



CAMBRIDGE TRUST

PRIVATE BANKING WEALTH MANAGEMENT

Important Tax Changes in 2023 and 2022 Year-End Financial Planning Checklist

With year-end fast approaching, now is the perfect time to review your financial planning needs with your Cambridge Trust Relationship Manager. Below are important tax changes for 2023 and on the reverse side is a 2022 year-end planning check list to help you assess year-end tax planning opportunities. Please consult with your tax professional or estate planning attorney as you consider these options.

	2023	2022
Retirement Contributions		
401k (including Roth 401k)	\$22,500 (\$30,000 ages 50+)	\$20,500 (\$27,000 ages 50+)
IRA (Traditional and Roth)	\$6,500 (\$7,500 ages 50+)	\$6,000 (\$7,000 ages 50+)
SEP-IRA	\$66,000	\$61,000
New Standard Deduction		
Married couples filing jointly	\$27,700	\$25,900
Single or married filing separately	\$13,850	\$12,950
Age 65 or older, or blind (MFJ or MFS)	Add \$1,500 to your standard deduction, per person	\$1,400
Age 65 or older (single or head of household)	Add \$1,850 to your standard deduction, per person	\$1,750
Annual Gift Exclusion and Estate and Gift Tax Exemption		
Annual gift exclusion	\$17,000	\$16,000
Estate & gift tax exemption	\$12.92mm per individual	\$12.06mm per individual

2022 Year-End Financial Planning Checklist

Investments

- Review/Update allocations & strategies
- Rebalance portfolios if appropriate
- Consider recognizing capital gains/losses
- Review strategies to avoid wash sale losses
- Use of carry forward tax losses

Fund Retirement Accounts

- Contribute to health savings account (HSA)
- Spend flexible spending account (FSA) funds¹
- Review beneficiary designations
- Consider Roth IRA conversion
- Ensure Required Minimum Distributions are taken
- Review benefit elections for Social Security and Medicare

Estate Planning

- Complete annual gifts
- Fund charitable giving
- Consider Qualified Charitable Distribution from IRA
- Confirm existing Wills/Trusts still appropriate for current goals
- Contribute to 529 plans

Insurance

- Confirm life/health/disability insurance coverages are appropriate
- Review auto & homeowner's insurance

Housekeeping Items

- Review 2023 annual expenses & cash flows
- Plan for large expenditures/vacations next year
- Consider credit monitoring & identity protection

2022 Miscellaneous Year-End Thoughts

- The charitable deduction for non-itemizing taxpayers was not extended, so you can no longer deduct up to \$600 for a married filing joint (MFJ) return.
- The MA 529 College Savings Plan tax deduction (up to \$2,000 MFJ) is now permanent on Schedule Y.
- If you pay rent in MA, you can deduct up to \$3,000, per return, on your MA individual income tax return.
- Review your estate plan and consider if it still meets your goals. If you do not have an estate plan, find a qualified estate planning attorney who can prepare an estate plan for you and your family.

CambridgeTrust.com

¹2022 FSA balances can potentially be rolled to 2023. Please consult with your benefits provider.

Deposit products offered by Cambridge Trust are insured by the Federal Deposit Insurance Corporation (FDIC).