



2022 END OF THE YEAR FINANCIAL CHECKLIST



TO DO

DESCRIPTION

DONE?

<p>Loss Harvesting</p>	<p>If you have a taxable investment account and own securities that have lost value, there may be an opportunity to sell assets to take advantage of the tax loss. Then, repurchase something similar, so you don't lose your place in the market. However, you would need to wait 31 days to purchase the same security, otherwise it's considered a "Wash Sale" and you don't get to declare the loss.</p> <p>https://www.irs.gov/publications/p550</p>	<input type="checkbox"/>
<p>RMD</p>	<p>If you are over the age of 72 in this tax year, or you were the beneficiary of an "inherited IRA", you will need to take out an annual Required Minimum Distribution. The IRS calculates the RMD based on a life expectancy table. The penalty for not taking your RMD in time, is 50% of whatever the RMD was supposed to be!</p> <p>https://www.irs.gov/publications/p590b</p>	<input type="checkbox"/>
<p>QCD</p>	<p>A "Qualified Charitable Distribution" allows you to satisfy your RMD by making a contribution to a charity of your choice. Normally, when you take an RMD you incur taxable income and for most retirees, you don't have enough deductions to itemize. But with a QCD you don't even show it as income as long as you're over 70 ½ and the distribution is paid directly to the charity.</p> <p>https://www.irs.gov/publications/p590b</p>	<input type="checkbox"/>
<p>HSA Contributions</p>	<p>If you currently have a High Deductible Health Plan, you can establish and contribute to a Health Savings Account. The contributions are Tax Deductible, the account growth is Tax Deferred and if it's used for Qualified Medical Expenses it comes out Tax Free. That's a triple whammy!</p> <p>https://www.irs.gov/publications/p969</p>	<input type="checkbox"/>
<p>Roth IRA Conversions</p>	<p>If you expect to be in a higher tax bracket down the road, or maybe had a year without much income, consider a Roth IRA Conversion. By "converting" part of your IRA, you do pay tax now, but once it goes into the Roth, assuming you meet the IRS requirements, the growth is tax deferred and all future withdrawals are Tax Free!</p> <p>https://www.irs.gov/retirement-plans/retirement-plans-faqs-regarding-iras-rollovers-and-roth-conversions</p>	<input type="checkbox"/>
<p>Recognition of Capital Gains</p>	<p>Here's an interesting one...the new 2022 tax code allows for a 0% long term capital gain rate on taxable income of \$80,800 or less for a married couple and \$40,400 for a single individual. So, if you have some room to recognize some long-term gains, there may be an opportunity to do it and get a free step up in basis without incurring any additional tax. Pretty cool.</p> <p>https://www.irs.gov/taxtopics/tc409#:~:text=Capital%20Gain%20Tax%20Rates,or%20qualifying%20widow(er).</p>	<input type="checkbox"/>
<p>529 Plan Distributions</p>	<p>If you've incurred college costs in this tax year, you must take a distribution from a 529 plan in the same tax year for it to be considered Tax Free. Just be aware of the American Opportunity Tax Credit and the Lifetime Learning Credit so you don't lose out on those benefits by taking out too much from the 529 plan.</p> <p>https://www.irs.gov/newsroom/529-plans-questions-and-answers</p>	<input type="checkbox"/>

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<p>Incur / Delay Expenses</p>	<p>It might make sense to do some capital expenses on business items if you had a good year and want to offset more taxable income for 2022. On the other hand, if you're expecting next year to be more prosperous, you may want to wait until January to make those expenditures a reality. In the unlikely event you itemize, you may want to group your property taxes all in the same tax year to maximize the write off.</p> <p>https://www.irs.gov/pub/irs-pdf/p538.pdf</p>	<input type="checkbox"/>
<p>Delay Withdrawals until January</p>	<p>Depending on your situation, does it make more sense to delay a taxable withdrawal until next year? Instead of pulling money out your IRA to buy that new car in December, maybe consider financing it and taking a distribution in January. Just a thought.</p> <p>https://www.irs.gov/retirement-plans/traditional-iras</p>	<input type="checkbox"/>
<p>Max out Contributions to your 401(k) or 403(b) Plan</p>	<p>Like most people you may not even pay attention to your payroll deductions. If you haven't maxed out your 401(k) or 403(b) and have the ability to put in more, increase your end of the year deductions to help reduce your taxable income. Limits for 2022 are \$20,500 plus \$6,500 for age 50 and over.</p> <p>https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-contributions</p>	<input type="checkbox"/>
<p>Set up Solo 401(k)</p>	<p>If you are a Small Business with no employees other than a spouse, you may be able to establish a Solo 401(k) and make both an elective deferral up to \$20,500 (plus \$6,500 if you are age 50 or older) and also contribute a Profit-Sharing Contribution of up to 25% (*subject to self employed limits). The max for 2022 is \$67,500 tax deductible! That's huge!</p> <p>https://www.irs.gov/retirement-plans/one-participant-401k-plans</p>	<input type="checkbox"/>
<p>Medicare Open Enrollment</p>	<p>Open Enrollment ends on December 7th. So, if you're considering making any changes to your Medicare plan or switching to or from an Advantage Plan, be sure to get it done in time.</p> <p>https://www.medicare.gov/blog/medicare-open-enrollment-get-help-with-your-coverage-choices</p>	<input type="checkbox"/>



Hope this Checklist serves as a handy reminder, so you don't let any Financial Planning Strategies slip through the cracks this year. We're here for you if you have any questions. Just don't delay!

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