

Celebrating Over 30 Years...

J. Charles Dunham CFP®, CRPC®
Comprehensive Wealth Planner

Charles.Dunham@lfg.com
Telephone: (205) 263-5318
www.FirstFinancialGroupInc.com



...and Supporting You for the Next 30

John "Goose" Dunham
Comprehensive Wealth Planner

John.Dunham@lfg.com
Telephone: (256) 548-2158
www.JCDFinancialServices.com

Life Event Planning Checklist: New Year

Retirement Planning- Seize Opportunities and Avoid Missteps

- Consider Roth 401(k) contributions and after-tax contributions up to a total of \$62,000 per year in contributions
- Maximize your IRA contributions. You may be able to deduct annual contributions of up to \$6,000 to your Traditional IRA and \$6,000 to your spouse's IRA
- Consider increasing your 401(k) and retirement account contributions to the maximum of \$19,000
- If you are 50 or older, take advantage of catching up on IRA contributions and certain qualified retirement plans. You may be able to contribute, and deduct, an additional \$1,000 to your IRA and \$6,000 to your employer retirement plan, for a total of \$7,000 in IRA contributions and \$25,000 in employer plans
- Void taking IRA distribution prior to age 59 ½ otherwise a 10% early withdrawal penalty may apply
- Consider converting from a Traditional IRA to a Roth IRA
- Explore taking employer stock from tax deferred accounts, under favorable tax rules
- Determine the optimal time to begin taking Social Security benefits, which you can apply for between ages 62 to 70
- Consider opening a Health Saving Account, up to \$7,000 per family a year

Investment and Income Tax Strategies

- Defer your year-end bonus, the sale of capital gain property and receipt of distributions to delay income to the following year
- Review your W-2 federal incoming withholding amount in preparation of a significant tax bill or to avoid the under-withholding tax penalty
- Maximize the utilization of itemized medical expenses by bunching expenses in the same year in order to meet the threshold percentage of your AGI
- If you are subject to the Alternative Minimum tax (AMT), speak with your tax advisor before deferring income or accelerating deductions as they could have a negative effect

Giftng Strategies

- Gift up to \$15,000 per individual annually in federal tax-free gifts
- Make a will or trust bequest so that the estate can take both income and estate tax deductions
- Give an outright charitable gift of cash for an immediate income tax deduction
- Contribute to charities using appreciated stock in place of cash to reduce capital gains in your portfolio while generating an income tax deduction
- If you are over 70½ and would like to make a donation to charity, you can donate up to \$100,000 from your IRA under favorable tax provisions called a qualified charitable distribution (QCD)
- Set up a Donor Advised Fund for an immediate tax deduction and to provide immediate and future gifting to charities over time
- Consider ‘bunching’ several years of charitable contributions into one year to make your contributions more tax efficient

Set Yourself up for Success in the Upcoming Year

- Check your Health Savings Account contributions for the fiscal year. If you qualify, you can contribute up to \$3,500 (individually), or \$7,000 (family), and an additional \$1,000 catch up if you are 55 or older
- Send capital gains and investment income information to your accountant for a more accurate year end projection
- Confirm you’ve spent the entire balance in your Flexible Spending Accounts for the year
- Revisit contribution amounts to your 529 Plan college savings accounts
- Revisit retirement plan contributions
- Discuss major life events with us to ensure you have clarity on your current situation and directions for tomorrow. This includes, family, job or employment, and significant elective expenses (real estate purchases, college tuition payments, etc.)
- Ensure your account preferences, risk tolerance, and investment objectives are up to date with us
- Double check your beneficiary designations and update as necessary on retirement accounts, life insurance policies, and pensions
- Make a financial wellness resolution for the new year!