2019 · WHAT ISSUES SHOULD I CONSIDER BEFORE THE END OF THE YEAR?

Strategence Capital

ASSET & DEBT ISSUES	YES	NO
Do you have unrealized investment losses? If so, consider realizing losses to offset any gains and/or write off $3,000 against ordinary income.	☐	☐
Do you have investments in taxable accounts that are subject to end-of-year capital gain distributions? If so, consider strategies to minimize tax liability.	☐	☐
Did you inherit an IRA or 401(k) from someone who passed away last year but have not split the account yet (assuming there were multiple beneficiaries)? If so, consider splitting the account before the end of the year to avoid calculating the RMD based on the oldest beneficiary.	☐	☐
Are you over the age of 70.5, or are you taking an RMD (from an inherited IRA)? If so, consider the following: ■ RMDs from multiple IRAs can be aggregated. ■ RMDs from multiple 403bs can be aggregated. ■ RMDs from an employer retirement plan must be calculated and taken separately. No aggregation is allowed. ■ RMDs from inherited IRAs can not be aggregated with Traditional IRAs.	☐	☐

TAX PLANNING ISSUES	YES	NO
Do you expect your income to increase in the future? If so, consider the following strategies to minimize your future tax liability: ■ Make Roth IRA and Roth 401(k) contributions and Roth IRA conversions. ■ If offered by your employer plan, consider after-tax 401k contributions. ■ If over age 59.5, consider accelerating IRA withdrawals to fill up lower tax brackets.	☐	☐
Do you expect your income to decrease in the future? If so, consider strategies to minimize your tax liability now, such as Traditional IRA and 401(k) contributions instead of contributions to Roth accounts. (continue on next column)	☐	☐

TAX PLANNING ISSUES (CONTINUED)	YES	NO
Do you have any losses for this year or carryforwards from prior years? If so, consider the following: ■ There may be tax-loss harvesting opportunities. ■ You may be able to take the loss or use the carryforward to reduce taxable income by up to $3,000.	☐	☐
Are you on the threshold of a tax bracket? If so, consider strategies to defer income or accelerate deductions and strategies to manage capital gains and losses to keep you in the lower bracket. Consider the following important tax thresholds: ■ If taxable income is below $160,724 ($321,449 if MFJ), you are in the 24% percent marginal tax bracket. Taxable income above this bracket will be taxed at 32%. ■ If taxable income is above $434,550 ($488,850 if MFJ), any capital gains will be taxed at the higher 20% rate. ■ If your modified adjusted gross income (MAGI) over $200,000 ($250,000 if MFJ), you may be subject to the 3.8% Medicare surtax on the lesser of net investment income or the excess of MAGI over $200,000 ($250,000 if MFJ). ■ If you are on Medicare, consider the impact of IRMAA surcharges by referencing the "Will I Avoid IRMAA Surcharges On Medicare Part B & Part D" flowchart.	☐	☐
Are you charitably inclined and want to reduce taxes? If so, consider the following: ■ If you expect to take the standard deduction ($12,200 if single, $24,400 if MFJ), consider bunching your charitable contributions (or contributing to a donor-advised fund) every few years which may allow itemization in specific years.	☐	☐
Will you be receiving any significant windfalls that could impact your tax liability (inheritance, RSU's vesting, stock options, bonus)? If so, review your tax withholdings to determine if estimated-payments may be required.	☐	☐
Do you own a business? If so consider the following: (continue on next page)	☐	☐

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TAX PLANNING ISSUES (CONTINUED)	YES	NO
■ If you own a pass-through business, consider the QBI Deduction eligibility rules. Reference the "Am I Eligible For A Qualified Business Income Deduction?" flowchart. ■ Consider the use of a Roth vs. Traditional Retirement plan and its potential impact on taxable income and Qualified Business Income. ■ If you have business expenses, consider if it makes sense to defer or accelerate the costs to reduce overall tax liability. ■ Some retirement plans, such as a Solo 401(k), must be opened before year-end.		
Have there been any changes to your marital status? If so, consider how your tax liability may be impacted based on your marital status as of December 31st.	☐	☐

CASH FLOW ISSUES	YES	NO
Are you able to save more? If so, consider the following: ■ If you have an HSA, you may be able to save $3,500 ($7,000 for a family) and an additional $1,000 If you are over the age of 55. See "Can I Make A Deductible Contribution To My HSA?" flowchart for details. ■ If you have an employer retirement plan, such as a 401(k), you may be able to save more but must consult with the plan provider as the rules vary as to when you can make changes. ■ For 2019 the maximum salary deferral contribution is $19,000, plus the catch-up contribution if over the age of 50 of $6,000 per year.	☐	☐
Do you have a 529 plan? If so, consider the following: ■ You can contribute up to $15,000 ($30,000 if a joint gift is made) each year without filing a gift tax return. ■ Alternatively, you can elect the Five Year Accelerated Gift of $75,000.	☐	☐

INSURANCE PLANNING ISSUES	YES	NO
Will you have a balance in your FSA before the end of the year? If so, consider the following options your employer may offer: ■ Some companies allow you to roll up to $500 in your FSA account over the previous year. ■ Some companies offer a grace period up until April 15th to spend the unused FSA funds. ■ Many companies offer you 90 days to submit receipts from the previous year. ■ If you have a Dependent Care FSA, check the deadlines for unused funds as well.	☐	☐
Did you meet your health insurance plan's annual deductible? If so, consider incurring any additional medical expenses before the end of the year at which point your annual deductible will reset.	☐	☐

ESTATE PLANNING ISSUES	YES	NO
Have there been any changes to your family, heirs, or have you bought/sold any assets this year? If so, consider reviewing your estate plan. See "What Issues Should I Consider Before I Update My Estate Plan?" checklist for details.	☐	☐
Are there any gifts that still need to be made this year? If so, you can make gifts up to $15,000 ($30,000 if a joint gift is made) per year to an individual without filing a gift tax return.	☐	☐

OTHER ISSUES	YES	NO
Do you have children in high school or younger who plan to attend college? If so, consider financial aid planning strategies, such as reducing income in specific years to increase financial aid packages.	☐	☐