

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.
U.S. Individual Income Tax Return				
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. <input type="checkbox"/> You <input type="checkbox"/> Spouse	
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) <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) <input type="checkbox"/> Qualifying dependent (QD) <small>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:</small> <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		<input type="checkbox"/> 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): (1) First name Last name (2) Social security number (3) Relationship to you (4) Check the box if qualifies for (see instructions): Child tax credit Credit for other dependents		
Income		1a Total amount from Form(s) W-2, box 1 (see instructions) 1a a Household employee wages not reported on Form(s) W-2 1b c Tip income not reported on line 1a (see instructions) 1c d Medicaid waiver payments not reported on Form(s) W-2 (see instructions) 1d e Taxable dependent care benefits from Form 2441, line 26 1e f Employer-provided adoption benefits from Form 8839, line 29 1f g Wages from Form 8919, line 6 1g h Other earned income (see instructions) 1h i Nontaxable combat pay election (see instructions) 1i z Add lines 1a through 1h 1z 2a Tax-exempt interest 2a b Taxable interest 2b 3a Qualified dividends 3a b Ordinary dividends 3b 4a IRA distributions 4a b Taxable amount 4b 5a Pensions and annuities 5a b Taxable amount 5b 6a Social security benefits 6a b Taxable amount 6b c If you elect to use the lump-sum election method, check here (see instructions) 7 Capital gain or (loss). Attach Schedule D if required. If not required, check here 8 8 Additional income from Schedule 1, line 10 8 9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income 9		
Attach Sch. B if required.				
Standard Deduction for—		• Single or • Married filing jointly, \$14,600 • Married filing jointly, Qualifying surviving spouse		

Boxes 2a and 2b: Interest

- How much is taxable versus tax-exempt?

Boxes 3a and 3b: Dividends

- Do the nonqualified dividends appear too high?

Boxes 4a and 4b: IRA Distributions

- Are Required Minimum Distributions (RMDS) being reinvested? If so, where?

Line 7: Capital gain or (loss)

- This line includes short- and long-term gain or loss from Schedule D.
- Do capital gain distributions seem high compared with the total investment amount?

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

This material is not an offer, solicitation or recommendation to purchase any security. Nothing contained in this material is intended to constitute legal, tax, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. The information, analyses and opinions set forth herein are intended to serve as general information only and should not be relied upon by any individual or entity as advice or recommendations specific to that individual entity. Anyone using these materials should consult with their own attorney, accountant, financial or tax advisor or consultants on whom they rely for investment advice specific to their own circumstances.

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.

Russell Investments' ownership is composed of a majority stake held by funds managed by TA Associates Management, L.P., with a significant minority stake held by funds managed by Reverence Capital Partners,

L.P. Certain of Russell Investments' employees and Hamilton Lane Advisors, LLC also hold minority, non-controlling, ownership stakes.

Frank Russell Company is the owner of the Russell trademarks contained in this material and all trademark rights related to the Russell trademarks, which the members of the Russell Investments group of companies are permitted to use under license from Frank Russell Company. The members of the Russell Investments group of companies are not affiliated in any manner with Frank Russell Company or any entity operating under the "FTSE RUSSELL" brand.

Russell Investments Financial Services, LLC, member FINRA, part of Russell Investments.

Copyright © 2025 Russell Investments Group, LLC. All rights reserved. This material is proprietary and may not be reproduced, transferred or distributed in any form without prior written permission from Russell Investments. It is delivered on an "as is" basis without warranty.

First used: August 2022. Revised January 2025.

RIFIS-26364 (Exp 12/27)

Invest without boundaries™