



Year End Financial Checklist

Use this checklist to give your financial life a tune-up and prepare you for the changes due to the upcoming tax reform.

- **Maximize your 401(k).**
 - Evaluate if you have hit your funding goal. In 2017 you can contribute a max of \$18,000. If you are over 50 the maximum contribution is \$24,000.
- **Fund your IRA, SEP IRA and 529 plans THIS YEAR.**
 - The deadline for 529 contributions to be deductible from your 2017 state taxes is 12/31.
 - Some IRA and SEP plans allow contributions in the following year, but why wait? Move the funds now and take advantage of those additional months of market performance.
- **Consider waiting until 2018 to do a Roth IRA Conversion.**
 - Due to the new tax regulations, most people will experience lower marginal tax rates in the next few years.
- **Tax Loss Harvesting could reduce your income taxes.**
 - Asset classes or specific holdings in your taxable brokerage account that have lost value during the year can be sold to generate a tax loss, therefore offsetting capital gains elsewhere in your portfolio.
 - After other capital gains are offset you still may be able to deduct up to a maximum of \$3,000 against ordinary income.
 - Beware that trading costs and slippage could overshadow the benefits of harvesting tax losses for certain investors.
 - The advisors at LEFP can help you with a cost/benefit analysis to identify if this is suitable for your situation.
- **Use a Donor Advised Fund (DAF) for your charitable contributions.**
 - Not only does donating via a DAF enable you to maximize your charitable tax deduction but it also allows you to give MORE.
 - Due to the significant increase in standard deduction in the new tax bill, a DAF may be the best way to maximize your tax deduction for charitable contributions going forward.
 - Visit our [LEFP blog](#) where Kevin goes into further detail on the benefits of DAFs.
- **Consider pre-paying property tax payments.**
 - The new tax bill does not allow you to prepay state income tax, however you are allowed to prepay property tax.
 - In the future, standard deduction rates nearly double, therefore paying 2018 property taxes in tax year 2017 may allow you to realize the full deduction for property taxes paid.
- **Spend the funds in your FSA by end of this year (depending on employer*).**
 - Flexible Spending Accounts are typically set up under the condition that if you don't use it, you lose it. Don't let that money go to waste!
*Most companies allow you to spend FSA monies through March 15, however each employer could be different.
- **Monitor your credit.**
 - It is always a smart idea to review your credit annually. The best-laid financial plans can be quickly derailed by mistakes and identity theft.
 - Refer to our [Cyber Security blog post](#) for more steps to keep your information safe.