Tax season 2022: What you need to know
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• Economic impact payments (2021 recovery checks)
• Unemployment compensation
• COVID-19-related distributions from retirement accounts

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Tax season 2022: What you need to know (cont.)

- Required minimum distributions (RMDs) from retirement accounts
- Charitable contributions
- Child tax credit
- Child and dependent care credit
- IRA contributions

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How is Social Security taxed?

- If your annual income is above a certain amount when you’re receiving Social Security, you may owe federal taxes on the Social Security benefits received.

- If you’re married and file taxes jointly, up to 85% of your Social Security benefits will be taxable if your combined income is more than $44,000.

- If you’re a single filer, up to 50% of your benefits will be taxable if your combined income is more than $34,000.
How can you use your tax refund?

If your cash flow is healthy, consider these possibilities:

1. Boost your emergency fund.
2. Pay down debt.
3. Help fund your retirement.
4. Supercharge savings for your other goals.
5. Donate to a charitable group.
Avoid these common tax filing mistakes

- Forgetting necessary paperwork
- Entering incorrect Social Security number
- Making math errors
- Entering the wrong routing or account number
- Failing to sign and date your return
- Missing the filing deadline
Know the differences between Roth and traditional IRAs

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<th>Traditional IRA</th>
<th>Roth IRA</th>
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<td>Your contributions to a traditional IRA may be tax deductible, depending on your income level, and your earnings can grow tax-deferred until they’re withdrawn, when they’ll be taxed as regular income. Generally, once you turn 72, you will need to start taking withdrawals, which are called required minimum distributions, or RMDs.</td>
<td>Contributions to a Roth IRA are not deductible, but your earnings will be tax-free when they’re withdrawn, provided you’re at least 59½ and you’ve had your account for five years or more. You can generally withdraw your contributions – not the earnings – at any time, tax- and penalty-free. And a Roth IRA is not subject to RMDs – you can generally keep the money in your account for as long as you like.</td>
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Know the differences between Roth and traditional IRAs (cont.)

Which IRA should you pick?

Let’s look at the decision process of Jane, a hypothetical “30-something” worker.
More information available

- This month’s issue of Edward Jones Perspective contains more in-depth coverage of the topics discussed today.

- Please be sure to complete your seminar evaluation form.

- Please contact me with any further questions or to schedule an appointment.

Thank you for your time!