2016 YEAR-END FINANCIAL CHECKLIST

- ❑ **CAPITAL GAINS/LOSSES**

  - For those that have realized capital gains in taxable accounts, review current holdings to see if you have securities with unrealized losses that you can sell to offset against those gains.
  - If you have prior-year carry forward losses, consider realizing capital gains in taxable accounts as these amounts will be applied to those losses.

- ❑ **IRA REQUIRED MINIMUM DISTRIBUTIONS (RMD)**

  - If you are age 70.5 and over in 2017, you will need to satisfy your RMD from your retirement account by the end of this year.

- ❑ **RETIREMENT PLAN CONTRIBUTIONS**

  - If you are employed and eligible to contribute to your employer-sponsored retirement plan such as a 401(k), 403(b) and 457 plans, the maximum contribution for 2017 is $18,000. For those ages 50 and over, a catch-up contribution of $6,000 is allowed increasing the total to $24,000. Contributions to these plans must be made by the end of this year.
  - For those individuals that are self-employed, an individual 401(k) or a defined benefit plan can be used to potentially contribute a higher amount in pre-tax dollars than a SEP IRA but both have to set up by the end of this year yet do not have to be funded until the tax filing deadline plus extensions.

- ❑ **TRADITIONAL IRA CONTRIBUTIONS**

  - The maximum contribution for 2017 is $5,500 ($6,500 for those ages 50 and over) but eligibility requirements must be met. Contributions may or may not be deductible. You have until the tax filing deadline (April 15, 2016) to make 2015 contributions.

- ❑ **ROTH IRA CONTRIBUTIONS**

  - The maximum contribution for 2017 is $5,500 ($6,500 for those ages 50 and over) but eligibility requirements must be met. Contributions are not deductible. You have until the tax filing deadline (April 17, 2017) to make 2016 contributions.

- ❑ **ROTH IRA CONVERSIONS**

  - Since 2010, there are now no income limitations to be eligible to convert traditional IRAs and 401(k) plans to Roth IRAs and you have until the end of this year to do the conversion. Several factors must be taken into account before utilizing this strategy.

- [ ] **FLEXIBLE SPENDING ACCOUNT (FSA)**

  - If you are contributing to an FSA in 2017, with most employers, you have until March 15, 2018 to use this year's funds, but some employers still adhere to the old deadline of December 31st. It is important to check with your employer to verify your FSA plan's deadline.

- [ ] **HEALTH SAVINGS ACCOUNT (HSA)**

  - If you have an HSA-compatible high deductible health plan (HDHP), you are eligible to contribute to an HSA. For 2017, the maximum contribution is $3,400 for individuals and $6,750 for family coverage. For those age 55 and over, a catch-up contribution is allowed of an additional $1,000. These contributions are funded with pre-tax dollars and must be made by April 17, 2017.

- [ ] **MORTGAGE INTEREST**

  - If you anticipate your income being higher this year than next year, consider making the payment due in January 2018 in late December so as to have the interest counted as a deduction for this year.

- [ ] **PROPERTY TAXES**

  - If you anticipate your income being higher this year than next year, consider making the second installment of your property taxes (typically due in April which includes the grace period) this year so as to have the payment counted as a deduction for this year.

- [ ] **CHARITABLE CONTRIBUTIONS**

  - Contributions made to non-profit organizations must be mailed by December 31, 2017 in order to receive the deduction for this year. These include cash, securities, household items, clothing, etc.

- [ ] **ANNUAL GIFT EXCLUSION**

  - Each person is allowed to give up to $14,000 in assets (cash, securities, etc.) to another individual without paying federal gift tax. The gift must be made by December 31, 2017.

- [ ] **ESTATE PLANNING**

  - An individual may gift up to $5.49 million during his or her lifetime without being subject to gift taxes. For gifts greater than this amount, the tax rate is 40% maximum.
  - For those that passed away this year, their estates are entitled to $5.49 million exclusion and are eligible to receive a step-up in basis for certain assets. For those estates over $5.49 million, they will be taxed at a maximum rate of 40%, an increase from 35% in 2012.