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RECAP OF Q2 WISDOM & WEALTH

Thank you to **Amanda and Keara** for sharing their expertise on estate administration. They reminded us that while the process can feel overwhelming, there are practical steps and resources to help.

Highlights:

- After a death, don't rush - focus first on securing property, locating documents, and contacting a trusts & estates attorney.
- Probate in Washington is generally straightforward, especially with a valid Will.
- Wills, Living Trusts, and Intestacy all have different impacts on how assets are distributed.
- Many assets (retirement accounts, life insurance, joint property) pass outside of probate, so keeping beneficiary designations updated is essential.
- Estate taxes differ significantly between Federal (\$13.99M exemption) and Washington (\$3M exemption starting July 1, 2025).
- Regularly review your estate plan, especially after major life or financial changes.



**WITH AMANDA NATHAN
AND KEARA BENNETT**
from
Gordan Thomas Honeywell, LLC



Email Financial Insights to join our waiting list to attend this year at Trophy Lake Golf & Casting Club on September 5th.



**SMALL BUSINESS
PARTNER**



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UPCOMING IMPORTANT DATES:

- » September 1st – Labor Day Closed
- » September 5th – Financial Insight's Tacoma Business Golf Cup
- » November 27th – Thanksgiving Day Closed
- » November 28th – Black Friday Closing at 11 am
- » December 24th – Christmas Eve Closing at 1 pm
- » December 25th – Christmas Day Closed
- » December 31st – New Years Eve Closing at 1 pm

FINANCIAL INSIGHTS SUMMER RECAP





WITH ALAN HENSLEY, CFP®
Wealth Advisor

FROM THE DESK OF ALAN HENSLEY, CFP®

Roth Conversions After the 2025 One Big Beautiful Bill Act

The 2025 tax bill introduces significant new considerations for Roth conversions, particularly around the newly created Senior Deduction and a revamped SALT (State and Local Tax) deduction. While Roth conversions remain a popular strategy for reducing long-term tax liability, it's important to now account for how these new rules could unintentionally increase a taxable income—sometimes dramatically. For instance, taxpayers over 65 can claim a \$6,000 deduction (or \$12,000 per couple), but this begins to phase out at \$150,000 of modified adjusted gross income (MAGI). A Roth conversion that pushes a retiree above that threshold could not only trigger higher income taxes but also eliminate the Senior Deduction, effectively adding an unexpected tax penalty.

Also, the new \$40,000 SALT deduction comes with its own complications. Taxpayers with MAGI over \$500,000 face a 30% phaseout, which can drastically reduce the deduction. For high-income couples, a Roth conversion that lifts them into this range can lead to a disproportionately higher tax bill.

In short, while Roth conversions remain a powerful tax-planning tool, the 2025 changes make timing and income thresholds more critical than ever. When thinking about the new rules, be sure to now run detailed projections to navigate the senior and SALT deduction traps and to ensure that conversions remain a net benefit rather than an unexpected burden. If you haven't ran a projection with your Wealth Advisor recently, it may be beneficial to consider reaching out to revisit this topic.

CONGRATULATIONS TO JORDAN FORD, IACCP®!

We're proud to share that **Jordan Ford** has officially earned her **Investment Adviser Certified Compliance Professional® (IACCP®) designation**.

This designation represents advanced expertise in investment adviser compliance, ethics, and regulatory best practices. Jordan's dedication to excellence strengthens our compliance program and reinforces our commitment to serving clients with the highest level of integrity at Financial Insights.

Please join us in congratulating Jordan on this significant achievement!

