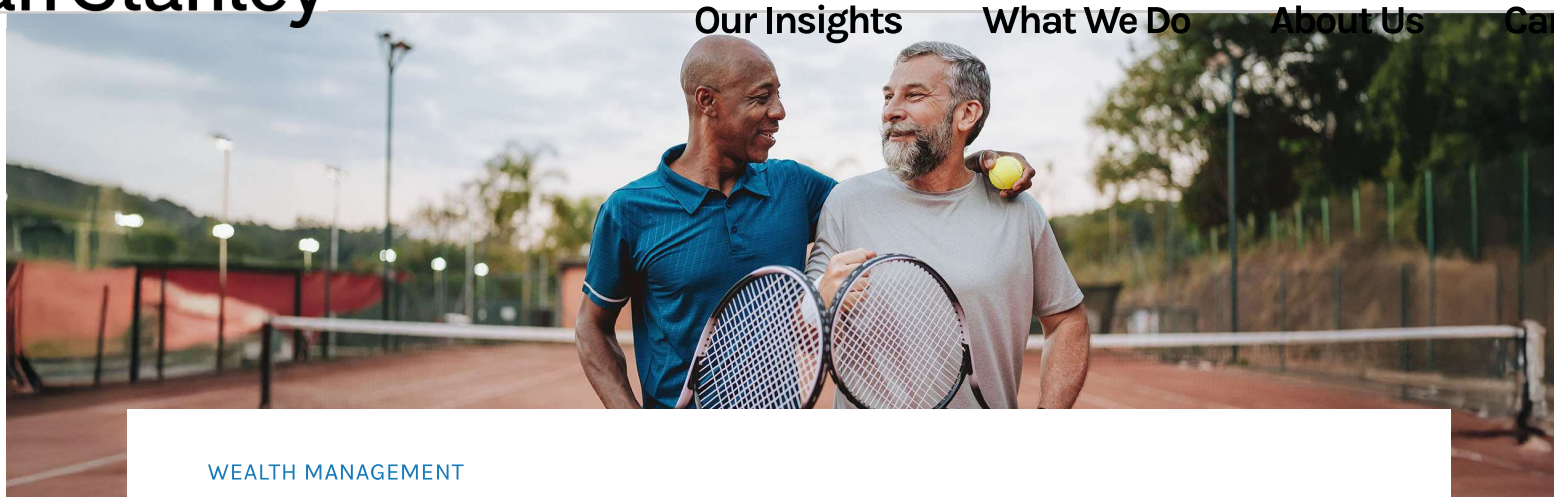




WEALTH MANAGEMENT

6 Tax-Smart Strategies for Your Retirement

Smart tax planning can help you save more for retirement and keep more of what you've already saved. Consider these tax-efficient retirement planning strategies.

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Key Takeaways

- You generally have until April 15, 2026, to make contributions to an individual retirement account (IRA) for the 2025 tax year and potentially decrease your taxable income for the 2025 tax year.

- Consider making a qualified charitable distribution to help meet your philanthropic goals while also potentially reducing taxes.

Knowing how and when taxes could affect your retirement savings may help you reduce your taxable income, generate tax-advantaged growth potential in your retirement accounts, and possibly keep more of what you've worked so hard to save.

Consider these tax-smart strategies when planning ahead.

1

Max Out Your IRA Contributions

The deadline to contribute to an Individual Retirement Account (IRA) for any given tax year is the due date of your federal income tax return of the following calendar year. For most individual taxpayers, that is April 15, 2026, for tax year 2025. Note the two primary types of IRAs:

1. Traditional IRAs, contributions to which may be federal tax deductible; or
2. Roth IRAs, for potential federal income tax-free distributions if certain conditions are met.¹ Roth IRAs are funded with after-tax contributions.

For the 2025 tax year, the maximum contribution to a Traditional or Roth IRA is the lesser of:



- \$7,000 (or \$8,000 if you are age 50 or older at any time during the calendar year).

These limits apply to all your traditional and Roth IRAs combined.²

For the 2026 tax year, the maximum contribution is \$7,500 (or \$8,600 if you are aged 50 or older at any time during the calendar year).

If you are self-employed or a small business owner, consider establishing a Simplified Employee Pension Plan (SEP IRA), which is an IRA-based retirement plan, and funding a SEP IRA with employer contributions made under that plan. Note that if your business employs any employees, the SEP IRA will likely have to cover the employees as well if they qualify.

The maximum employer contribution to a SEP IRA (or to your own SEP IRA) is the lesser of:

- 25% of your employees' eligible compensation, or if you are self-employed, 20% of your net earnings from self-employment; or,
- \$70,000 in 2025 and \$72,000 in 2026

The deadline to contribute is the due date of the federal income tax return for your business, which typically has the same due date as your individual federal income tax return.³

Consider a Roth IRA Conversion

Some individuals can't contribute directly to Roth IRAs if their income exceeds certain limits set by the Internal Revenue Code (the "Code"), but they may be able to convert a Traditional IRA to a Roth IRA.

The taxable amount converted (including the federal tax-deductible contributions as well as federal tax-deferred earnings) is subject to ordinary federal income tax for the year the conversion is made, but any potential future appreciation on the converted amount is federal income tax-free if certain requirements are satisfied.

Keep in mind, however, that such a conversion in the current tax year may increase your adjusted gross income and your commensurate federal tax liability for that year.

- It may be prudent to execute a Roth conversion (utilizing an in-kind transfer of securities) when those securities have a relatively lower market value as opposed to a higher or appreciated market value, such that the conversion generates less ordinary federal income tax.
- If you are considering a Roth IRA conversion, speak with your tax advisor about the appropriate time to execute this strategy.



than \$150,000 in the prior calendar year must have their catch-up contributions to their 401(k) or similar plan made on a Roth (after-tax) basis. For those earning less, the ability to make pre-tax catch-up contributions remains unchanged.

For the year 2025, however, employees age 50 and older who earned more than \$145,000 in the prior year can still make traditional (pre-tax) 401(k) catch-up contributions.⁴

4

Give Your Distribution to Charity

The rules around Qualified Charitable Distributions (QCDs) generally allow individuals age 70½ or older to make a QCD of up to \$108,000 in 2025 (and \$111,000 in 2026) directly from their IRAs (including Inherited IRAs) to an eligible charitable organization.⁵

Further, individuals may make a QCD from their IRA to a charitable organization by allowing a one-time distribution up to \$54,000 in 2025, (and \$55,000 in 2026), to certain split interest entities, including charitable remainder annuity trusts, charitable remainder unitrusts (CRUTS) and charitable gift annuities.

QCDs can count toward satisfying required minimum distributions (RMDs) for the year if certain rules are met.



However, if an individual makes a federal tax-deductible contribution after age 70 ½, the amount the individual can exclude from their federal taxable income as a QCD will generally be reduced.

If you're not yet 70 ½, you can still give to charity by donating appreciated stock directly to a qualified charity. If you meet certain requirements, this may allow you to avoid the capital gains tax you'd owe on the stock while also creating a tax deduction for the donation, as long as you itemize your taxes. For an IRA distribution to qualify as a QCD, it must satisfy certain requirements (e.g., must be paid directly from your IRA to an eligible charitable organization). Make sure to work with your tax advisor to ensure that you satisfy all the QCD requirements and that you have correctly reported QCDs on your federal tax return. Starting in 2026, charitable donations below 0.5 percent of adjusted gross income will not be deductible for taxpayers who itemize their deductions.

5

Consider a Smart Gift With Your Distribution

You can choose to take a retirement distribution to fund a 529 education savings plan for grandchildren or other family members. While your distribution will generally be subject to federal income tax, once you invest the funds in a 529 plan, they can potentially grow tax-free. Any withdrawal used for qualified higher education expenses, as defined by the IRS, will generally not be subject to income tax.⁶



to a Roth IRA maintained for the benefit of the general public by plan sponsor. Certain conditions. Such rollovers are subject to annual Roth IRA contribution limits and an overarching \$35,000 lifetime limit. Further, the 529 plan must be established and maintained for at least 15 years and the IRA owner must have compensation equal to or above the amount of the rollover.

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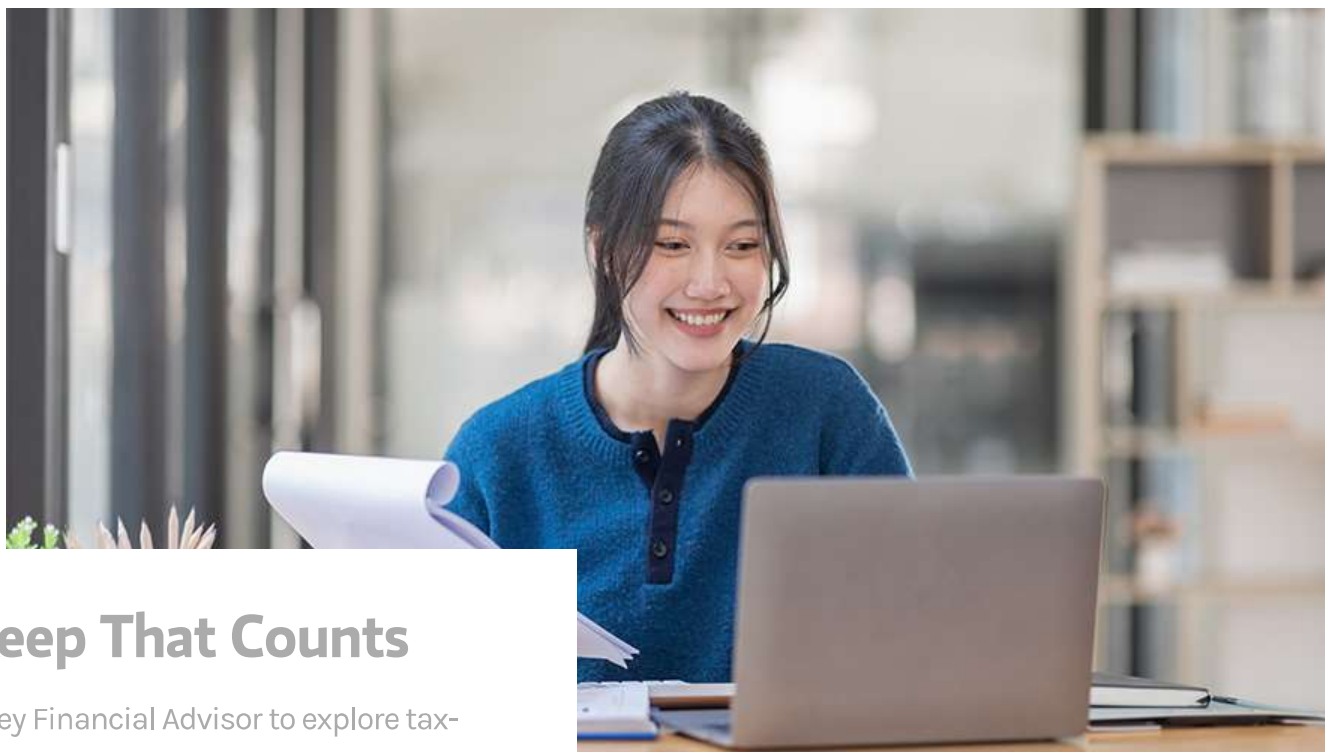
Save More in a Variable Annuity

If you've contributed the maximum allowable to your 401(k)s, IRAs and/or other tax-qualified retirement accounts, consider putting additional savings into variable annuities. A variable annuity benefits from tax-deferred growth potential until the contract owner takes the withdrawal. When you retire, depending on your annuity contract, you may be able to elect to receive regular income payments for a specified period or spread over your lifetime. Many annuities also offer a variety of living and death benefit options, usually for additional fees.

If you have complex tax planning needs, consider speaking with a tax advisor, who can help you optimize your tax strategy.

Start Planning Today

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