G&L SMART PLANS

YOUR FINANCIAL GENERAL CONTRACTOR™

TAX MITIGATION GUIDE

The Tax Mitigation Playbook

A coordinated guide to keeping more of what you've built, protecting it, and passing it on.

Written for families, business owners, and professionals preparing for a major financial transition — and for anyone who wants their advisors working as one team rather than in separate rooms.

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What's Inside

INTRODUCTION

Why This Guide Exists

Taxes are often the single largest expense a family, retiree, professional, or business owner will ever pay — larger, over a lifetime, than the house, the cars, or even college tuition combined.

Yet most people manage their tax picture reactively, one April at a time, with advisors who never speak to one another. The return gets filed accurately, but the opportunity that mattered most — the decision made nine months earlier, before a sale closed or a distribution was taken — has already passed. Tax preparation records history. Tax planning changes it.

This guide brings together, in one place, the strategies we use most often to help clients keep more of what they've earned. It isn't a replacement for personalized advice, but it will give you a clear, practical starting point for the conversations worth having before your next major financial decision.

At G&L Smart Plans, tax mitigation isn't a service we sell separately. It's a lens we apply to every recommendation — whether we're helping a client build wealth, protect it, draw income from it in retirement, or pass it to the next generation.

Before You Read Further

As you move through the strategies on the following pages, keep three questions in mind. They are the same three we ask in a first meeting, and your answers usually reveal which strategies deserve attention first.

- **What is changing in the next 24 months?** A sale, a retirement date, a Medicare enrollment, an inheritance, a large bonus or vesting event.
- **Where are your dollars sitting today?** The split between taxable, tax-deferred, and tax-free accounts drives nearly every distribution decision you'll make later.
- **Who is connecting the pieces?** If it's "no one," that gap is usually the costliest line item.

The Financial General Contractor™ Difference

Most financial professionals specialize in one piece of the puzzle. Some manage investments. Some offer insurance. Some prepare tax returns. Some draft estate documents. Very few coordinate all of these pieces together — which means the burden of coordination usually falls on you, at exactly the moments you have the least bandwidth for it.

We serve as our clients' Financial General Contractor™ (FGC™). Just as a general contractor oversees every trade involved in building a home, we oversee every specialist involved in building, protecting, distributing, and transferring your wealth — including your investment advisor, CPA, estate attorney, insurance specialist, and other professionals.

> Our role isn't to perform every service ourselves.
>
> It's to make sure every specialist on your team is working from the same blueprint, toward the same goals, instead of making recommendations in isolation.

THE FRAMEWORK

Our Four Pillars

Everything we do fits into four simple pillars, with tax mitigation woven through each one. Most plans fail not because a single pillar is weak, but because the four are never connected.

01

Build

Accumulating wealth efficiently through investment management, retirement savings, business growth strategies, tax-efficient saving, and cash flow planning — with attention to which dollars belong in taxable, tax-deferred, and tax-free buckets.

02

Protect

Shielding wealth from unnecessary risk and unnecessary taxation through insurance planning, long-term care planning, asset protection, liability planning, and healthcare cost planning.

03

Distribute

Creating tax-efficient retirement income through Roth conversion planning, distribution strategy, guaranteed lifetime income, RMD planning, IRMAA planning, Social Security optimization, and bracket management.

04

Transfer

Helping wealth move efficiently to the next generation through estate planning, trust coordination, beneficiary reviews, charitable planning, and estate and income tax mitigation.

SECTION FOUR

Core Tax Mitigation Strategies

Below are the strategies we return to most often. Which apply to you depends on your income sources, your assets, your timeline, and your goals — exactly what a coordinated review is designed to uncover.

01 Capital Gains Deferral

If you're planning to sell a business, investment real estate, or a concentrated, highly appreciated stock position, the tax bill on that sale can quietly consume a large share of your proceeds. There are legitimate, well-established strategies to defer or reduce that liability — but nearly all of them must be in place **before the sale closes**, not after.

- Structuring the timing and method of a sale to manage the tax impact
- Qualified opportunity zone and other deferral strategies for eligible gains
- Installment sale structures that spread a gain — and the tax on it — over multiple years
- Charitable vehicles that reduce the taxable gain while funding a giving goal
- Coordinating with your CPA and closing attorney well ahead of the transaction

02 Charitable Giving Strategies

For clients who are charitably inclined, giving strategically can reduce your tax bill while increasing the impact of every dollar you give. The question is rarely whether to give — it's which asset to give, and in which year.

- Donor-advised funds for bunching multiple years of giving into one deduction year
- Qualified charitable distributions (QCDs) directly from an IRA once you're eligible
- Charitable remainder trusts for donors holding highly appreciated assets
- Gifting appreciated securities directly, rather than cash, to avoid realizing the gain
- Aligning a large gift with a high-income year so the deduction lands where it's worth most

03 Bonus Depreciation & Alternative Investments

Business owners and real estate investors have access to depreciation-based strategies that can meaningfully offset active or passive income in a given tax year — provided the timing lines up with the income they're meant to offset.

- Bonus depreciation on qualifying business or real estate assets
- Cost segregation studies to accelerate depreciation on investment property
- Alternative investment funds designed with tax efficiency in mind
- Understanding passive activity rules before committing capital

04 Roth Conversion Planning

Converting pre-tax retirement assets to a Roth account means paying tax now, at a known rate, in exchange for tax-free growth and withdrawals later. Done well, this is one of the most powerful tools available for managing your lifetime tax bill. Done without a plan, it can create an unnecessary tax spike that ripples into Medicare premiums and Social Security taxation.

- Identifying “low-income” years — often the window between retirement and RMDs — where conversions are most efficient
- Multi-year conversion schedules designed to avoid bracket creep
- Coordinating conversions with Social Security timing and Medicare premiums
- Choosing which account to pay the conversion tax from
- Modeling the long-term impact on your estate and your heirs' tax exposure

05 Retirement Distribution & RMD Planning

Once required minimum distributions begin, the order and manner in which you draw from your accounts has a direct, ongoing tax consequence. Planning ahead of that deadline preserves options you simply won't have once RMDs are mandatory.

- Sequencing withdrawals across taxable, tax-deferred, and tax-free accounts
- Pre-RMD planning windows to reduce future required distributions
- Qualified charitable distributions as an RMD-offsetting strategy
- Reviewing how inherited retirement accounts must be drawn down
- Coordinating distributions with other income sources to manage your bracket

06 IRMAA & Medicare Premium Planning

Many retirees are surprised to learn that a single high-income year — often triggered by a Roth conversion, a capital gain, or an RMD — can increase their Medicare Part B and Part D premiums. Because the determination looks back two years, the surcharge often arrives long after the decision that caused it.

- Reviewing income two years ahead of a planned Medicare enrollment
- Timing large one-time income events to stay under IRMAA thresholds
- Spreading a conversion or sale across tax years where possible
- Understanding appeal options for legitimate life-changing events

07 Social Security Optimization & Bracket Management

When you claim Social Security — and how that income interacts with your other withdrawals — affects both your lifetime benefit and how much of that benefit is taxable. Claiming decisions made in isolation routinely cost more than the market ever will.

- Comparing claiming ages against your full retirement picture, not in isolation
- Coordinating claiming decisions with Roth conversion and withdrawal timing
- Managing provisional income to reduce the taxable portion of benefits
- Reviewing spousal and survivor implications as part of the decision

08 Estate & Income Tax Mitigation

Transferring wealth efficiently means minimizing both estate exposure and the income tax your heirs may owe on what they inherit. A well-drafted estate plan can still deliver a poor outcome if the underlying accounts aren't titled and designated to match it.

- Trust structures suited to your family's specific goals
- Beneficiary designation reviews across retirement and insurance accounts
- Step-up in basis planning for appreciated assets
- Coordinating lifetime gifting with your overall estate tax exposure
- Preparing heirs for the tax treatment of what they'll receive

SECTION FIVE

Who This Planning Serves Best

This guide — and the planning process behind it — tends to create the most value for:

- Families preparing for retirement
- Business owners, including those preparing for a sale
- Retirees already drawing income from their assets
- Professionals with high, concentrated, or variable income
- Real estate investors
- Individuals facing a significant, one-time tax event
- Families focused on legacy and wealth transfer
- Anyone whose advisors have never spoken to each other

SECTION SIX

Staying On Track: CNav30™

A plan is only as good as the follow-through behind it.

CNav30™ (Control Navigator 30) is our ongoing planning and accountability process — regular reviews, strategy updates, and coordination among your professional team, so your plan stays current as tax law, income, and life circumstances change.

Think of it as the project management system that keeps your financial blueprint on track long after the initial plan is built. Tax law changes. Income changes. Families change. A strategy that was ideal three years ago may be the wrong one today, and the only way to know is to look on a schedule rather than by accident.

SECTION SEVEN

Your Next Step

Every strategy in this guide works best when it's put in place ahead of the event that triggers it — a sale, a large distribution, a Medicare enrollment, an inheritance. The sooner we understand your full picture, the more options remain available to you.

GOING BEYOND

Beyond Wealth Management

Building wealth is only half the job. We help individuals, families, and business owners build, protect, distribute, and transfer wealth through coordinated investment, tax, retirement, estate, and legacy planning.

BUILD | PROTECT | DISTRIBUTE | TRANSFER

COMPLIMENTARY DISCOVERY CALL

Let's find out which strategies apply to you.

Thirty minutes, your full picture, and a clear view of what to address first.

SCHEDULE YOUR DISCOVERY CALL

— The Team at G&L Smart Plans