

# Make Tax and Estate Planning a Priority in 2025

Wealth Planning | Estate and Tax Planning

Now that we are off and running in 2025, it is important to not lose sight of our New Year's resolutions. For many, those resolutions focus on physical fitness, but financial fitness can be just as vital. Two important, yet often overlooked components of financial fitness are tax and estate planning. To help improve your financial fitness in 2025, consider the following tax and estate planning New Year's resolutions:

- 1) **Review (and revise) Form W-4.** Form W-4 is the form that determines the amount of income tax withheld from your paychecks. It's a good idea to periodically review the Form W-4 you have on file with your employer. Life changes, such as a wedding, divorce, or new baby, can affect your tax liability for the year. If you're not sure whether an update to your Form W-4 is in order, consider utilizing the IRS Tax Withholding Estimator at [apps.irs.gov/app/tax-withholding-estimator](https://apps.irs.gov/app/tax-withholding-estimator).
- 2) **Look for opportunities for tax deferral and/or tax-free growth.** If you're still working, consider increasing your contribution rate to your 401(k), 403(b), or other employer-sponsored retirement plan. If you're already making the maximum contribution, consider contributing to a traditional or Roth IRA. If you already have pre-tax dollars in a traditional IRA, talk to your qualified tax professional about the potential benefits of executing a Roth conversion – an option available regardless of whether you're still earning income. If eligible, consider making a tax-deductible contribution to a Health Savings Account (HSA).
- 3) **Utilize annual exclusion gifting.** In 2025, you can make annual gifts of up to \$19,000 per recipient without estate or gift tax consequences.
- 4) **Make sure core estate planning documents are in place.** Everyone, regardless of net worth, should discuss with an attorney the need for the following documents: a will, a revocable living trust, a general durable power of attorney, a durable health care power of attorney, and an advance health care directive or living will. If you don't already have these documents in place, consult an attorney.
- 5) **Review existing estate planning documents with an attorney.** If your estate planning documents are in place, have them reviewed by an attorney every three to five years or upon experiencing a significant life event. This ensures the documents continue to reflect your intentions and comply with current law.

Knowledge is crucial to financial fitness. Accordingly, you should familiarize yourself with the current income, estate, and gift tax laws. Stifel's Estate & Tax Planning Team has created a snapshot of the 2025 tax framework with its "2025 Quick Tax Facts." Ask your Stifel Financial Advisor for a copy today!

*Stifel does not provide legal or tax advice. You should consult with your legal and tax advisors regarding your particular situation.*