New Year Planning Checklist

The New Year brings new opportunities. Make 2018 your strongest and wisest financial year yet by making sure you hit all these important check points.

Contribute More to Your Retirement Plans this Year

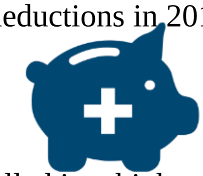
- ☐ Contribute up to $18,500 to any kind of 401(k), 403(b), or 457 Plan with a $6,000 catch-up contribution if you are 50 or older.
- ☐ If you are self-employed, look into whether you can establish and fund a Solo 401(k) before the end of 2018. You may direct $55,000 into one of those plans.
- ☐ Make your 2018 tax year contribution to a Roth or Traditional IRA as early as possible ($5,500 or $6,500 if age 50 or over).
- ☐ Consider making after tax contributions to your employer sponsored retirement plan up to $55,000 in total.

Go Roth in 2018

- ☐ Understand that if you are a high earner, income phase-out limits may affect your chance to make Roth IRA contributions.
    - o For 2018, phase-outs kick in at $189,000 for joint filers and $120,000 for single filers and heads of households.
- ☐ Contribute to a Traditional IRA in 2018 and then convert to a Roth IRA if your income prevents you from initially contributing to a Roth IRA.
- ☐ Don’t forget that partial Roth conversions are always possible.

Make a Charitable Gift the Smart Way

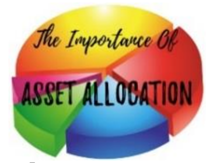
- ☐ Claim the charitable deduction on your 2018 return, provided you itemize your deductions on Schedule A
    - o If you give cash, document it with a bank record or written communication from charity with the date and amount
    - o If you gift appreciated securities that you have owned for more than a year, you will be in line to take a deduction for 100% of their fair market value, and avoid capital gains tax that would have resulted from simply selling the investment and donating the proceeds
- ☐ Consider a donor advised fund if you will not be itemizing your deductions in 2018.



Open a Health Savings Account (HSA)

- ☐ Set up and fund a Health Savings Account in 2018 if you are enrolled in a high-deductible health plan

- Make fully tax-deductible HSA contributions to of up to $3,450 (singles) or $6,900 (families); catch-up contributions of up to $1,000 are permitted for those 55 or older
- HSA assets grow tax deferred and withdrawals from these accounts are tax free if used to pay for qualified health care expenses



Pay Attention to Asset Location

☐ Make sure your least tax-efficient securities go in pre-tax accounts and your most tax-efficient securities should be held in taxable accounts

Review Your Withholding Status

☐ Make sure to adjust your withholding status due to any of the following factors:
- You pay a great deal of income tax each year
- You get a big federal tax refund each year
- You recently married or divorced
- A family member recently passed away
- You have a new job and are earning much more than before
- You started a business venture or became self-employed
- You back-ended contributions to your employer sponsored retirement plan last year

If You're Getting Married in 2018

☐ Make changes to the relevant beneficiary forms
☐ Adjust and revise your retirement savings and investments accounts
☐ Make sure to get a new Social Security card if your last name is going to change

If You're Retired and Older than 70½, Remember Your RMDs

☐ Make sure you begin taking Required Minimum Distributions from traditional IRAs and 401(k), 403(b), and profit-sharing plans by December 31st of each year
- IRS penalty for failing to take an RMD equals 50% of the RMD amount that is not withdrawn

If you turned 70 ½ in 2017, you can postpone your initial RMD from an account until April 1, 2018

Consider the Tax Impact of Upcoming Transactions if You Are:

☐ Planning to sell or buy real estate this year

- ☐ If you are going to exercise stock options in the coming months
- ☐ If any large commissions or bonuses are coming your way in 2018
- ☐ If you anticipate selling an investment that is held outside a tax-deferred account

New Income Tax Exemption for Veterans Filing NJ Income Tax Returns

- ☐ If you're a veteran filing in NJ, claim your $3,000 deduction* by providing the State of New Jersey with an application and a copy of Form DD-214.

**For any veteran filing a resident or non-resident tax return in the State of New Jersey, there is a new $3,000 exemption for your 2017 Income Tax Return, if you were honorably discharged from the armed forces before December 31, 2017. Please click here to read more about this new tax benefit. If you qualify and would like assistance in submitting your application and Form DD-214 to the State of New Jersey, please do not hesitate to contact our office.*

While this check list can start as a guide, speaking to us is the best way to get your 2018 financial life in order. Reach out to us today!

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