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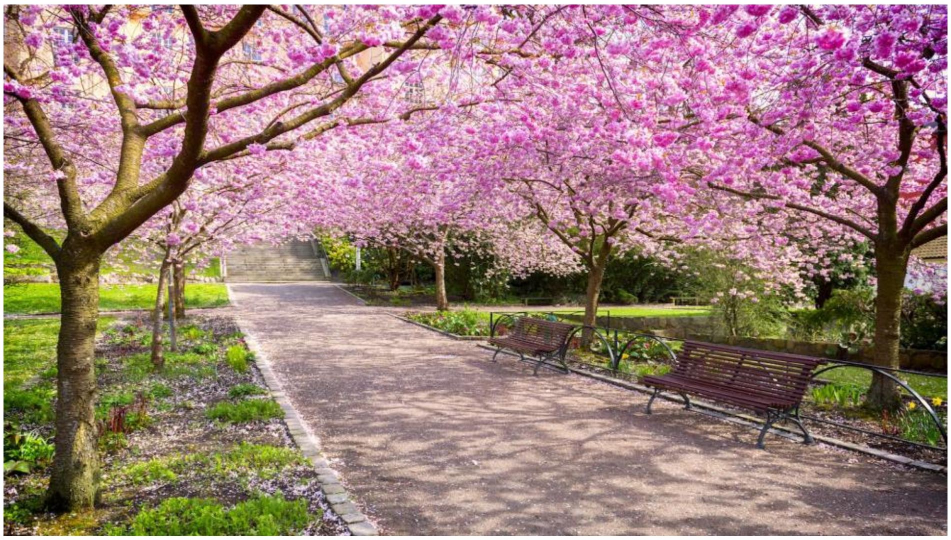

April 8, 2025

# Top Ten Scams When It Comes to Your Taxes

There are only 7 or so days left to file your taxes for 2024... at least for most people. Those that find themselves in a declared disaster area now have until May 1st. All of North Carolina has been declared a disaster area. Unfortunately, this is also the time of year when bad people try to extract money from good people with various tax scams. If you get an email or phone call from the "IRS", it likely is not from the IRS, so never respond. Instead, reach directly out to the IRS at 800-829-1040 or go to https://www.irs.gov/. Here is the list of the top ten scams according to the Internal Revenue Service:

10) Scammers who offer individual online account help asking for your Social Security number.

9) Improper household employment taxes – have someone helping in your home for cleaning, health care, etc.? You should be withholding and filing taxes. They will "help" you file "properly".

8) Ghost tax return preparers – watch out for those preparers who will do your tax return for a very low cost or based on the size of the refund.

7)  False fuel tax credit claims – this credit is primarily available to farmers and off highway businesses.

6)  Offers of compromise that are misleading – a service you don't need unless you owe the IRS money in the first place.

5)  Self-employment tax credit – there is no such thing.

4)  Bad internet advice – you go out to the internet and get tricked into going to a malicious website.

3)  Fake charities – scammers convincing you to donate money to what sounds like a great charity, but it doesn't really exist.

2)  New client scams and spear phishing – they go after unsuspecting tax preparers by the scammer pretending to be a prospective client.

1) Email phishing scams – no surprise here but remember the IRS does NOT contact you by email regarding your taxes.*

## You Got Married, Now What?

Congratulations on tying the knot! As you embark on this new chapter of your life, aligning your financial goals and strategies is crucial. Besides potentially changing your name in 14+ places, here are the important steps to take as newlyweds to ensure you're on the same financial page:

**Open Communication**: Start by having an honest conversation about your financial situations. Discuss your individual incomes, debts, assets, and financial habits. This transparency will set the foundation for your shared financial future. It's also important to set recurring check-ins to make sure you stay on the same page.

**Set Goals Together**: Discuss and prioritize your short-term and long-term financial objectives. Whether it's saving for a home, planning for children, or preparing for retirement, having shared goals will help guide your financial decisions. Using the SMART (Specific, Measurable, Achievable, Realistic, and Time-bound) framework can help you in setting realistic goals.

**Create a Checklist**: Develop a to-do list that includes updating beneficiaries on accounts and insurance policies, changing your marital status on tax forms, and considering joint health insurance options. This checklist will help you tackle important administrative tasks and get started on your goals.

**Establish a Shared Budget**: Create a comprehensive budget incorporating both partners' incomes and expenses. Consider using the 50/30/20 rule as a starting point: 50% for needs, 30% for wants, and 20% for savings and debt repayment. You should also make sure that you have an emergency fund.

**Merge Your Finances**: Decide how you'll combine your finances. Many couples find success with a hybrid approach: One example of this is each spouse keeping their own "spending account," which the other partner has no say over. This balance can help maintain some financial independence while fostering unity in major financial decisions.

**Review Insurance policies and estate documents**: Assess your insurance coverage, including life, health, and disability insurance. As a married couple, your insurance needs may have changed, and it's important to ensure you're adequately protected. The same goes for your estate and how it should be structured, especially if you have children or plan to start a family down the road.

By following these steps and maintaining open communication about money matters, you'll build a strong financial foundation for your marriage. Remember, financial planning is an ongoing process, so be prepared to adapt your strategies as your life together evolves.*

## Your Final Tax Checklist:

## Strategies to Reduce Liabilities Before April 15

Tax Day is just around the corner—are you making the most of last-minute planning opportunities? From maximizing retirement contributions to leveraging tax-efficient investments, there's still time to reduce your tax bill and keep more of what you earn. Don't leave money on the table—check out our latest blog for key strategies before the April deadline.

With just about a week until Tax Day, the clock is ticking on opportunities to lower your tax bill and strengthen your financial position. While some tax-saving strategies need to be in place before the end of the calendar year, others can still be leveraged in the final stretch. From maximizing retirement contributions to optimizing deductions and charitable giving, a few smart moves now could make a meaningful difference when you file. Here's how to take advantage of the time you have left before April 15.

**Take Advantage of Tax Deductions and Credits**

Deductions and credits can significantly reduce the amount you owe, but many taxpayers overlook valuable opportunities. Homeownership often comes with tax benefits, as mortgage interest and property taxes may be deductible under certain conditions. If you or a dependent pursued higher education last year, credits like the American Opportunity

Tax Credit (AOTC) and the Lifetime Learning Credit (LLC) can help offset tuition and other education-related expenses.

**Maximize Retirement Contributions**

Contributing to tax-advantaged retirement accounts is one of the most effective ways to reduce taxable income while securing your financial future. Traditional IRA contributions may be tax-deductible, depending on income and filing status, while Roth IRAs offer tax-free growth and withdrawals in retirement. The deadline to contribute for the prior tax year extends until April 15, providing a valuable opportunity for last-minute contributions.

For self-employed individuals, a SEP IRA allows for significant pre-tax contributions, reducing taxable income while building long-term savings. If you haven’t maxed out your contributions, now is the time to review your options and take full advantage of these benefits.

**Leverage Tax-Efficient Investment Strategies**

A well-structured investment strategy can help minimize tax liabilities and enhance after-tax returns. Tax-loss harvesting—selling underperforming investments to offset capital gains—can be particularly useful for investors looking to lower their taxable income. Holding investments for more than a year can also reduce tax exposure, as long-term capital gains are taxed at lower rates than short-term gains.

Another approach is asset location, a strategy that places tax-inefficient assets, such as bonds and actively managed funds, in tax-deferred accounts like IRAs while keeping tax-efficient investments, such as ETFs and municipal bonds, in taxable accounts. Small adjustments in investment positioning can lead to meaningful tax savings over time.

**Optimize Charitable Giving**

Strategic charitable giving allows you to support meaningful causes while maximizing tax benefits. Donor-Advised Funds (DAFs) enable individuals to make a charitable contribution, receive an immediate tax deduction, and distribute funds to charities over time. This is especially beneficial for those who want to bundle multiple years’ worth of charitable giving into a single tax year to surpass the standard deduction threshold.

For individuals over 70½, Qualified Charitable Distributions (QCDs) from an IRA provide another tax-efficient way to give. These distributions can be used to satisfy Required Minimum Distributions (RMDs) while keeping the withdrawn amount from being counted as taxable income.

### Plan for Capital Gains and Losses

Selling investments at the right time can make a substantial difference in your tax bill. If you anticipate a lower taxable income in a given year, realizing capital gains during that time can reduce the impact of taxes. On the other hand, if you've already taken gains, tax-loss harvesting can help offset those profits, limiting the amount subject to taxation.

Investors looking to minimize their long-term tax exposure should also be mindful of holding periods. Assets sold after more than a year qualify for long-term capital gains treatment, which is typically more favorable than short-term capital gains taxed at ordinary income rates.

### Review Estate and Gifting Strategies

Estate tax laws are expected to change in the coming years, making it essential to review gifting and estate planning strategies while current exemptions remain favorable. Annual gifting allows individuals to transfer assets tax-free up to a certain limit per recipient, helping reduce the taxable value of an estate over time.

For those looking to pass down assets efficiently, trusts and other estate planning tools can provide significant tax advantages. Inherited Roth IRAs, for example, continue to offer tax-free growth and withdrawals, making them an attractive asset to leave to heirs.

### Proactive Tax Planning for a Stronger Financial Future

With just a week until the tax deadline, it's easy to think of April 15 as just another box to check. But smart tax planning isn't just about compliance—it's about making intentional choices that can impact your financial future. Whether it's maximizing contributions to retirement accounts, managing capital gains, or leveraging deductions, the right strategy can help you keep more of your money working for you.

At Conway & Company Financial Services, we look at the big picture. Taxes don't exist in a vacuum. They're tied to your investments, retirement plans, and long-term financial goals. Our team of professionals can help you take a proactive approach, ensuring that tax season isn't just something you get through, but something you use to your advantage.

**Contact us today to get started.**

* Source: Provise Management Group, LLC

## WEEK ENDING 4/4/2025
(CUMULATIVE TOTAL RETURNS)

| Equities[1] | Week | YTD | 1-Year | Close |
|---|---|---|---|---|
| S&P 500 | ▼ -9.05% | ▼ -13.4% | ▼ -0.1% | 5,074 |
| DJIA | ▼ -7.82% | ▼ -9.5% | ▲ 1.0% | 38,315 |
| NASDAQ | ▼ -10.00% | ▼ -19.1% | ▼ -2.2% | 15,588 |
| Russell 1000 Growth | ▼ -9.62% | ▼ -18.7% | ▼ -0.6% | 3,281 |
| Russell 1000 Value | ▼ -8.55% | ▼ -7.5% | ▼ -0.9% | 1,678 |
| Russell 2000 | ▼ -9.64% | ▼ -17.8% | ▼ -9.8% | 1,827 |
| Foreign Stocks | ▼ -6.89% | ▲ 1.7% | ▲ 0.3% | |
| Emerging Markets | ▼ -2.90% | ▲ 1.8% | ▲ 6.7% | |

| Top Three S&P 500 Equity Sectors[1] | YTD |
|---|---|
| Consumer Staples | ▲ 1.3% |
| Utilities | ▼ -0.8% |
| Health Care | ▼ -1.2% |

| Bottom Three S&P 500 Equity Sectors[1] | YTD |
|---|---|
| Information Technology | ▼ -22.6% |
| Consumer Discretionary | ▼ -20.5% |
| Communication Services | ▼ -14.3% |

| Bonds[1] | Week | YTD | 1-Year | Yield |
|---|---|---|---|---|
| 10-Yr. Treasury | ▲ 2.07% | ▲ 5.7% | ▲ 6.5% | 4.01% |
| US Bonds | ▲ 1.12% | ▲ 3.7% | ▲ 6.4% | 4.44% |
| Global Bonds | ▲ 1.65% | ▲ 4.2% | ▲ 4.9% | 3.47% |
| Munis[2] | ▲ 1.82% | ▲ 1.3% | ▲ 3.3% | 3.62% |

| Market Indicators[3] | | As of |
|---|---|---|
| Fed Funds Target | 4.50% | 4/4/2025 |
| Inflation (Core CPI) | 3.10% | 2/28/2025 |
| Unemployment | 4.20% | 3/31/2025 |
| GDP | 2.40% | 12/31/2024 |

Past performance is no guarantee of future results. Indexes are unmanaged and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

*Source Franklin Templeton

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1. Sources: MacroBond Financial AB, Morningstar Inc., Bloomberg LP., Factset, S&P 500 is represented by the S&P 500 Index, DJIA is represented by the Dow Jones Industrial Average, NASDAQ is represented by the NASDAQ Composite Index, Russell 1000 Growth is represented by the Russell 1000 Growth Index. Russell 1000 Value is represented by the Russell 1000 Value Index, Russell 2000 is represented by the Russell 2000 Index, Foreign Stocks are represented by the MSCI EAFE Index and Emerging Markets are represented by the MSCI Emerging Markets

Index. Sectors based on S&P 500 Index sector indexes. 10-Yr Treasury is represented by the Bloomberg 10-Year US Treasury Bellwethers Index, US Bonds are represented by the Bloomberg US Aggregate Index, Global Bonds are represented by the Bloomberg Global Aggregate Index and Munis are represented by Bloomberg Municipal Bond Index.
2. Munis yield is calculated using yield-to-worst.
3. Source: MacroBond Financial AB, Federal Reserve (Fed Funds Rate), US Department of Labor (Inflation and Unemployment) and US Bureau of Economic Analysis (GDP).

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As always, we encourage you to give us a call if you would like to discuss anything further. We will visit again soon. Proudly and successfully serving our clients for 58 years.

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