

LEARN | Four Approaches to Help Reduce Taxes

TAX EDUCATION CENTER

Wealthier investors tend to have more complex tax challenges. Have a more informed conversation with your client by discussing the investment approaches that can work to their advantage.

Key Takeaway

By understanding how these approaches can help reduce taxes, you can build a better tax experience for your clients.

Four Approaches to Discuss With Your Clients

Learn more about how each topic fits into your clients' year-round tax management.

1

Start the concentrated stock conversation.

Talk to clients with concentrated stock holdings or those who receive stock as part of their compensation packages about the potential risks of overexposure and the tools in the toolkit to diversify.

2

Realize tax losses to reduce taxable gains.*

Offer year-round portfolio management that uses tax-loss harvesting to proactively offset the impact of capital gains taxes.

3

Maximize charitable giving opportunities.

Educate charitably inclined clients on the range of charitable giving vehicles, the optimal assets to give away, and how philanthropy can be used as a tax tool.

4

Identify the right tax-advantaged accounts.

Show clients how asset allocation and asset location can impact both pretax and after-tax returns, and explain how they can keep more of what they make.

Next Step

Consider which of these approaches are most relevant to discuss with each of your clients.

*Tax-loss harvesting isn't beneficial in a retirement account because the losses generated in a tax-deferred account cannot be deducted.

Examples provided are for illustrative and informational purposes only and not intended to be reflective of results you can expect to achieve.

Tax-loss transactions must consider the wash-sale rule, which states that if you sell a security at a loss and buy the "substantially identical" security within 30 days before or after the sale, the loss is typically disallowed. For more information about wash sales, read IRS Publication 550.

Tax saving strategies should not undermine one's investment goals.

The Firm does not provide tax advice. The tax information contained herein is general and is not exhaustive by nature. Tax laws are complex and subject to change.

Investors should always consult their own legal or tax professionals for information concerning their individual situations.

Eaton Vance is part of Morgan Stanley Investment Management. Morgan Stanley Investment Management is the asset management division of Morgan Stanley.

**NOT FDIC INSURED. OFFER NO GUARANTEE. MAY LOSE VALUE.
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. NOT A
BANK DEPOSIT.**