

Client Case Study

Dual Emergency Room Physicians

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Client Profile: Emergency Medicine Physician Couple – Los Angeles, CA

Emergency medicine physicians affiliated with an academic healthcare system in San Diego. Combined income totals \$950,000 - consisting of W-2 compensation, 1099-NEC income, and occasional speaking fees. Two young children. Current net worth of \$3.2 million. Current goals include financial organization, increasing financial and tax efficiencies, education funding, planning for early retirement and intergenerational wealth planning.

Comprehensive Financial Planning Areas

Advanced Tax Planning

- Filed MFJ however modeled MFS for PTET optimization.
- S Corp structure for 1099-NEC for optimal reasonable salary / tax-free distribution split
- Established a Solo 401k for tax-deductible profit sharing contributions. Proactively analyzed cash balance plan options for additional future year tax-deductible retirement plan funding
- Set-up an Accountable plan for the S Corp for tax-free reimbursements and to optimize the benefits of business ownership
- Coordinated and optimized HSA, FSA, and Dependent Care contributions

- Adjusted estimated tax payments to align with 2025 tax projection tax liabilities minus federal and state withholdings

Retirement Planning

- Increased 403(b), 457(b) contributions to the maximum
- Set up back-door Roths for each spouse
- Established Solo 401(k) for the Ss-corp and funded with tax deductible employer profit-sharing contributions
- Consolidated prior employer 401ks into a single IRA
- Performed Roth conversion analysis to evaluate the tax impact (considering in a future year)
- Modeled and analyzed scenarios to fully fund a secure retirement age of 55

Investment Strategy

- Blended active/passive investment portfolios tailored to risk tolerance and time horizon
- Real estate income from limited partnerships and syndications structured for tax deferral
- Direct indexing with tax-loss harvesting to minimize capital gains exposure

Education & Family Planning

- Funded 529 plans for both children with front-loaded 5-year gift exclusion
- Created irrevocable trust to hold future assets and shield education funding from income-based aid formulas

Estate & Legacy Planning

- Revocable living trusts, pour-over wills, durable POAs, and healthcare directives in place for both.
- Layered estate strategy using SLAT, ILIT, and family limited partnership (FLP).
- Charitable giving structured through a donor-advised fund and planned charitable remainder trust (CRT).

Risk Management

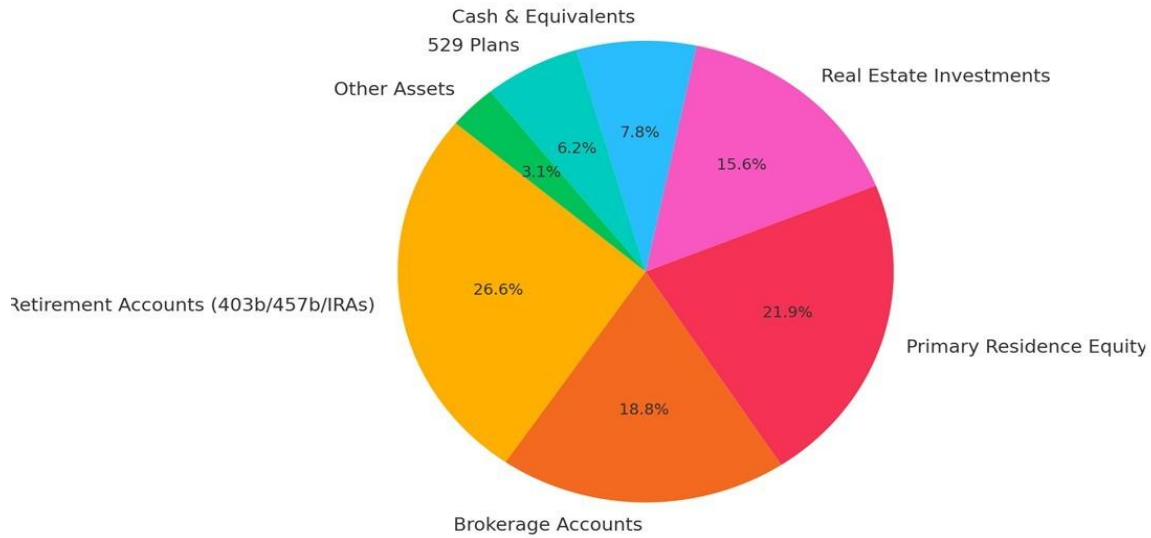
- Layered disability coverage for each spouse, accounting for 1099-NEC income.
- High-limit umbrella policy coordinated across property, auto, and business coverage.

Results and Benefits

- Over \$62,000 in annual tax savings
- Full retirement readiness modeled by age 55 with flexible glidepath to reduced clinical time
- Education plans funded with tax-smart trusts and 529 accounts
- Integrated estate plan prepared for multi-generational wealth and philanthropic legacy
- Financial clarity enabled stress reduction and long-term career design for both physicians

Net Worth

Visual breakdown of the couple's current net worth allocation.



Conclusion

For dual physician households, coordination and customization are essential. Through comprehensive financial planning, they've optimized taxes, protected their family, and built a clear roadmap toward financial independence and a values-aligned lifestyle.

At Cobalt PacWest, we specialize in working with physicians to bring their financial lives into focus, protect what matters most, and build a future that reflects their values and ambitions.

If you're a physician juggling your finances, you don't have to navigate it alone.

Ready for Strategic Tax Clarity?

At **Cobalt PacWest | CPAs & Tax Advisors**, we specialize in *strategic tax planning*, *tax compliance*, *CPA-level comprehensive financial planning*, and *advisory services* tailored for physicians, medical specialists, and healthcare families committed to minimizing taxes and building a secure financial future.

Cobalt PacWest Advisors (CPA)

Whether you're navigating the complexities of hospital employment, managing side practice income, optimizing student loans, planning for your family's financial legacy, or growing long-term wealth—our integrated approach combines:

- **Proactive tax strategy**
- **Comprehensive financial planning**
- **Flawless year-end tax preparation**

...to help you align today's financial decisions with tomorrow's goals.



If you're a physician or healthcare professional juggling your finances, you don't have to navigate it alone.

Ready for Strategic Tax Clarity?

Cobalt PacWest Advisors (CPA) specializes in *strategic tax planning, tax compliance, CPA-led comprehensive financial planning*, and *business advisory services* tailored for physicians, healthcare professionals, high-income families and businesses intent on minimizing taxes to the lowest levels possible while remaining compliant with all tax laws, and plan for their future to achieve what matters most and live their best lives.


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If you are feeling uneasy about the financial decisions you are (or are not) making to increase financial and tax efficiencies and reduce your tax liabilities, and attempts to "guess" what you need to do each year to be able to fund your family's non-negotiable and "wish list" financial goals, plans for achieving financial independence and retiring on your terms aren't providing you the confidence you need, you are not alone.

 Time is money.

Schedule your complimentary consultation today.

Let's chart a smarter path forward—together.

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