

# Key Takeaways from the Big Beautiful Bill

The “One Big Beautiful Bill Act” (HR 1), signed into law by President Trump on July 4, is expected to impact income taxes, capital gains, retirement contributions and more. Here’s how it could affect your money, your retirement and your future:

- » **Retirement Accounts:** The favorable tax treatment of retirement savings vehicles remains, despite concerns that lawmakers might revoke their tax-deferred status to fund new proposals. Preserving the tax-deferred status of retirement accounts helps grow retirement savings. Perks include:
  - » **Roth Expansion** – Potentially more options to convert traditional retirement Accounts to Roth IRAs, locking in today’s lower rates.
  - » **Extended Contribution Opportunities** – Raising contribution limits and simplifying rules around catch-up contributions.
- » **Tax-Cuts Extended:** The bill will extend key parts of the 2017 Tax Cuts and Jobs Act by extending them or making them permanent, giving investors and small business owners more certainty and potential tax savings. It will also maintain or enhance retirement and estate planning advantages.
- » **Nearly Doubles Standard Deduction:** Lowers your taxable income which reduces your overall tax liability, leaving more for tax-advantaged savings or investments. Also it benefits retirees, investors and small business owners who do not itemize.
- » **New and Expanded Savings Vehicles:** The bill introduces new tax-advantaged accounts (“Trump Accounts”) for every American baby born between 2025 and 2028. The government would invest \$1,000 in an index fund, and parents could add \$5,000 each year throughout childhood. The bill also expands HSAs.
- » **ABLE Accounts:** The bill allows rollovers from 529 plans into Achieving Better Life Experience (ABLE) accounts, expanding planning flexibility. This is designed to help individuals with disabilities save money without losing eligibility for important federal benefits like SSI and Medicaid.



## Things to Watch:

- » **Increased National Debt:** Bill could lead to future tax hikes or inflation.
- » **Sunset Clauses:** Some benefits expire in a few years.
- » **Market Volatility:** Big bills could mean big reaction from Wall Street.



## What this Means for You:

- » **Review your Portfolio:** Make sure it’s tax-efficient.
- » **Call Me:** Could be a great time to adjust.
- » **Don’t Panic – Plan:** You are investing for the long haul.

These are just a few examples of how the Big Beautiful Bill may impact you and your portfolio. Call me to explore additional strategies and ways you can take full advantage of this new law.

*None of the information in this document should be considered as tax advice. You should consult your tax professional for information concerning your individual situation.*

