As we approach year-end, here are five quick tax tips that could save you money and set you up for future benefits:

💸 1. **Open a 529 Plan**

- Start one for your child, yourself — even your neighbor!
- Just $100–$200 starts the 15-year clock.
- After 15 years, up to **$35,000** can be rolled into a **Roth IRA**.
- There may even be a state tax deduction for contributions. Check your State provider or with Financial Advisor for more information.

👦 **2. Open a Roth IRA for Young Earners**

- If your child has earned income, they qualify.
- Starting early begins the 5-year clock for tax-free growth.
- A few hundred dollars is enough to open one.

🌞 **3. Make Energy-Efficient Home Upgrades**

- Install windows, doors, solar panels, or HVAC systems.
- Claim up to **30% in tax credits before they expire on 12/31/25**.
- IRS - Energy Efficient Home Improvements

🏥 4. **Maximize Medical Deductions**

- If you had high medical bills this year, you may qualify to deduct expenses.
- Consider pre-paying for braces, glasses, prescriptions, etc.
- Credit card payments count as paid this year.
- IRS - Medical Deductions

❤️ **5. Accelerate Charitable Giving**

- Make 2026 donations in 2025 to avoid new deduction limits starting **1/1/26**.

- We still encourage taxpayers to use the QCD (qualified charitable distribution) for those currently receiving RMD.
- IRS- Charity IRS - QCD

💰 6. Contribution Limits for 2025

- Max out retirement options available to you
- Starting in 2025, eligible employees **aged 60–63** can contribute up to $11,250 in catch-up contributions to their 401(k), 403(b), or governmental 457 plans

💼 Employer-Sponsored Plans

Plan Type	Age <50 Limit	Age 50+ Catch-Up	Age 60–63 Super Catch-Up	Total Possible
401(k), 403(b), 457	$23,500	+$7,500	+$11,250	Up to $34,750
SIMPLE IRA	$16,500	+$3,500	+$5,250	Up to $21,750

🏦 Individual Retirement Accounts (IRAs)

Plan Type	Base Limit	Age 50+ Catch-Up	Total Possible
Traditional IRA	$7,000	+$1,000	$8,000
Roth IRA	$7,000	+$1,000	$8,000

Bonus - Planning Ahead

🎲 Gambling Loss Deductions Change

- Starting in 2026, under the new OBBBA law, only 90% of gambling losses will be deductible — even if you itemize.
- Losses are still limited to the amount of your winnings.
  - Example: Win $10,000 and lose $10,000 — only $9,000 will be deductible, and you'll owe tax on $1,000 of "phantom income."

- Keep detailed records: dates, locations, amounts wagered, winnings/losses, and supporting documents.

Let us know if you'd like help with any of these — we're here to make tax planning easy!

Warmly,

J&J Financial Management