

Year-End Planning: Checklist for Conversations with Advisors

By Miranda Burks, CFP®, Financial Planner

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.

Here are a few tips to help you get the most out of this annual process as you track the progress toward your financial goals.

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.

Beginning in 2023, the SECURE 2.0 Act changes the age RMDs must begin to age 73 for taxpayers that reach age 72 after December 31, 2022. Roth IRAs are not subject to RMDs until after the original account owner's death. Designated Roth accounts in a 401(k) or 403(b) plan are subject to the RMD rules for 2022 and 2023.¹

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) possible 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) realizing any portfolio losses to offset gains and potentially reduce your tax liability. Also review your portfolio for potential capital gains distributions.

Track Your 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.”

Miranda Burks, CFP®, Financial Planner



Commerce Trust
Banking | Investments | Planning™

❑ 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.

Next steps

Commerce Trust is here to answer any questions you may have regarding your year-end planning efforts and to address your unique financial situation and retirement plan. Contact us today to schedule your year-end conversation.

¹ Contact your tax advisor.

Certified Financial Planner Board of Standards, Inc. (CFP Board) owns the certification marks CFP® and CERTIFIED FINANCIAL PLANNER™ in the United States, which it authorizes use of by individuals who successfully complete CFP Board's initial and ongoing certification requirements.

The opinions and other information in the commentary are provided as of October 26, 2023. This summary is intended to provide general information only, and may be of value to the reader and audience.

This material is not a recommendation of any particular investment or insurance strategy, is not based on any particular financial situation or need, and is not intended to replace the advice of a qualified tax advisor or investment professional. While Commerce may provide information or express opinions from time to time, such information or opinions are subject to change, are not offered as professional tax, insurance or legal advice, and may not be relied on as such.

Diversification does not guarantee a profit or protect against all risk.

Commerce Trust does not provide advice related to rolling over retirement accounts.

Data contained herein from third-party providers is obtained from what are considered reliable sources. However, its accuracy, completeness or reliability cannot be guaranteed.



Commerce Trust
Banking | Investments | Planning™

commercetrustcompany.com



Commerce Trust

Banking | Investments | Planning™

[commercetrustcompany.com](https://www.commercetrustcompany.com)