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Year End Checklist

Tax Planning

Consider tax-loss harvesting

- ☐ If you have large unrealized losses in your investment portfolio, sell those investments to offset realized gains in the portfolio.
- ☐ If your capital losses exceed your capital gains, you may be able to use the loss to reduce your taxable income up to an additional $3,000. The excess losses can be carried forward to future years offset income or capital gains, up to $3,000 per year.

Retirement Planning

Maximize your contributions up to $18,000 to your employer sponsored retirement plan.

- ☐ People age 50 and over can contribute an additional $6,000 for a total of $24,000 to their retirement plan.
- ☐ Contact your Human Resources Department if you have not maximized your contribution to your employer sponsored retirement plan to see what options you have before year end.

If you're self employed…

- ☐ Contribute up to $18,000 ($24,000 – if 50 or older) plus up to 25% of your net self-employment income to your retirement plan.
- ☐ You have until tax filing deadline of the following year to make contributions for this year (account must be opened by December 31st if you don't already have one).

For those that have reached 70 ½

- ☐ Make sure you have withdrawn your Required Minimum Distribution (RMD) from your Traditional IRA (if you have turned 70 ½ this year).
- ☐ If you wait until next year to take out your first RMD, you will realize your current and next year's RMD within the same tax year may pay higher taxes.

Make your Traditional or Roth IRA contribution of $5,500.

- ☐ Make your current year contribution any time before the tax-filing deadline.
- ☐ Individuals 50 and older can contribute up to $6,500 to their Traditional or Roth IRA.

Consider a Roth Conversion

- ☐ You have until December 31st to convert your money from a Traditional IRA to a Roth.
- ☐ You will have to pay taxes on the conversion but you can withdraw the money tax free from the Roth in retirement.
- ☐ This is a great idea if your current income was lower than in previous years.
- ☐ Consider converting your Traditional IRA contribution to a Roth IRA as soon as possible.

Estate and Legacy Planning

Make your annual gifts (prior to year-end).

- ☐ Individuals can gift up to $14,000 annually to as many people as they like without reducing their federal gift tax exemption

Consider making gifts to a Roth IRA for your children/grandchildren.

- ☐ Make a gift of up to $5,500 to either a Traditional or Roth IRA for children or grandchildren who have earned the income but who are not funding their own IRA's.

Make distributions to trust beneficiaries.

- ☐ Distributions to trust beneficiaries at year-end may result in a tax savings to the trust because it is the beneficiary who pays tax on that income (typically at a lower tax rate).

Accelerate your annual gifts with a Section 529 plan.

- ☐ Consider funding Section 529 plans by December 31st to apply the annual gift tax exclusion treatment to the contributions.
- ☐ You can "front-load" Section 529 plans by making five years' worth of annual exclusion gifts ($14,000 per person/year) to a 529 Plan without generating gift tax or using up any gift tax exemption!

Health Insurance Planning

Review your health coverage options.

- ☐ Some companies offer several plans, so make sure you're choosing the right one for you.

Make sure you have spent all your money in your Flexible Spending Account.

- ☐ Some FSA's follow a "use it or lose it" policy while others have a grace period that can be used in the beginning of the New Year.
- ☐ Ensure that you have used up the funds that cannot rollover to next year in your Flexible Spending Account.