MedTech Wealth Advisor Podcast Episode 32: Tax Filing 101 for Stock Compensation Holders

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[00:00:00] -: Welcome to the MedTech Wealth Advisor Podcast, a show dedicated to teaching professionals and entrepreneurs in the MedTech field how to save more money, pay less taxes, and become financially independent. Join certified financial planner professional Matthew Nelson as he draws from years of experience and speaks with guest experts to solve the biggest challenge, aligning your money with your values while thriving in the mission driven world of MedTech.

[00:00:27] Matt Nelson: And welcome back to the MedTech Wealth Advisor Show. I'm your host, Matt Nelson, and today we have an exciting episode tailored for you, our MedTech professional audience. I know how complex financial planning can be, especially when you've got a lot of stock compensation to manage, um, and you're trying to navigate this tax strategies.

[00:00:48] Matt Nelson: We're, we're coming into, you know, a tax filing, uh, deadline. So today I've got a real treat for you. Uh, joining us today is Conner Kelderman, CPA, he's a founder of Track, which [00:01:00] is a tax advisory firm. Tax services firm. They do consulting and tax prep, the whole gamut. Uh, Conner has over 12 years of diverse tax experience with individuals and businesses.

[00:01:11] Matt Nelson: I. He's got a Track record with firms like KPMG, uh, global Tax Network. He's a licensed CPA in Minnesota, member of A-I-C-P-A and the MNCPA, and he's just passionate about helping professionals like you just make confident decisions, um, outside of taxes. Conner is a dedicated family man. He's an avid cyclist.

[00:01:34] Matt Nelson: I'm sure we could talk about that a bit offline, Conner.

[00:01:37] Conner Kelderman: Yeah.

[00:01:38] Matt Nelson: And . I understand a bit of a, a coffee connoisseur. Um, so today he's gonna help us understand the ins and outs of tax filing, stock based compensation, little bit on estate planning issues, but welcome to the show, Conner. Yeah, thanks a lot for having me.

[00:01:54] Matt Nelson: Anything I missed in that intro I should have brought up?

[00:01:58] Conner Kelderman: I do say I am not a coffee snob. [00:02:00] I just like my coffee . So I like it done well, and I, I I like it. Uh, we actually com, uh, combine the two cycling and coffee on a, a weekly coffee run cycling ride, uh, in Minneapolis here.

[00:02:10] Matt Nelson: Perfect. Classic. You gotta, you gotta have your coffee.

[00:02:15] Matt Nelson: Uh, I love those, uh, the, the waffle, the, the waffles you can get at the houses with that too. Stuff, stuff 'em in the back. Yep. Very good. I almost said snob, but I figured, you know, I'll let, I'll let you go there with that.

[00:02:26] Conner Kelderman: Yeah, yeah. Thanks. Thanks, .

[00:02:28] Matt Nelson: Well, uh, excellent. Let's just jump right in. So, like I mentioned, top of the show, I mean, uh, you know, tax filing deadlines coming up.

[00:02:34] Matt Nelson: I'm sure you and your firm are just, you know, super busy getting ready for that. Um, one of the things, you know, with, with clients that we have that are, are getting ready with all the, the paperwork, you know, if, if whether they have a, a bunch of RSUs or some stock options, maybe just participated in the ESPP plan, there's still a lot of, uh, misunderstanding around how to handle the taxes with it is as simple [00:03:00] as it.

[00:03:00] Matt Nelson: It should seem it's not, um, the paperwork to gather and so forth. So I thought, let, let's just start there. What, what do you have, what comes to mind for you? Um, around documents, deadlines. Helping you do your job better?

[00:03:14] Conner Kelderman: Yeah, yeah. I mean, we are kicking off the filing season now, so this is, you know, typically the time of year that your W2 is gonna be coming in the next week or so.

[00:03:21] Conner Kelderman: Uh, 10 99s are coming in February and so on. And so, uh, we gotta know what we are expecting to receive, right where we're gonna receive that information. And if there's any additional information we need to find based on equity compensation, that might not be on a 10 99. Certain, uh, brokerages have, uh, some supplemental information.

[00:03:39] Conner Kelderman: Some of 'em call it. Where a portion of your equity compensation might already be reported in your W2, your compensation statement you get from your employer. So we need to make sure that if you're already taxed on your equity compensation in your W2, that that might need to make an adjustment. On your capital gain or loss, uh, calculation when you get that 1099.

[00:03:59] Conner Kelderman: So we're helping [00:04:00] clients make sure that, you know, we don't just blindly say thanks for the W2 and thanks for the 10 99. Let's get it reported because it's one of the most common mistakes we see is the basis adjustments getting missed as far as equity, compensation, uh, reporting on a tax return. So we're gonna make sure we make, we get all that information.

[00:04:15] Matt Nelson: For, for those that aren't familiar with it, maybe just give us a, an example, kind of almost a case study of it because Yeah. You know what, um, I've been doing this for a while, but even, even me, I look at it, I'm like, how, why don't the tax forms just have everything you need in a simple, in a simple readout?

[00:04:30] Conner Kelderman: Yeah, it, it goes back to the backend of how employers and brokerages are required to share information and, uh, report information to the IRS or on a 10 99. And a simple example is somebody you know is receiving RSUs restricted stock units. So maybe they're on a quarterly vesting schedule and each, each quarter they get a little bit more, uh, you know, deposited into their account.

[00:04:52] Conner Kelderman: That's compensation to an employee, meaning that's taxable income. And so say they get . You know, 10 shares of their company stock and. [00:05:00] Uh, maybe they sell it right away, uh, once they receive it. So it's kind of an in, in and out as far as, uh, holding the stock for an hour and then selling it. And now they have the cash.

[00:05:08] Conner Kelderman: That transaction is going to be reported in their W2, so on, again, on the backend with the employer, they know they gave you these 10 shares that maybe that's worth $5,000. $5,000 is going to be put on a payslip. The next pay, pay, uh, period and $5,000 of compensation will be reported there. Then, uh, come tax return time, you're gonna get your 10 99 and we're gonna see a transaction for selling $5,000 worth of RSUs, right?

[00:05:36] Conner Kelderman: And sometimes there, depending on how it was reported, there may be the basis, which basis is essentially, uh, what you're not gonna pay tax on. 'cause that's like your cost basis or your income inclusion, whatever it is, that basis may not be there, or it may be only part of what your full basis is. And so, uh, we're gonna first look at what's reported on the 10 99 say, is there an adjustment needed?

[00:05:57] Conner Kelderman: If there is, we're gonna make sure that what you [00:06:00] already paid tax on the $5,000 included in your W2, you know, uh, your, you see your annual earning number, it's already included in that number. We don't wanna pay tax on it again when we report the capital gain transaction. So we make sure 5,000 a basis shows up on that, the, the schedule and the tax return so that we match the W2 and the 10 99.

[00:06:18] Matt Nelson: Okay. Yeah, I mean it, when you go through it, it, it. It sounds like a lot. It's probably not that complicated in the backend as long as you have the right, the right forms, right.

[00:06:27] Conner Kelderman: Yeah. But it can be really easy to miss. 'cause you, uh, you know, I have clients that get 10 90 nines that'll have, you know, $25,000 worth of stock transactions and zero as cost basis.

[00:06:36] Conner Kelderman: Sure. That's just because the, the brokerage firm doesn't know what your cost basis is, so you need to actively make that adjustment on your tax return. And simply, I mean, you don't wanna be paying tax on $25,000 twice, and it's a very easy mistake to make.

[00:06:49] Matt Nelson: Yeah, exactly. And now you were kind of given the example of RSUs.

[00:06:53] Matt Nelson: Um, my understanding is ESPP reporting can . Almost be a little more complicated. Do you have examples to [00:07:00] share of something like that?

[00:07:01] Conner Kelderman: Yeah, so there's, it's, it's known as a qualifying period of an ESPP. There's, there's different timing, right, where there's a grant or a start of an offering period where you can start to buy shares.

[00:07:11] Conner Kelderman: Uh, as the, your company will, you know, sometimes take whatever 10% of your paycheck and put it towards the company stock, you get a discount on that stock. Right, so you don't pay the full value. You might pay 85 or 90% of the stock price for it. Uh, but the, the qualifying period, we have to hold the shares to get a, the, the best tax treatment we can get two years after the qual or the, the grant date, the qualifying period.

[00:07:34] Conner Kelderman: And then one year after purchase is when you actually, you know, take hold of those shares. Mm-hmm . And sometimes people miss that because they think, you know, in my brokerage account it says, uh, I'm onto long-term capital gains because I've held this, this stock for one year. But if the offer period was only six months, we might have still six more months to wait.

[00:07:52] Conner Kelderman: So it's just something to watch for, you know, working with an advisor like you to, to make sure they know when those are. So a simple example is if somebody, you [00:08:00] know, after one year maybe didn't meet this full qualifying period that they need to be aware of, but they did get to long-term capital gains. I.

[00:08:08] Conner Kelderman: The discount they received, so call it, let's say 15% that they received or they only had to pay 85% for a stock, uh, is going to be included in their W2 as income. So they're gonna pay normal income tax rates on that. But then any gain or loss from the date of purchase when the offering period closed, and then when they ultimately sold the share, is gonna be a capital gain or loss.

[00:08:30] Conner Kelderman: Transaction. So we have two different things we have to worry about because that's, it's included in your W2 from the, uh, discount portion in that example. But you still may have a gain or loss reported on your tax return

[00:08:42] Matt Nelson: for as simple of a plan as it should be. And most common, you know, it's the, it's the one that most people can participate in.

[00:08:48] Matt Nelson: It does get a little more. Complex in the reporting than you'd think. Um, the, what, what our experience is, is that more and more of the big players, like let's say Fidelity, um, [00:09:00] they are . Trying to help this by, uh, essentially blocking people from selling their shares until they've met certain dates, uh, which helps.

[00:09:10] Matt Nelson: But, um, we, we still have certainly, I'm sure you've got plenty of stories where, where that maybe wasn't the case or maybe someone actually was able to transfer their shares away to another brokerage firm before these periods were met. And then the whole thing, it's, it's, you know, it's a, it's a crapshoot basically of if it's gonna get reported right.

[00:09:27] Matt Nelson: Or not.

[00:09:28] Conner Kelderman: Yeah.

[00:09:29] Matt Nelson: Okay. Well that's very good to know. So. A number of documents to gather. So like in your process with, with your clients, do you, do you have, uh, a, a good checklist for people, uh, to, to know what documents, if they have all the various types of equity comp that they should be looking for, the supplemental forms and all of that?

[00:09:47] Conner Kelderman: We do. Yeah. Because, you know, the, the easy ones we usually know about is a W2 and a 10 99. Right? We know we're gonna get W2 from my employer and a 10 99 from a Fidelity type of brokerage. Uh, but then depending on the type of compensation. [00:10:00] Pps, there may be a 39 22 form that's just gonna report some of this information.

[00:10:06] Conner Kelderman: I need to do that exact, uh, example of reporting to, to get, uh, what's, what's there. Um, there's a 39 21 if there's incentive stock options, which are very, you know, nuanced, but, uh, a different type of equity compensation. And then, uh, ultimately from the brokerage, it, we, we know on our end that it depends on the brokerage, where it might be, where E-Trade.

[00:10:26] Conner Kelderman: Now, you know, Morgan Stanley generally will submit or, uh, have a second kind of tax document in a way. Mm-hmm . So I'm a, I'm an. Employee at a, a company that has equity compensation. It's, it's traded through Morgan Stanley E-Trade. I go into my Morgan Stanley account and I download my 10 99. That might not be everything I need.

[00:10:44] Conner Kelderman: There might be a second PDF document to download there that says like, supplemental information. And that's gonna be very, very important to get this right with these basis adjustments. Uh, whereas like Fidelity, for instance, in your example, fidelity does a good job putting that actually in the 10 99 document.

[00:10:57] Conner Kelderman: So it might be there. And then there's other brokerages that this [00:11:00] might be all up to you. You might not have any sort of separate documentation. So just working with your tax provider, CPI, ea, whoever that is, and making sure that you're comfortable, that you have, uh, the right basis reported and the right information to get to that adjustment that might be needed.

[00:11:14] Matt Nelson: This is the perfect example of why it's important. If you have stock compensation, you know, is even just a little bit, it doesn't even have to be a major portion of your comp, but, uh, that you're working with a professional like, like you and your firm or you know, our firm, someone who knows about .

These nuances because it, you just mentioned three different major brokerage firms that all handle a lot of stock compensation and they all do it a little differently.

[00:11:38] Matt Nelson: Mm-hmm . And so if you're not familiar with that, or no . Something seems off it, it just can get, it can easily get lost, so

[00:11:46] Conner Kelderman: absolutely can.

[00:11:46] Matt Nelson: Very good tips. If you, um, you know, if you have a, a checklist we could include in the show notes and, um, the, you know, that'd be helpful for the, for the listeners. Okay. So, kind of covered a bit of documents.

[00:11:58] Matt Nelson: Um, are there any, any [00:12:00] special key deadlines we have to worry about that are different?

[00:12:04] Conner Kelderman: So I think a deadline to first be knowing about is that there's two that I, I think I briefly mentioned it, where, uh, January 31, we need to receive our W twos from our employers. So from payroll, salary, all that stuff on a W2, a brokerage account has until February 15 to get you that information.

[00:12:20] Conner Kelderman: So, uh, make sure you're waiting till at least February 15 to get the initial 10 99. Be aware that sometimes there's adjustments on corrected 10 90 nines. Be on the lookout for emails or whatever from your, uh, specific brokerage firm that may have a corrected 1099. And then ultimately, you know, we're working towards the April 15 filing deadline.

[00:12:38] Conner Kelderman: Um, and depending on when you have the information, if you need more time, extensions are not, uh, you know, uncommon for people with equity compensation to gather this information and you can extend your tax return until October 15 to file. So we push that, you know, and everybody knows April 15 is tax day.

[00:12:53] Conner Kelderman: We push that up to October, give you a little bit more time to gather information, but we still need to be paying tax. By April 15. So we're working [00:13:00] with clients in that situation to say, okay, yep, let's get the information we can right now, uh, to do the best calculation we can to see where we're at, if we expect to owe some additional tax, or if we're in a refund position, if we owe some additional tax, let's make an estimate towards that so we can avoid some interest in penalty after April 15.

[00:13:15] Matt Nelson: Yeah, that's a great tip. I, I, you know, with basically, if you have equity compensation or you're a business owner. Yeah, just it's fine to do tax, uh, you know, extensions like it. Maybe it's even better because you've got sometimes the time to kind of, to think about it. You know, it gives you mm-hmm . A firm like you plenty of time to, to, uh, get other, you know, other deadlines outta the way and then, then you can work with them.

[00:13:39] Matt Nelson: So, yeah, extensions are not a problem. But you mentioned that key there and we've had an experience with that in the past, or I've seen it. In the past where, um, oh, well I filed an extension. I've got a whole, I've got a whole extra, however amount of time to pay this tax. Meanwhile, they leave the money, let's say, invested in their stock comp.

[00:13:59] Matt Nelson: [00:14:00] Maybe they don't sell their RSUs. They're thinking they're gonna sell that to pay the tax. They comes October 15th and stock has gone down. Plus they should have paid it back in April. . So you, you've gotta be working with a good outcome with somebody who knows what they're talking about. Yeah. Excellent.

[00:14:16] Matt Nelson: Okay. So that, those are some good, some good tips there. Um, we talked a little bit about common mistakes and, and missteps, but I mean, any, any other, uh, ones that come to mind just that maybe you've seen in your firm where, uh, we could help people avoid?

[00:14:28] Conner Kelderman: I. I think even, um, down to when, um, equity compensation gets granted to you, don't make the common mistake of just saying, great, I have equity.

[00:14:37] Conner Kelderman: Like really try to understand what you have, work with somebody like you, Matt, to understand, okay, I have the, I'm participating in the employee stock purchase plan, ESPP. What does that mean for me? I'm, I'm buying my company's stock at a discount. Great. I have RSUs granted to me, this means I have now essentially a bonus plan.

[00:14:55] Conner Kelderman: Out, uh, you know, if it's a year long vest, four year vest, sometimes, uh, that I'm going [00:15:00] to be receiving future compensation, but I need to meet a vesting period generally based on just being at the company, you know, still employed at, at vest dates in order to receive this future compensation. Or you have, uh, non-qualified stock options.

[00:15:13] Conner Kelderman: And now I have a, a difference between I'm gonna meet a vesting. Uh, a period where now, okay, I, I can, uh, actually do something with these shares, but there's a difference between an RSU and a non-qualified option where now I have to actually exercise the right to own these shares. And that may or may not make sense in situations.

[00:15:31] Conner Kelderman: I just see it all the time where, uh, typically people just say, I think I have RSUs, or I, I think I, you know, I, the PSP, ESPP, and they're not fully understanding what their compensation structure is. And that's really, really important to just set yourself up well. Not only from a tax perspective, but just even in a, you know, future income perspective of how much exposure do you have, uh, with the company's results and things, and this, the company's stock price in your overall compensation plan, when will those events take place?

[00:15:57] Conner Kelderman: And so on. So just understanding what you have is a big thing [00:16:00] that I see generally, um, people kind of, you know, lose sight of and just say, great, it's, it's more compensation.

[00:16:06] Matt Nelson: Sure. Yeah. That makes total sense. Yeah. Just kind of anecdotally, uh, some of the clients you have, how heavy . , does their compensation get from a stock compensation?

[00:16:17] Matt Nelson: Are we, have you seen people in the 50 plus percent of their comp?

[00:16:20] Conner Kelderman: Yeah. Es, especially as you get up in the ranks and more executive levels definitely becomes, even a majority of compensation is in the form of equity compensation. Um, and it's, it's something where, uh, that can really depend on the, uh, you know, the, the maturity of the company.

[00:16:35] Conner Kelderman: Where if you're at in a startup type environment, they might have a lot, not have a lot of value right now, but they could be in 2, 3, 4, 5 years. Uh, this, you know, Swayze and because of stock appreciation in the company doing well, it can all of a sudden be a heavy, heavy majority of your overall compensation.

[00:16:51] Conner Kelderman: And so there's different factors that, you know, make that different for each client. Uh, but certainly, I mean, people kind of start with RSUs and then, uh, generally [00:17:00] non-qualified options we see as a kind of second level of, uh, participants in equity plans, um, versus a startup type, uh, of a company, you know, heavy compensation to start up, to really incentivize the early employees to really grow that company and, and ha have some sort of liquidation event in the future.

[00:17:17] Matt Nelson: Yeah, no, that's good. I, and, and part of the reason I brought that up is I, I think, uh, by the time you get to the ranks where 50% or more of your comp is coming from stock comp, you probably understand it a little bit more. It doesn't mean you're, you know, you don't understand everything. You still need to work with probably an expert.

[00:17:32] Matt Nelson: Um, but sometimes I find, uh, the, you know, people who have much less, maybe it's in the only five, 10, 15% of their comp, um, . , it's new to them. Mm-hmm . It seems like a small deal because in their mind it's not as much of their compensation, but frankly that's where a lot of the mistakes are getting made. 'cause it's, it's just early on.

[00:17:51] Matt Nelson: So, you know, just, uh, you don't have to have a lot to, to, you know, to really be paying attention to what we're talking about here. So.

[00:17:59] Conner Kelderman: Yeah. And, [00:18:00] and quickly, one other, uh, tax mistake I think that comes to mind is, um, when, uh, the percentage of overall compensation starts to be more and more in equity, uh, we have to deal with the supplemental tax withholding rates in payroll, right?

[00:18:14] Conner Kelderman: Sure. And so supplemental tax rates just mean what you filled out with the payroll group on your W four. That's the form they're gonna say, Hey Matt, please fill this out so we know how much to withhold from each of your paychecks. That is irrelevant from a one off. Like equity compensation perspective, you're gonna have 22% for federal taxes.

[00:18:31] Conner Kelderman: US based in Minnesota, 6.25%. Other states have their own supplemental rates. Um. Both of those in Minnesota for a, you know, fairly highly compensated individual is actually gonna be too little taxes withheld from these equity, um, compensation as they vest. So, an RSU is an example. Uh, they'll, they'll think great, they took 22% for federal and 6.25 for, uh, Minnesota tax here in Minnesota.

[00:18:54] Conner Kelderman: But in reality they may owe, you know, 25 or 30% at the federal level. And for sure in Minnesota [00:19:00] we're more like eight, 8% for a, a pretty highly compensated renewal, sometimes nine or 10. And so that those two rates, even though they feel like the tax was handled, is actually not enough. And that can be a surprise tax bill to your return.

[00:19:11] Matt Nelson: Yeah. And, and my understanding is the tax penalties have gotten to be actually something to pay attention to. Yeah. Or a few years ago they weren't as much.

[00:19:18] Conner Kelderman: Yeah. That, that Tracks the interest rate. 'cause really during the year, um, there, it's called an underpayment penalty. But really it is, uh, essentially like you have a loan for a tax you should have paid during the year that you didn't pay.

[00:19:30] Conner Kelderman: So they charge you underpayment interest. And that's right now, well it was at 8%. I don't know if we're back down to 7% after the, uh, recent, uh. Uh, interest rate changes, but that's obviously not a, a small number to be paying interest on. Yeah.

[00:19:42] Matt Nelson: Yeah, absolutely. That's, that's super helpful. Well, good. That was, that was some, you know, very good information on kind of the equity comp side.

[00:19:50] Matt Nelson: Um, just, you know, prepping for, uh, prepping for taxes, what to pay attention to. Um, there was, um, just a couple quick things to, to sort of wrap up [00:20:00] last year. I know that you sent out, um, some information, you know, in kind of a, in informational email about, um, the I-R-S-R-M-D relief. They'd released a, a notice about that.

[00:20:12] Matt Nelson: And, um, you know, familiar with it a little bit, but maybe you could just run, run through why that's important. And this would be for, you know, essentially if you're retired at this point, you have an IRA, but go through what the importance of this change was.

[00:20:26] Conner Kelderman: So it was related to inheriting an IRA generally.

[00:20:29] Conner Kelderman: That was kind of the, the main, uh, thing. There's some confusion around in the market right now, uh, where there was an initial law called the, called the Secure Act, and then we passed, or no, we, the, the Congress packed a, a Secure 2.0 Act. Uh, so a second change. And in that there was some confusion of they changed the rules from you used to, uh, receive, uh, an inherited IRA, so an individual retirement account from someone that passed and that you were the beneficiary of that.

[00:20:55] Conner Kelderman: Account so you receive that money, that's a, a taxable or qualified [00:21:00] account. So as you take money out of the account, you pay taxes on it then. And so, uh, it used to be that you. Have a similar RMD schedule. An RMD is a required minimum distribution. So each year, even though you have this account, the IRA says you can't just hold this forever.

[00:21:15] Conner Kelderman: You have to take a little bit out each time, and it's calculated based on age and your life expectancy essentially. And so, uh, used to be you could spread this out over a long period of time and take it just a little bit year over year or. Or take it, you know, sooner and pay some tax on it. The Secure 2.0 ACT said nope, you have 10 years to, to use this money.

[00:21:33] Conner Kelderman: And there's some confusion around, well, if I have 10 years to use this money, do I still need to take money out each year? Like I'm, I, I would have if this, uh, person passed in 2018 or now that they passed in 2021, do I just have 10 years from 2021 to drain the account? But don't need to take any money out at any specific schedule and.

[00:21:53] Conner Kelderman: The market was essentially like, we're, we're not positive. We, we need IRS, uh, guidance on this. And so, uh, the, [00:22:00] there was a couple notices from the IRS the last couple years essentially saying, give us more time to tell you what we need to do here. And so for, for the last few years, there's been, uh, essentially forgiveness of any RMD requirement to say, uh, whether you took it or not.

[00:22:13] Conner Kelderman: We're not gonna charge any penalties or, or, you know, require that, that, uh, required minimum distribution was taken. But, uh, in 2024, the notice you're referencing, uh, they said by 2025 we're gonna have this answer. So, uh, we're holding onto that and hopefully they will have an answer here soon for us. We don't have the answer yet, but, uh, that would tell us whether the, uh, you know, minimum amount that has to come out of the account, uh, during a 10 year period is required.

[00:22:39] Conner Kelderman: Or if we truly do have 10 years from the date of death, that could be. All in one year. It could be one 10th over 10 years or whatever the schedule you want.

[00:22:46] Matt Nelson: Yeah. And, and it's, I I do, we gotta, we gotta have an answer on this, you know, like definitively. And it's super important. I think tying back to our, our kind of client we're talking about that would have stock compensation mm-hmm

[00:22:58] Matt Nelson: Um, because. [00:23:00] Let's say you get a large, you know, you're, you're coming into, well, let me back up. This would be a classic case. We would, we would see someone in their, let's say early fifties, they have moved up in the ranks. Significant portion of their compensation is coming from stock comp. They, and they know that's gonna happen the next.

[00:23:17] Matt Nelson: Five, 10 years and right about that time at that age, and unfortunately parents are probably, uh, starting to pass away. Maybe their, their parents were 75 or so, 75, 80. Uh, so now they have an inherited IRA issue to deal with. So it is super important to know, can we wait? The full 10 years until they're about to retire.

[00:23:39] Matt Nelson: And, uh, try to, and then we can deal with the stock compensation the first few years and then wait on the ira IIRA withdraw or not. So really important for our, for our clients that, to, to, to understand this.

[00:23:51] Conner Kelderman: Absolutely. Absolutely. This

[00:23:52] Matt Nelson: has been super helpful. I think I, I think, um. We'll leave it there so people's heads don't spin on this.

[00:23:57] Matt Nelson: Um, but I, I really appreciate you coming [00:24:00] on the show and, and, and sharing some of your knowledge. Um, as people can see, uh, Conner's very knowledgeable and he's got a whole team behind him that he's building, um, with Track. And so if you need some advice or want a second opinion even, feel free to reach out to him.

[00:24:15] Matt Nelson: Um, Conner, where would they easily find you? And do you have social handles? All of that?

[00:24:19] Conner Kelderman: Yeah, yeah, they can find us@Trackcpa.com, Track the cpa most, most of the social channels. Um, and or feel free to reach out to me Conner@Trackcpa.com is my email address. Um, and yeah, exactly that. I mean, we are, or taking new clients, we're building out the team so that we can help people through this, uh, getting, you know, getting a 2024 tax return prepared and then setting a good step forward to, okay, what does 2025 look like?

[00:24:42] Conner Kelderman: Let's start in planning on then right after we get to 2024 return completed.

[00:24:45] Matt Nelson: Sure. Okay. Yeah. And just as a, as an FYI, since we're moving into, you know, end of January and probably by the time people hear this will be, you know, mid-February, is there a bit of a deadline for you to take on new clients for the 2024 year?

[00:24:59] Conner Kelderman: I. [00:25:00] It's a bit tongue in cheek, right? Uh, you're not gonna have the same experience if you call me on, you know, March 15 and, and want to get on the list to file it within a month. That, that's gonna be a, a tough ask for us. Right? Just given the, I mean, we, we all have essentially two months from, we're getting 10 90 nines, like I mentioned on February 15, two months later we gotta file.

[00:25:18] Conner Kelderman: And so, um. The sooner, the better. Absolutely. We sent all of our returning and, and new clients, uh, their initial correspondence and kind of action items this just this week. And so, uh, getting on our list is good. We, we generally say once we're into March, you know, we have to be, uh, at least potentially exploring an extension, right?

[00:25:36] Conner Kelderman: Just because, uh, from our per vantage point, whether or not we can get it done, we wanna make sure we get it done and are very thorough and don't rush through things. So there's no reason to rush it if we know, uh, we've done a quick calculation, we feel good about where we're at. Let's take time to be sure you're a new client.

[00:25:50] Conner Kelderman: Let's go through everything with a fine tooth comb to make sure we have it all pulled together and then file, you know, May 1st or whenever that is.

[00:25:57] Matt Nelson: Yeah. All right. Again. And there you have it. Uh, [00:26:00] we're gonna wrap there. Thanks for spending the time with us today. Um. Remember until next time, financial freedom takes more than money.

[00:26:09] Matt Nelson: So find your purpose and live your life well. If you need any guidance, we're here to help. Take care of each other out there.

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