

New Article by Tim Hayes Sheds Light on the Massachusetts 403b Retirement Plan Tax Laws

BOSTON, MA, UNITED STATES, October 16, 2024 /EINPresswire.com/ -- Independent Advisor Tim Hayes discusses the importance of tax planning, record-keeping, and utilizing pre-1998 403b contributions for Massachusetts taxpayers to help them avoid difficulties in tax withdrawals and save money.

Prior to 1998, Massachusetts' retirement laws allowed taxpayers to deduct their 401k plan contributions from federal and state income taxes. However, taxpayers with 403b (Tax-Sheltered Annuity Plan) plans were only allowed federal tax deductions and not state tax deductions. Changes in Massachusetts' retirement law in 1998 have since allowed 403b participants to deduct their contributions from both federal and state taxes. The same taxpayers were then required to keep records of their pre-1998 403b contributions. This is to help them avoid paying taxes on these contributions twice once they receive retirement distributions.

"Regrettably, many individuals have overlooked the 1998 law change, leading to situations where they have withdrawn from their 403b plans without considering the pre-1998 contributions," shares Hayes. According to him, this oversight could cause them to pay state taxes twice on these withdrawals and encounter additional difficulties due to the lack of proper record-keeping. There is a silver lining to this, though. Here are some key points to take note of:

- Proper tax planning and record-keeping can help you avoid potential issues with your 403b plan while saving money.
- If you've made withdrawals without considering your pre-1998 contributions, note that the state doesn't require you to account for these once you're eligible to do so.
- You can still adjust your future state income tax returns for pre-1998 contribution amounts, which may give you potential tax savings.

"Individuals must keep track of their pre-1998 contribution amounts for future tax years until they are fully utilized," advises Hayes. As an [independent financial advisor](#), Hayes understands that this can be a challenging undertaking. However, he has developed a process to help individuals find their pre-1998 contribution amounts through strategic partnerships with 403b providers and school systems.

[Read the full article here.](#)

About Tim Hayes: Tim Hayes is an independent financial advisor affiliated with Cambridge Investment Research Inc. He provides [financial planning services](#), including retirement planning and wealth management, for both local and national clients who are impacted by the changes in the Massachusetts Retirement Law for 403B plan contributions.

Securities offered through Cambridge Investment Research, Inc., a broker/dealer, member FINRA/SIPC. Investment advisory services offered through Cambridge Investment Research Advisors, Inc., a Federally registered investment advisor. Cambridge does not provide tax advice. 39 Braddock Park #5 Boston, MA 02116 | 126 Horseneck Road, S. Dartmouth, MA 02748. Cambridge and Financial Advisor Tim Hayes are not affiliated. Prepared by: Geri Mileva

Timothy Hayes

Financial Advisor Tim Hayes

+1 508-277-5847

tim.hayes@cambridgeresource.com

Visit us on social media:

[Facebook](#)

[X](#)

[LinkedIn](#)

This press release can be viewed online at: <https://www.einpresswire.com/article/752246836>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2024 Newsmatics Inc. All Right Reserved.