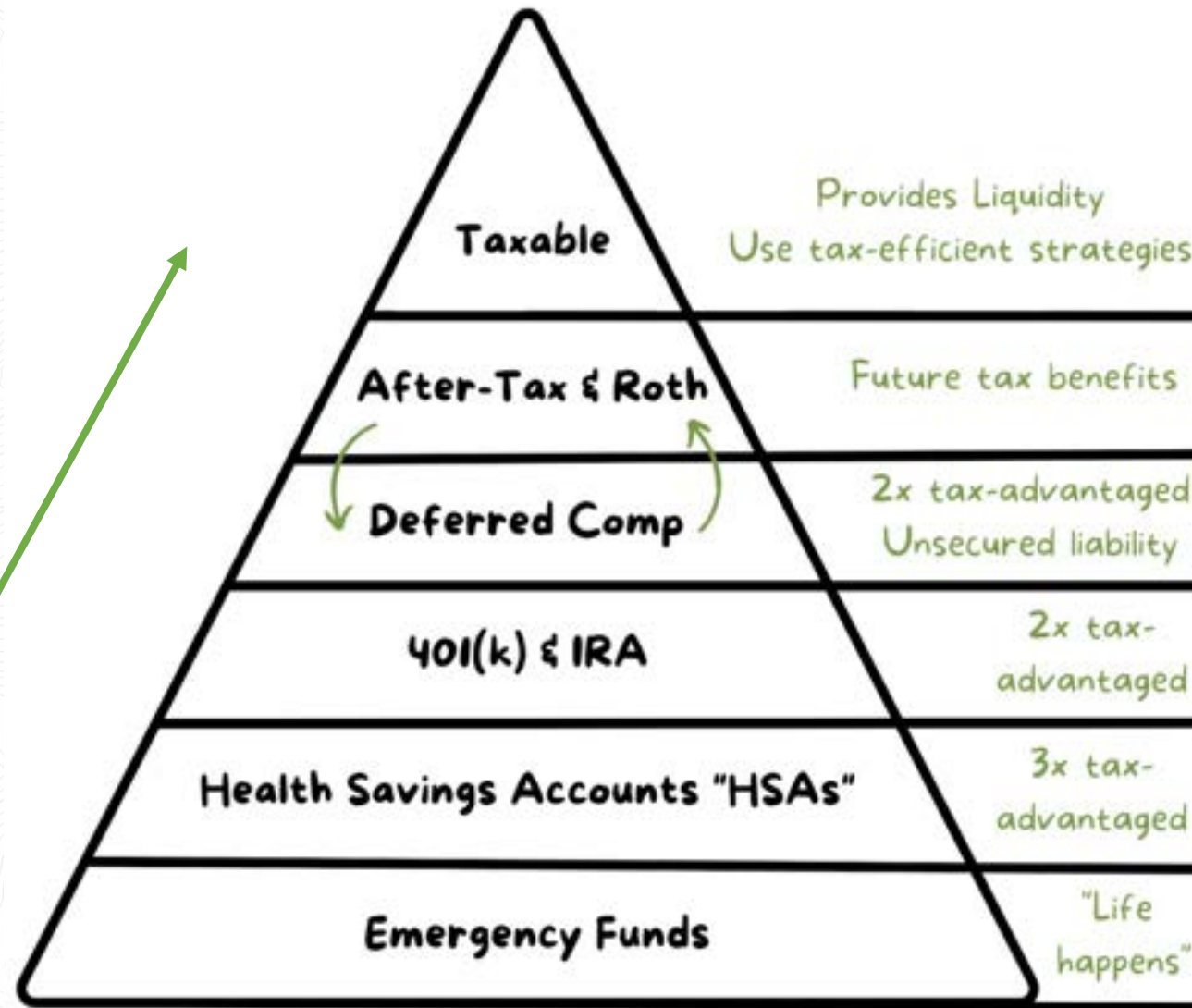
# MAXIMIZE TAX DEFERRED ACCOUNTS

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## Strategy #1



# Hierarchy of Account Types





# STRATEGY #1

## MAXIMIZE TAX-ADVANTAGED SAVINGS



### TAX-DEFERRED CONTRIBUTIONS

401(k): \$22,500 + \$7,500 CATCH-UP

HSA: \$7,750 + \$1,000 CATCH-UP

DCP: 75% SALARY + 100% BONUS

### TAX BILL

REDUCES TAXABLE INCOME

# STRATEGY #1

## WHAT'S IT WORTH?

- ✓ 32% marginal tax bracket
- ✓ \$72k remaining in the 32% bracket

Tax Savings @ Various Deferral Amounts



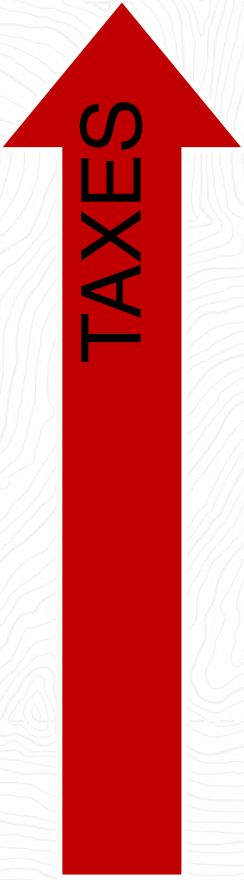


# USING RSUs TO FUND SAVINGS

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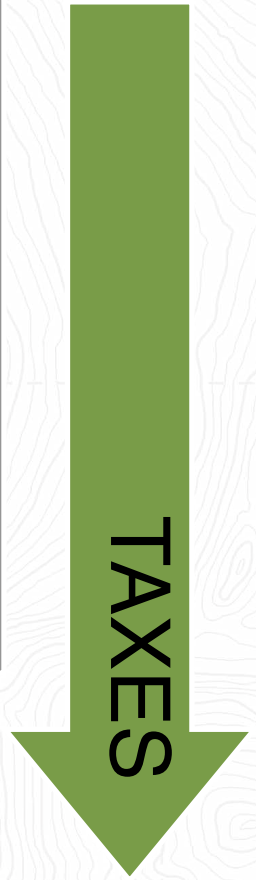
## Strategy #2





RSU  
Income

Tax-  
Advantaged  
Savings





# FUNDING TAX-ADVANTAGED SAVINGS VIA RSUS

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## Example #1

RSU Income \$100k

Additional Savings  
(HSA, 401k, IRA, Deferred Comp)

Tax Bill  
(@ 32% Federal Tax Bracket) \$32k

**TAXES SAVED \$0**

# FUNDING TAX-ADVANTAGED SAVINGS VIA RSUS

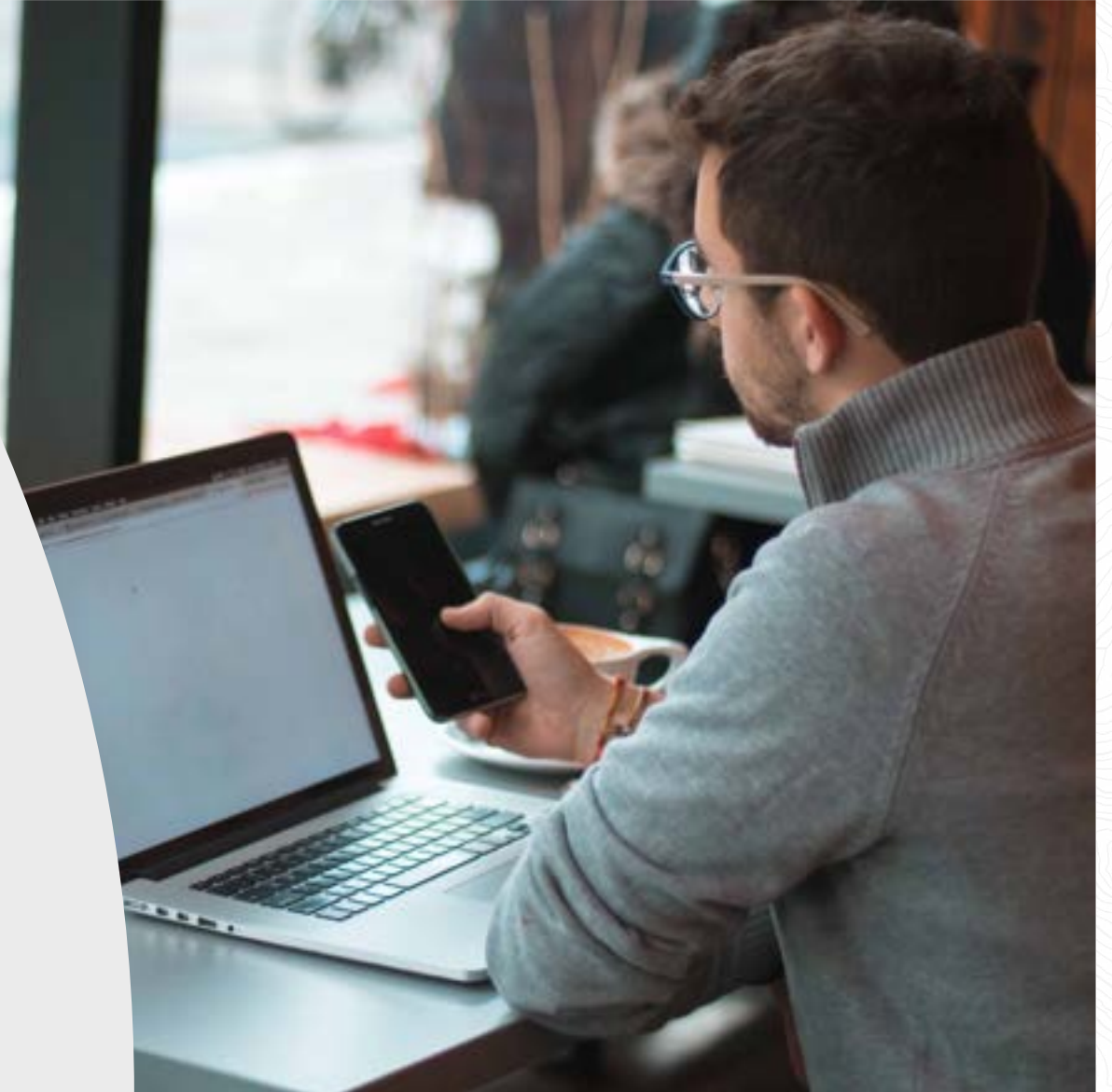
	Example #1	Example #2
RSU Income	\$100k	\$100k
Additional Savings (HSA, 401k, IRA, Deferred Comp)		\$70k
Tax Bill (@ 32% Federal Tax Bracket)	\$32k	\$9.6k
<b>TAXES SAVED</b>	<b>\$0</b>	<b>\$22,400</b>



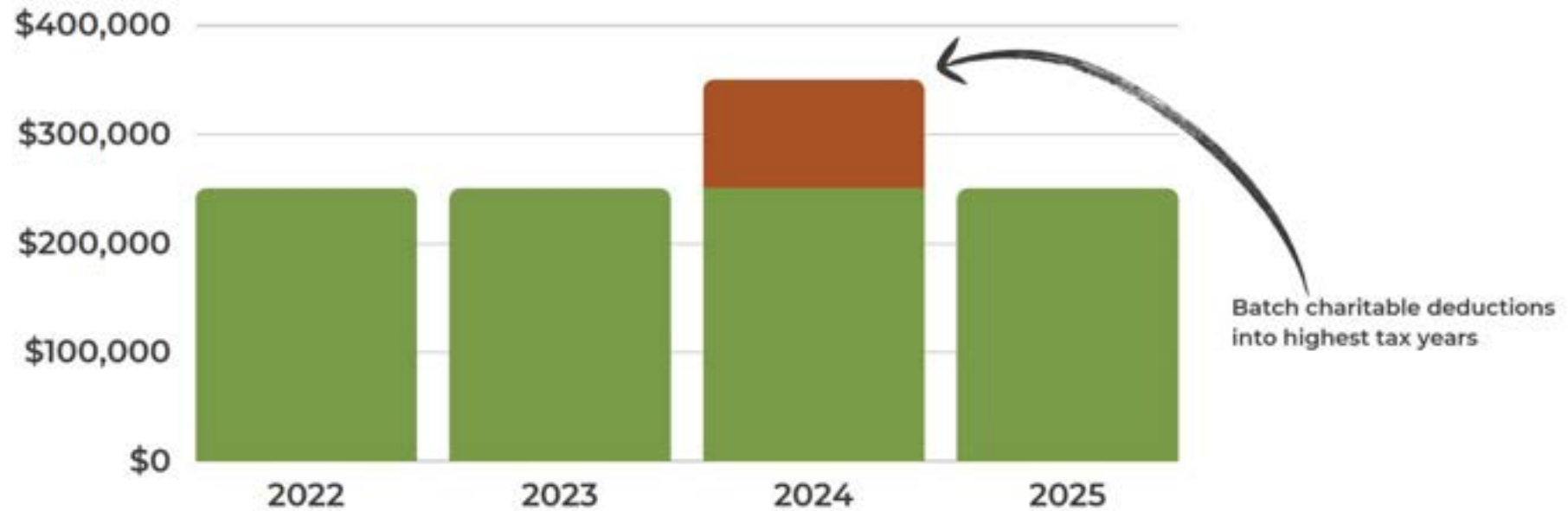
# CHARITABLE DEDUCTION BUNCHING

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## Strategy #3



# MULTI-YEAR INCOME PLANNING





# DEDUCTION BUNCHING

	Standard Deduction
Mortgage Interest	\$12,000
Charitable Deduction	\$5,000
SALT	<u>\$10,000</u>
Total	\$27,000
Total Deduction (Greater of above total or \$27,700 for 2023)	\$27,700

# DEDUCTION BUNCHING

	Standard Deduction	Itemized Deduction with Bunching
Mortgage Interest	\$10,000	\$12,000
Charitable Deduction	\$5,000	\$25,000
SALT	<u>\$10,000</u>	<u>\$10,000</u>
Total	\$25,000	\$47,000
Total Deduction (Greater of above total or \$27,700 for 2023)	\$27,700	\$47,000
<b>TAXES SAVED</b> (@ 32% Federal & 9% State Tax Bracket)		<b>\$7,913</b>



# USING A DAF

- ✓ Open a Charitable fund
- ✓ Contributions deductible in the YR received
- ✓ Assets grow tax-free
- ✓ Grants made to charities at any time



**PRO TIP → DONATE  
APPRECIATED SHARES**

# TAX EFFICIENT PORTFOLIO

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## Strategy #4





# STRATEGY #4

## BUILDING A TAX-EFFICIENT PORTFOLIO

- ✓ Limit turnover
- ✓ Asset location
- ✓ Use ETF's vs. Mutual Funds
- ✓ Tax-Loss Harvesting

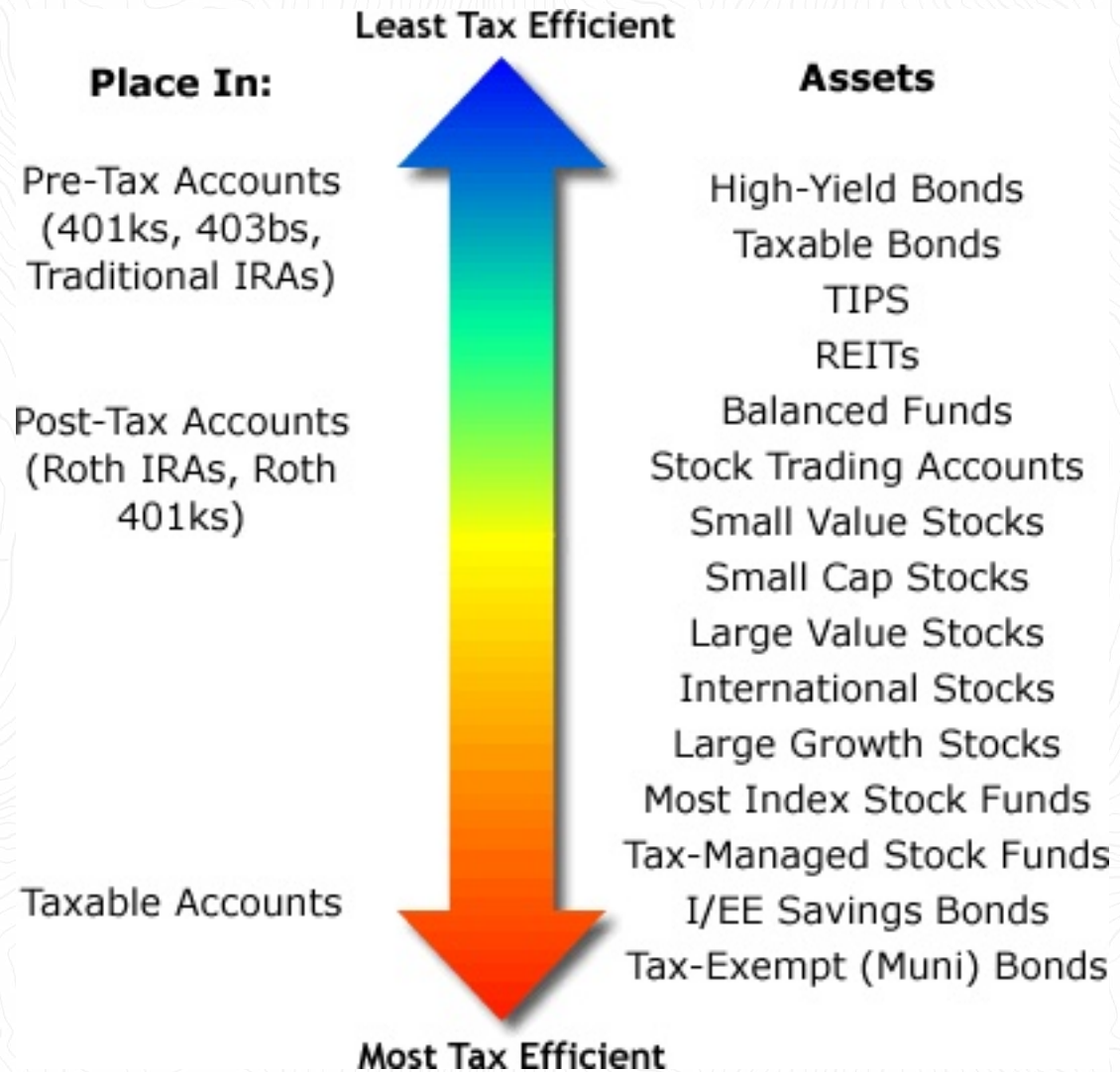
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# STRATEGY #4

## BUILDING A TAX-EFFICIENT PORTFOLIO

### ASSET LOCATION



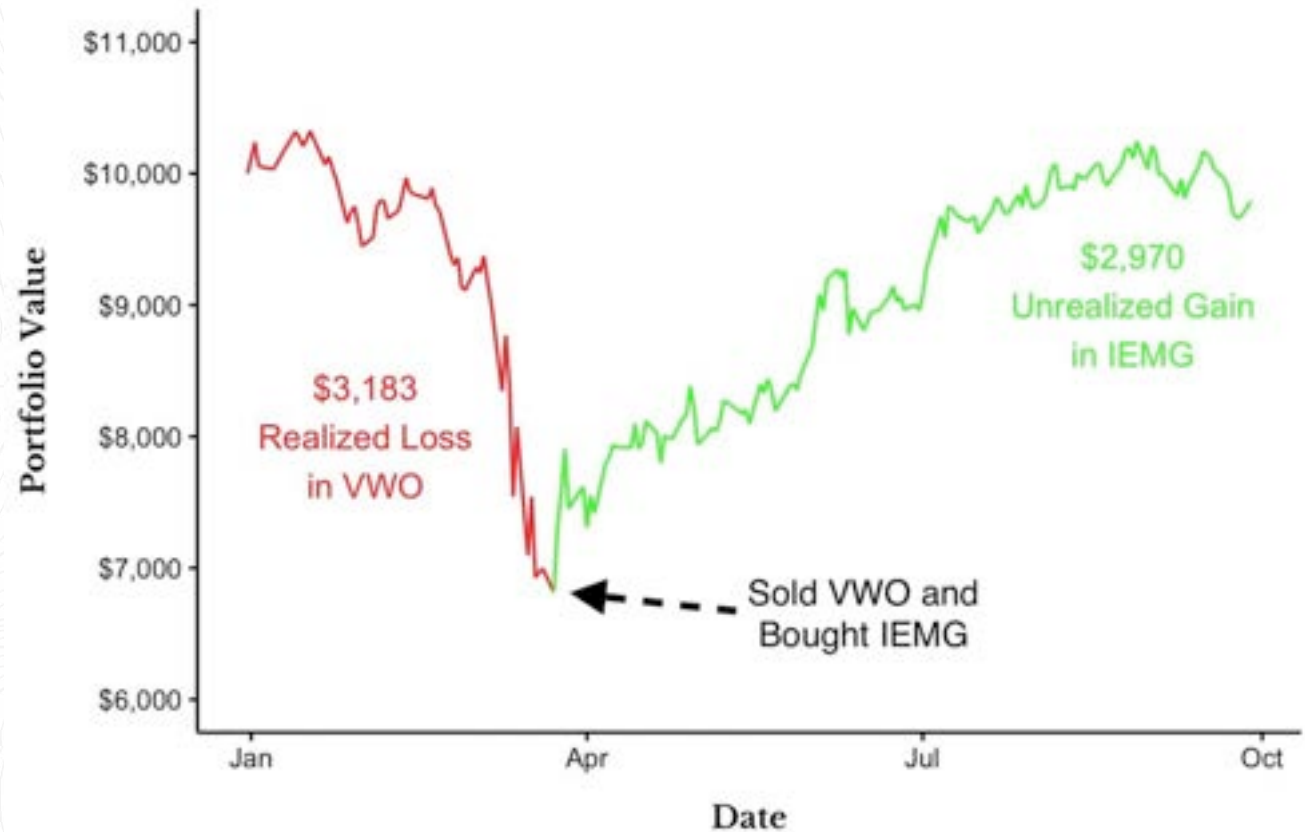


# STRATEGY #4

## BUILDING A TAX-EFFICIENT PORTFOLIO

### TAX-LOSS HARVESTING

Tax Loss Harvesting  
Realized Loss vs. Unrealized Gains



Source: YCharts (OfDollarsAndData.com)

# DOWN YEARS

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## Strategy #5



# 0% CAPITAL GAINS!

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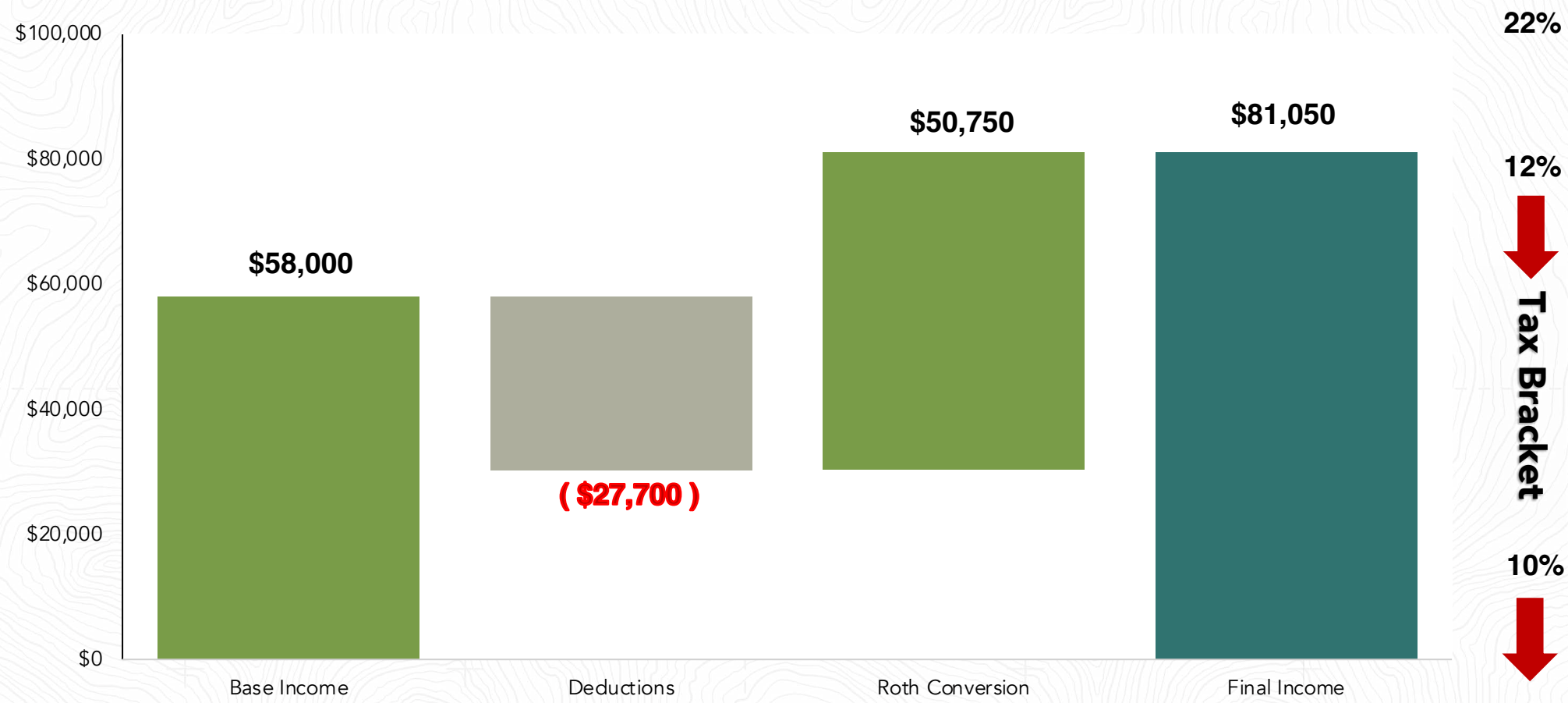
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# ROTH CONVERSIONS





# POLL TIME

How confident are you that you're not paying more in taxes than you legally have to?

# RECAP & ACTIONS

## 1. WHAT DO YOU THINK SHOULD HAPPEN AS A RESULT OF THIS WEBINAR?

- Increase funding to tax-deferred accounts...
- Use RSUs to fund savings...
- Optimize charitable giving strategy...
- Improve the tax efficiency of your portfolio...
- Leverage years with low income...



# RECAP & AR'S

1. WHAT DO YOU THINK SHOULD HAPPEN AS A RESULT OF THIS WEBINAR?

2. IF YOU DID THIS, HOW WOULD IT BENEFIT YOU (OR WHAT BAD OUTCOMES WOULD BE AVOIDED)?

# RECAP & AR'S

1. WHAT DO YOU THINK SHOULD HAPPEN AS A RESULT OF THIS WEBINAR?
2. IF YOU DID THIS STEP, HOW WOULD IT BENEFIT YOU (OR WHAT BAD OUTCOMES WOULD BE AVOIDED)?
3. WHAT'S LIKELY TO GET IN THE WAY? HOW DO YOU SEE YOURSELF GETTING PAST THAT?



# POLL TIME

Overall, how would you rate this webinar?

# POLL TIME

Would you like to schedule a personal assessment?



# QUESTIONS

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# THANK YOU

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# DISCLOSURES

This webinar is provided for educational and informational purposes only and is not to be considered personal investment, tax, or legal advice. Our financial planning process includes investment recommendations and provides tax guidance, but it is not meant to represent formal tax advice. Please consult with your tax, legal and financial advisors before engaging in any transactions.

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