



TOP 5 ESTATE PLANNING ITEMS TO DO IN 2025

(1) Implement and/or Update Estate Plan Documents

Regardless of net worth, every person should have an estate plan to ensure the future management and disposition of their assets is in line with their current objectives. Generally, an estate plan includes the following documents:

- a. Last Will and Testament,
- b. Revocable Trust,
- c. (Financial) Durable Power of Attorney, and
- d. (Healthcare) Advance Directive.

Beyond simply having an estate plan, it is important to periodically update these documents to ensure that your plan adequately provides for your current needs and objectives. Changed circumstances and life events that may warrant changes to your estate plan include, but are not limited to:

- i. Marital status (i.e., new marriage, divorce)
- ii. Family (i.e., birth of children, death in the family)
- iii. Financial status (i.e., starting/selling a business, purchase/sale of real estate)
- iv. Changes in health
- v. Updates to fiduciary appointments

If you do not currently have an estate plan, or if you have experienced any significant life events necessitating changes to your existing estate plan, contact one of our Estate and Wealth Transfer attorney to discuss planning strategies designed to further your financial goals and personal objectives.

(2) Maximize Retirement Plan Contributions

A key factor in achieving financial well-being involves maximizing retirement plan contributions. In 2025, the contribution limits for retirement plans are as follows:

401(k) Contributions in 2025

Employee Contribution Limit	\$23,500
Employee (age 50-59) Contribution Limit + Catch-Up Contribution	\$31,000
Employee (age 60-63) Contribution Limit + Catch-Up Contribution	\$34,750

IRA Contributions in 2025

Individuals – Total Contribution Limit	\$7,000
Individuals (age 50+) – Total Contribution Limit	\$8,000

Roth IRA Contributions – Income Limitation (Phase-Out Range) in 2025

Single	\$150,000 – \$165,000
Married Filing Jointly	\$236,000 – \$246,000



(3) Consider Utilizing Record-High Estate and Gift Tax Exemption

Under the Tax Cuts and Jobs Act (TCJA), the federal estate and gift tax exemption is currently at an all-time high. For 2025, an individual may transfer up to \$13.99M of assets upon their death (with spouses entitled to transfer a combined \$27.98M) without the payment of federal estate tax.

Under current law, the TCJA is scheduled to sunset on January 1, 2026, with the federal estate tax exemption set to revert back to \$5.49M, adjusted for inflation (i.e., approximately \$7M per person). The Estate and Wealth Transfer Planning team at Dvorak Law Group is closely monitoring any potential changes to the current law prior to such sunset; however, there are certain advanced wealth transfer planning strategies that allow high-net worth individuals to “lock-in” the \$13.99M per person exemption now through the use lifetime gifting.

If you have questions regarding utilization of the current federal estate and gift tax exemption, contact one of the attorneys on the Estate and Wealth Transfer Planning team to discuss personalized planning strategies designed to minimize future federal estate taxes.

(4) Consider Making Annual Exclusion Gifts

In 2025, each person may give any number of people up to \$19,000 this year without incurring federal gift tax liability or necessitating the filing of a federal gift tax return. Spouses may “split gifts,” meaning that, together, they can give any number of people up to \$38,000 this year without federal gift tax implications. The value of any gifts made during life is removed from a person’s “taxable estate,” and therefore, will not be subject to federal estate tax upon death. In this way, annual gifting strategies allow individuals to reduce their taxable estates over time without utilizing any of their current federal estate and gift tax exemption (i.e., \$13.99M in 2025).

(5) Monitor requirements of the Corporate Transparency Act

The federal Corporate Transparency Act (CTA) requires certain companies to report information about the “beneficial owners” of such companies to the Financial Crimes Enforcement Network. Originally, the CTA required disclosure/reporting of specified information on the following timeline:

<u>Entity in existence prior to January 1, 2024</u>	<u>January 1, 2025</u>
<u>Entity formed January 1, 2024 to December 31, 2024</u>	<u>90 days after formation</u>
<u>Entity formed January 1, 2025 or after</u>	<u>30 days after formation</u>

Since the CTA went into effect on January 1, 2024, the constitutionality of the CTA has been contested. Currently, a preliminary nationwide injunction is in effect, halting the enforcement of the CTA and its associated reporting requirements.

If you own an interest in an entity and you have questions regarding whether the CTA applies to you, what information is to be disclosed under the CTA, or whether compliance with the CTA has become mandatory, contact the attorneys at Dvorak Law Group. Our team is closely monitoring guidance and legal authorities to help you determine what, if anything, is required of you under the CTA.