

AFTER-TAX WEALTH CHECKUP

FINDING CLUES IN YOUR FORM 1040



Individual investors often pay a sizable amount of taxes on investment income.
 A review of your tax return, alongside your overall financial picture, can help determine what, if anything, might be done to improve your after-tax outcome.

Form 1040 Department of the Treasury—Internal Revenue Service		2024	OMB No. 1545-0074	IRS Use Only—Do not write or staple in this space.
For the year Jan. 1-Dec. 31, 2024, or other tax year beginning _____, 2024, ending _____, 20_____		See separate instructions.		
Your first name and middle initial	Last name	Your social security number		
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number		
Home address (number and street). If you have a P.O. box, see instructions.		Apt. no.	Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.	
City, town, or post office. If you have a foreign address, also complete spaces below.		State	ZIP code	
Foreign country name		Foreign province/state/county	Foreign postal code	
Filing Status <input type="checkbox"/> Single <input type="checkbox"/> Head of household (HOH) Check only one box. <input type="checkbox"/> Married filing jointly (even if only one had income) <input type="checkbox"/> Qualifying surviving spouse (QSS) <input type="checkbox"/> Married filing separately (MFS) If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent: <input type="checkbox"/> If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required): Digital Assets At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) <input type="checkbox"/> Yes <input type="checkbox"/> No Standard Deduction Someone can claim: <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent <input type="checkbox"/> Spouse itemizes on a separate return or you were a dual-status alien				
Age/Blindness You: <input type="checkbox"/> Were born before January 2, 1960 <input type="checkbox"/> Are blind Spouse: <input type="checkbox"/> Was born before January 2, 1960 <input type="checkbox"/> Is blind Dependents (see instructions): If more than four dependents, see instructions and check here (1) First name Last name (2) Social security number (3) Relationship to you (4) Check the box if qualifies for (see instructions): <input type="checkbox"/> Child tax credit <input type="checkbox"/> Credit for other dependents a Total amount from Form(s) W-2, box 1 (see instructions) <input type="checkbox"/> 1a <input type="checkbox"/> Household employee wages not reported on Form(s) W-2 <input type="checkbox"/> 1b <input type="checkbox"/> c Tip income not reported on line 1a (see instructions) <input type="checkbox"/> 1c <input type="checkbox"/> d Medicaid waiver payments not reported on Form(s) W-2 (see instructions) <input type="checkbox"/> 1d <input type="checkbox"/> e Taxable dependent care benefits from Form 2441, line 26 <input type="checkbox"/> 1e <input type="checkbox"/> f Employer-provided adoption benefits from Form 8839, line 29 <input type="checkbox"/> 1f <input type="checkbox"/> g Wages from Form 8919, line 6 <input type="checkbox"/> 1g <input type="checkbox"/> h Other earned income (see instructions) <input type="checkbox"/> 1h <input type="checkbox"/> i Nontaxable combat pay election (see instructions) <input type="checkbox"/> 1i <input type="checkbox"/> z Add lines 1a through 1h <input type="checkbox"/> 1z b Tax-exempt interest <input type="checkbox"/> 2a <input type="checkbox"/> b Taxable interest <input type="checkbox"/> 2b 3a Qualified dividends <input type="checkbox"/> 3a <input type="checkbox"/> b Ordinary dividends <input type="checkbox"/> 3b 4a IRA distributions <input type="checkbox"/> 4a <input type="checkbox"/> b Taxable amount <input type="checkbox"/> 4b 5a Pensions and annuities <input type="checkbox"/> 5a <input type="checkbox"/> b Taxable amount <input type="checkbox"/> 5b 6a Social security benefits <input type="checkbox"/> 6a <input type="checkbox"/> b Taxable amount <input type="checkbox"/> 6b c If you elect to use the lump-sum election method, check here (see instructions) <input type="checkbox"/> 7 8 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/> 7 9 Additional income from Schedule 1, line 10 <input type="checkbox"/> 8 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income <input type="checkbox"/> 9				
Attach Form(s) W-2 here. Also attach Forms W-20 and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions. Attach Sch. B if required. Standard Deduction for— • Single or • Married filing separately, \$14,600 • Married filing jointly or • Qualifying surviving spouse				

Other key considerations:

KNOW YOUR TAX RATE

Your **marginal tax rate** can be found in the IRS tax tables, under your current filing status. To get your **effective tax rate**, consult your Form 1040, and divide **Total Tax** by **Taxable Income**.

TRADING ACTIVITY

Frequent trading within a taxable portfolio (due to reallocations, tactical trading or fund replacements) can result in unnecessary taxes when positions with unrealized gains are constantly and/or systematically sold. When making changes to a taxable portfolio always be sure to consider the tax consequences. Smaller and less frequent allocation changes may be better for tax-sensitive investors so that benefits from portfolio improvements are not outweighed by tax costs.

INVESTMENT INCOME

If you have **dividends or other cash distributions that are being reinvested**, consider turning off that reinvestment, and migrating that cash into a tax-managed solution.

YOUR TRANSITION PLAN

When considering a transition to a tax-managed approach, **be sure to understand the tax impact**, if any, as well as the payback period of the transition.

Russell Investments can work with your financial professional to help analyze potential taxes and the payback period for portfolio transitions.

Your financial picture: Where to focus

Answering a few questions and making sure your financial professional is up to date on your circumstances can help as you address your long-term taxable investing needs.

Your most recent tax outcome

	Yes	No
1. Was your overall tax bill what you expected?		
2. Do you feel you paid more in taxes than you should?		

The bigger picture

3. How many Form 1099s (including 1099DIV, 1099INT, etc.) did you receive for the most recent tax return?
4. For the accounts associated with your 1099s, what type of investments do you own?

Stocks	ETFs	
Bonds	CDs / Money Market	
Muni Bonds	Annuities / Insurance	
Mutual Funds	Other	
Yes	No	I don't know

5. For your held-away or self-directed taxable accounts, are you using tax management strategies?

Effective investment tax management is a year-round process that includes ongoing implementation of multiple strategies, such as:

- Centralized trading
- Tax-loss harvesting
- Yield management
- Tax lot management
- Holding period management
- Minimizing wash sales

Your Income needs

6. What are the sources of income you currently use for daily/annual expenses?		
Wages and salary		
Rental / Business income		
Investment income		
Retirement income / Social Security		
Yes	No	I don't know

7. Is some or all your investment income automatically reinvested?

Major financial events

8. Are you expecting any of the following in the next 1-5 years?
Sale or purchase of home or other real estate
Sale of business stake(s)
Deferred compensation distributions
Inheritance / Trust event
Insurance payout
Sale of investments or other taxable assets (for example, to cover large purchases, events, education, etc.)
Other significant increase in income

Talk to your financial professional and/or tax accountant to see what steps can be taken to potentially minimize your tax burden.

Or visit russellinvestments.com to discover the benefits of tax-managed investing.

IMPORTANT INFORMATION AND DISCLOSURES

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Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. As with any type of portfolio structuring, attempting to reduce risk and increase return could, at certain times, unintentionally reduce returns.

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