

Year-end Review Checklist

No matter how wealthy you are, you want to be prepared for routine year-end conversations with financial, legal, and tax advisors. The following checklist is far from comprehensive, but hopefully these suggestions provide a good starting point for your discussions. Keep in mind some topics may need to be addressed with more than one of your trusted professional advisors.

Track progress toward your financial goals. How did your investments perform this year? Now is a good time to address whether the volatility in the market caused the asset allocation in your portfolio to fall out of alignment with your goals. Work with a financial advisor to adjust your portfolio accordingly to ensure your investments still support your long-term financial plan. If you don't have a financial plan in place yet, ask a financial advisor to help you create one.

- ❑ **Share life changes.** Inform your team of advisors of life changes (e.g., a marriage, divorce, birth or adoption, job promotion, or retirement). These events might impact your financial, tax, and legal situations in the future. Also let them know of any major purchases or expenses you've made or are planning to make (e.g., a new business, a second home, or major renovations on an existing property).
- ❑ **Maximize and manage your retirement plan contributions.** Review your retirement plan contributions and consider maximizing them before year-end. If you are age 50 or older and your plan allows, take advantage of catch-up contributions in your IRA and employer-sponsored accounts.
- ❑ **Take your required minimum distribution (RMD) if applicable.** Take your RMD if you're 72 or older and are subject to RMDs. Beginning at this age, the IRS requires you to start taking money out of your IRAs and employer-sponsored retirement plans such as a 401k. This requirement would apply to a Roth 401k but not a Roth IRA.¹
- ❑ **Make charitable contributions.** Make desired charitable contributions if you plan to itemize deductions on your tax return. Be sure you have appropriate receipts or documentation for your tax records. Review the source of your charitable donations, whether cash, securities, or gifts-in-kind to maximize the tax benefits.¹
- ❑ **Conduct a year-end tax review.** Talk with your tax advisor about: (1) the advantages of Roth conversions; (2) potential changes to your estimated taxes and withholding to avoid underpayment penalties; (3) bunching itemized deductions (e.g., charitable contributions or medical expenses) into specific years; and (4) any portfolio losses to offset gains and potentially reduce your tax liability. Also review your portfolio for potential capital gains distributions.



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- ❑ **Create or review your estate plan.** If you don't have an estate plan, work with your team of legal professionals to create one to ensure your wishes are carried out should something happen to you. Review your plan if it's been a few years or you have recently had a life change or addition to the family to ensure your plan still reflects your wishes. It is also important to review your estate plan if you've moved to another state, as your new home state's laws may have an impact on your plan.
- ❑ **Review your insurance policies.** As family circumstances change – such as kids graduating from college or you assuming responsibility for an aging parent – so do your financial responsibilities. An insurance review is an opportune time to see if you are underinsured, overinsured, or paying too much for insurance.
- ❑ **Update your beneficiaries and contact information.** Ensure the beneficiaries on your retirement accounts, insurance policies, and all legal documents are current. Update your email addresses, mailing address, and phone numbers.

¹ Contact your tax advisor.

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