

ON COURSE

Preparing Your Wealth for Possible Tax Reform

JEREMY MOCEK



TAX REFORM

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Financial Planner

Tax planning is one of the few areas where proactive strategies can make a direct and measurable impact when it comes to managing wealth. For high-net-worth individuals and business owners, small changes in tax law can have outsized consequences – and waiting for legislation to pass is often too late.

As conversations around potential tax reforms continue – especially concerning capital gains, estate taxes, and income thresholds – now is the time to evaluate how your wealth is positioned. At Richard P. Slaughter Associates, we help clients take a forward-looking approach to tax planning to protect assets and align every dollar with their long-term goals.

Why Waiting Is Risky

Tax policy in the U.S. is dynamic, shifting with the political and economic landscape. In recent years, there have been proposals to:

- Increase capital gains tax rates for high-income earners

- Reduce estate tax exemptions
- Raise income tax rates on top brackets
- Introduce new minimum taxes on ultra-high-net-worth individuals

While not all proposals become law, history shows that tax reform often arrives faster than expected – and sometimes with retroactive provisions. That's why building flexibility into your wealth strategy is essential now.

Key Areas Where Proactive Tax Planning Matters

1. Capital Gains Planning

Long-term capital gains currently enjoy favorable tax treatment compared to ordinary income. However, if tax rates rise for high earners, realizing gains today – before a change occurs – could be beneficial.

The key is to evaluate which assets could be sold to lock in gains under current rules and which should be held longer for strategic purposes. In some cases, charitable giving

(e.g., donating appreciated stock) can help mitigate tax exposure while supporting meaningful causes.

2. Income Deferral and Acceleration

Timing is everything for clients expecting unusually high income in a given year – such as from a business sale or bonus. By working with you and your CPA, we can evaluate whether it makes sense to accelerate or defer income and deductions depending on your long-term tax projections.

This coordination is especially important for business owners approaching a liquidity event. Strategically structuring the sale and timing distributions can have a multi-million-dollar impact. An example of that situation is outlined below.

3. Roth Conversions and Retirement Accounts

With the possibility of higher future tax rates, converting traditional IRAs to Roth IRAs may offer long-term tax advantages – particularly if done during lower-income years or market downturns.

We help evaluate the tax cost of conversion today versus the benefit of tax-free growth and distributions in the future, always aligning with your broader financial goals.

4. Estate and Gift Planning

The current federal estate tax exemption (over \$13 million per individual) is set to sunset in 2026 unless Congress acts to extend it. That creates a potential use-it-or-lose-it opportunity for those planning to transfer significant wealth.

Slaughter Associates partners with estate planning attorneys to help clients explore options like:

- Spousal Lifetime Access Trusts (SLATs)
- Grantor Retained Annuity Trusts (GRATs)
- Gifting strategies that leverage annual exclusions or family-owned entities

plan with tax efficiency in mind. We coordinate closely with your CPA, estate attorney, and other professionals to ensure all elements of your financial life work in concert.

Our services include:

- Tax-aware portfolio management: We manage your taxable accounts to minimize capital gains, harvest losses when

“Tax planning is not just about reducing liability in a current year. It’s about optimizing your wealth over decades and generations.”

Our Role: Coordinated and Strategic

At Richard P. Slaughter Associates, our value in tax planning lies in integration and foresight. While we don’t prepare tax returns, we proactively manage your investments and your financial

appropriate, and maintain optimal asset location.

- Scenario modeling: We run projections under various tax regimes to show you the long-term impact of potential changes.
- Withdrawal strategy planning: We help determine the most

ABOUT RICHARD P. SLAUGHTER ASSOCIATES, INC.

Richard P. Slaughter Associates is a leading wealth-management firm specializing in delivering tailored strategies as a fiduciary for high net worth individuals, families, and businesses. Slaughter Associates constructs a comprehensive financial relationship with its clients by delivering expertise in financial planning and asset management while coordinating with tax, insurance and estate professionals. The result is a holistic approach—unique in the financial industry—that generates a clear path to the individual financial goals of the client. Founded in 1991 in Austin, Texas, Slaughter Associates was among the first fee-only firms in the nation, a fiduciary status that allows it the freedom to provide advice that is always in the best interests of the client. Slaughter Associates is a NABCAP Premier Advisor, recognized for its commitment to maintaining top business standards, first-class financial-management capabilities and dedication to preserving transparency in the financial services industry.

EXPERTISE

Areas of Expertise
Specialization in comprehensive wealth-management services for families with over \$1 million in net worth

Other Interesting Fact
One of the first fee-only advisor firms in the United States

tax-efficient way to draw from IRAs, brokerage accounts, and other assets, especially in retirement or during major transitions.

The Cost of Inaction

Too often, we see families pay more in taxes than necessary – not due to poor planning, but due to delayed action. Tax strategies are most effective when implemented before a triggering event (such as a sale, a large withdrawal, or new legislation).

Tax planning is not just about reducing liability in a current year. It's about optimizing your wealth over decades and generations.

With potential tax changes on the horizon, now is the time to assess your financial structure. Tax policy may be uncertain, but your ability to plan doesn't have to be.

At Richard P. Slaughter Associates, we bring clarity, coordination, and confidence to your tax strategy. Our team

helps you think ahead, adapt wisely, and ensure that more of your wealth goes toward what matters most – to you and your family. 🌊



Richard P. Slaughter
Associates

Jeremy Mocek, CFP®, APMA®

Executive Vice President

Richard P. Slaughter Associates, Inc.

9600 North Mopac Expressway, Suite 600

Austin, TX 78759

Tel. 512-918-0000

invest@slaughterinvest.com

slaughterinvest.com
