



Year End Checklist

Tax Planning

- ✓ **Consider tax-loss harvesting.**
 - If you have large unrealized losses in your investment portfolio, sell those investments to offset realized gains in the portfolio.
 - If your capital losses exceed your capital gains, you may be able to use the loss to reduce your taxable income up to an additional \$3,000. The excess losses can be carried forward to future years to offset income or capital gains, up to \$3,000 per year.
- ✓ **“Bunch” your expenses into 2017 so that you can take the deductions this tax year.**
 - Accelerate the payment of expenses such as property tax, sales tax, and state income tax so that you realize the deduction in 2017 (not in 2018).
 - Examples of deductions are property taxes, state income taxes, medical expenses, education expenses, and certain interest expenses.



Retirement Planning

- ✓ **Maximize your contributions up to \$18,000 to your employer sponsored retirement plan.**
 - People age 50 and over can contribute an additional \$6,000 for a total of \$24,000 to their retirement plan.
 - Contact your Human Resources Department if you have not maximized your contribution to your employer sponsored retirement plan to see what options you have before year end.
- ✓ **If you’re self-employed...**
 - Contribute up to \$18,000 (\$24,000- if 50 or older) plus up to 25% of your net self-employment income to your retirement plan.
 - You have until April 18, 2018 to make contributions for 2017 (account must be opened by December 31st if you don’t already have one).



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- ✓ **For those that have reached 70 ½.**
 - Make sure you have withdrawn your Required Minimum Distribution (RMD) from your Traditional IRA (if you have turned 70 ½ in 2017).
 - If you wait until 2018 to take your first RMD, you will realize your 2017 and 2018 RMD within the same tax year and may pay higher taxes.
- ✓ **Make your Traditional or Roth IRA contribution of \$5,500.**
 - Make your contribution for 2017 any time before the tax-filing deadline.
 - Individuals 50 and older can contribute up to \$6,500 to their Traditional or Roth IRA in 2017.
- ✓ **Consider a Roth conversion.**



- You have until December 31st to convert money from a Traditional IRA to a Roth.
- You will have to pay taxes on the conversion but you can withdraw the money tax free from the Roth in retirement.
- This is a great idea if your 2017 income was lower than in previous years.
- Consider converting your Traditional IRA contribution for 2017 to a Roth IRA as soon as possible.

Estate and Legacy Planning

- ✓ **Make your annual gifts (prior to year-end).**
 - Individuals can gift up to \$14,000 annually to as many people as they like without reducing their federal gift tax exemption.
- ✓ **Consider making gifts to a Roth IRA for your children/grandchildren.**
 - Make a gift of up to \$5,500 to either a Traditional or Roth IRA for children or grandchildren who have earned income but who are not funding their own IRAs.
- ✓ **Make distributions to trust beneficiaries.**
 - Distributions to trust beneficiaries at year-end may result in a tax savings to the trust because it is the beneficiary who pays tax on that income (typically at a lower tax rate).
- ✓ **Accelerate your annual gifts with a Section 529 plan.**
 - Consider funding Section 529 plans by December 31st to apply 2017 annual gift tax exclusion treatment to the contributions.
 - You can “front-load” Section 529 plans by making five years’ worth of annual exclusion gifts (\$14,000 per person/year) to a 529 Plan without generating gift tax or using up any gift tax exemption!



Health Insurance Planning

- ✓ **Review your health coverage options.**
 - Some companies offer several plans so make sure you're choosing the one right for you.
- ✓ **Make sure you have spent all your money in your Flexible Spending Account.**
 - Some FSA's follow a "use it or lose it" policy while others have a grace period that can be used in the beginning of the New Year.
 - Ensure that you have used up the funds that cannot rollover to next year in your Flexible Spending Account.



For more, see our year end planning newsletter. Click [here](#).

For a comprehensive review of your personal situation, always consult with a tax or legal advisor. Neither Cetera Advisor Networks LLC nor any of its representatives may give legal or tax advice.

Limitations and Early Withdrawals: Some IRAs have contribution limitations and tax consequences for early withdrawals. For complete details, consult your tax advisor or attorney.

Before investing, the investor should consider whether the investor's or beneficiary's home state offers any state tax or other benefits available only from that state's 529 Plan.

Converting from a traditional IRA to a Roth IRA is a taxable event. A Roth IRA offers tax free withdrawals on taxable contributions. To qualify for the tax-free and penalty-free withdrawal of earnings, a Roth IRA must be in place for at least five tax years, and the distribution must take place after age 59 ½ or due to death, disability, or a first-time home purchase (up to a \$10,000 lifetime maximum). Depending on state law, Roth IRA distributions may be subject to state taxes.

Distributions from traditional IRAs and employer sponsored retirement plans are taxed as ordinary income and, if taken prior to reaching age 59 ½, may be subject to an additional 10% IRS tax penalty.

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