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Fall Cleanup Checklist

Fall is a time of transition. Depending on where you live and your family's traditions, the shorter days and cooler temps of autumn could signal that it is time to ditch the short sleeves in favor of long sleeves, pack away the bicycles and tune up the ski equipment, store the lawnmower and test the snowblower, and swap the spooky season decorations in favor of Thanksgiving décor. Those of us who live in more southern climates may have less to prepare for weather-wise. However, fall is still a period of change that can put demands on our time, both at home and at work. School is back in full swing, the holiday season is ramping up, and there may be projects you want to complete before the year is over. This is the perfect time to take stock of the past year and tie up loose ends before a frenetic last few weeks that can be equal parts stressful and celebratory. Having a fall to-do list can make the challenges of balancing family and professional commitments more manageable during this busy season.

Tax Day 2025

Like the holidays, tax season has a way of sneaking up on us. Next year's Tax Day is scheduled for April 15, 2025. While that is months away, you can still take steps now to enhance your tax benefits for this year and put you in a strong financial position headed into next year. For example, you may want to make additional charitable contributions, maximize annual contributions to retirement accounts, and defer income or accelerate deductions to optimize your current year tax bracket. This is a great time to meet with your CPA or accountant to weigh your options.

If you have incurred capital gains during the year, you can offset those gains by selling investments at a loss, a strategy known as tax-loss harvesting that can reduce your taxable income and tax liability. And if you must take required minimum distributions from your tax-deferred retirement accounts, you must do so by year's end. Consider meeting with your financial advisor or developing a relationship with one to determine the best strategy for your circumstances and goals. The end of the year is also a good time to get your tax and financial records in order so that when you meet with your accountant before Tax Day, you will have solid bookkeeping to inform your tax decisions and strategies.

Holiday Gifting and Gift Taxes

We spend a great deal of time selecting the perfect gifts for our loved ones, but many people are content to receive cold hard cash. A survey from Statista shows that the most desired Christmas gift in 2023 was money (43 percent of respondents)[1]. Seven in ten Americans told a Yahoo Finance/Ipsos poll they would be happy to receive an investment as a holiday gift, including over 40 percent who said they would be "very happy."[2]Among the top reasons cited for wanting to receive an investment were saving for the future, building wealth, and paying off debt.[3]

The annual gift tax exclusion for 2024 is $18,000 per person or $36,000 per married couple. That means you and your spouse can give up to $36,000 to each of your kids, each of their spouses, and each of your grandchildren in 2024 without having to file a gift tax return or pay any tax. However, the annual limit is time-sensitive, so you must make 2024 gifts prior to December 31, 2024. Gifts exceeding the annual exclusion amount may require filing a gift tax return (IRS Form 709), but they will not necessarily result in a requirement to pay gift taxes unless the total amount of all gifts you have made during your lifetime over the annual exclusion amount exceed your lifetime exemption ($13.61 million for a single taxpayer in 2024 and double that for married couples). An added incentive to make a generous holiday gift in 2024 is that the currently high exemption amounts are set to expire at the end of 2025. Capitalizing on the current window to make large gifts can be part of an estate planning strategy to move money out of your estate and avoid or minimize federal estate taxes.

Estate Plan Review

Looking back on the past year is a useful exercise for your estate plan. The rhythm of the seasons and our daily lives produce a regularity that can blind us to the many small changes that are constantly occurring. Add them all up, and you could be in a very different position headed into 2025 than you were starting 2024. Was there a birth or death in your family this year? A change to your income? A falling out or reconciliation with a loved one? Did you move to a new state, buy a new home, or receive an inheritance? Do you have a child headed off to college in the spring? Any of these situations—and many others—should prompt you to revisit your estate plan. Whether there has been a change in the law or a change of heart, your estate plan should reflect where things stand now—not where they stood a year ago or when you first made your plan.

Refocusing on What Matters Most

Being around family during the holidays usually produces one or two moments that remind us of what we are ultimately working toward and saving for. The holidays only come once a year, but your estate plan can have repercussions for your family far into the future. Before you get wrapped up in the celebrations, vacations, and fun temptations that surround the holidays, make time to sit down with your attorney to conduct your own personal year in review and make any necessary adjustments to your estate plan.

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1) Alexander Kunst, Christmas gifts most desired by U.S. consumers in 2023, Statista (Nov. 30, 2023), https://www.statista.com/statistics/246622/christmas-gifts-desired-by-us-consumers.

2) Jennifer Berg & Talia Wiseman, Most Americans would be happy to receive investments as holiday gifts, Ipsos (Nov. 27, 2023), https://www.ipsos.com/en-us/most-americans-would-be-happy-receive-investments-holidaygifts.

3) Id