



# GET READY FOR YEAR END

## 4TH QUARTER DATES TO REMEMBER:

Medicare Open Enrollment Begins	OCT 15
2022 Individual Tax Extension Due Date	OCT 16
Veteran's Day	NOV 11
Thanksgiving Day (markets closed)	NOV 23
Markets close at 1:00	NOV 24
Medicare Open Enrollment Closes	DEC 7
Christmas Day (markets closed)	DEC 25
Last Day for Tax Deductible Charitable Contribution	DEC 31
Last Day for 401(k) Contributions	DEC 31

## FINAL THOUGHTS FOR 2023

It's that time of year again ... time to start thinking about any actions you should take before year end that could help reduce the bite from Uncle Sam. Here are some tax planning considerations to keep in mind as we approach year end.

1. Review your portfolio to help ensure your allocation still aligns with your goals. If you sold assets earlier in the year, assess any tax consequences. If you have capital gains, review the potential for tax-loss selling strategies if you have off-setting depreciated securities.
2. Evaluate the pros and cons of deferring taxable income. Do you expect to be in a higher or a lower tax bracket next year? You may want to talk to your tax advisor about any opportunities for increasing your tax deductions.

3. Consider increasing your retirement savings for the year. Find the right type of IRA for you.



If suitable for your circumstances, consider consolidating your assets. If available, you may want to take advantage of a Flexible Spending Account (FSA) or Health Savings Account (HSA) for health care expenses.

4. Review your insurance coverage to help make

sure it is adequate for your needs. Also, review your beneficiary designations and make any necessary adjustments due to life changes (i.e., marriage, divorce, birth of child/grandchild, death, etc.).

5. Review your estate plan to help ensure it is aligned with your wishes. Consider developing a plan to complete charitable and family member gifts by year-end, possibly including a tax-advantaged college savings plan.

Taking the time to create, review, or update your investment plan can help you reach your short-term and long-term financial goals. Contact us for a review of your financial situation.

## QUESTIONS & ANSWERS ...

### Q: What are the rules for a tax-free IRA distribution to a charity?

A: People aged 70 ½ or older can make tax-free distributions of up to \$100,000 from an IRA directly to a qualified charitable organization and will not be subject to taxation on the amount of the distribution.

### Q: What is meant by the "wash-sale" rule?

A: This is the IRS regulation preventing taxpayers from taking a tax deduction for a security sold at a loss if, within 30 days before or after this sale, the taxpayer buys a "substantially identical" stock or security, or acquires a contract or option to do so.



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*It All Begins With a Plan!*

### **Our Services ...**

#### Retirement Planning

- Retirement Goal Setting
- Cash Flow Analysis
- RMD and Withdrawal Strategies
- Roth Conversions
- Socials Security and Pension Analysis

#### Investment Planning

- Asset Allocation
- Withdrawal Strategies
- Account Consolidation

#### Tax Planning

- Tax Sensitive Investing
- Review of Realized and Unrealized Gains
- Tax Loss Harvesting
- Roth Conversion Opportunities
- Tax Return Review

#### Trust & Estate Planning

- Minimize Estate Taxes
- Analyze Trust Needs
- Analyze stepped up cost-basis for highly appreciated assets

#### Assistance to Others

- Charitable giving through Qualified Charitable Distributions (QCDs)
- Charitable giving of appreciated assets
- 529 College Saving Plans
- Donor-Advised Funds

## AVOID UNDERPAYMENT PENALTIES

You already pay a lot in taxes to Uncle Sam - avoid owing a penalty on top of it. The United States income tax system is a pay-as-you-go tax system, which means that you must pay income tax as you earn or receive your income during the year. You can do this either through withholding or by making estimated tax payments. If you don't pay enough tax throughout the year by utilizing these two payment methods, you may be subject to an underpayment penalty.

You can avoid a penalty if you fall into one of the following categories:

- You owe no more than \$1,000 in taxes at year-end
- You had no tax liability the previous year
- You paid at least 90% of your total tax liability as calculated at the end of the year on your tax return
- You paid at least 100% of what you owed in taxes last year (If AGI is over \$150,000 Married Filing Jointly, or \$75,000 Single, you're required to pay 90% of the current year's tax bill or 110% of the previous year's tax bill - whichever amount is lower)
- You retired (after reaching age 62) or became disabled during the tax year or in the preceding tax year for which you should have made estimated payments, and the underpayment was due to reasonable cause and not willful neglect
- You didn't make a required payment because of a casualty event, disaster, or other unusual circumstance and it would be inequitable to impose the penalty

Stay on the good side of Uncle Sam and follow the guidelines above to avoid having him hit you with a penalty.

## WHY YOU SHOULD FREEZE YOUR CREDIT

You may never have heard of MOVEit, a file transfer software that moves sensitive information from one organization to another. But a recent breach at MOVEit affects every college student in the United States, anyone who lives in Louisiana, any current or former teachers, and nearly every annuity holder. MOVEit is marketed as secure and is HIPAA, GDPR and ISO 27001 compliant. It encrypts data at the source on its server, encrypts it in motion by sending it over a secure file transfer capability, **it uses multi-factor authentication** as an extra layer of security when entering credentials to access the software, and an audit log is created for nearly every event that happens in the software.

In spite of all this, a Russian speaking ransomware gang, called clOp found a vulnerabil-



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in

the software allowing them to execute commands from a normal user input field. The result has affected over 1,700 companies, 30% of financial services clients and 3,800 MOVEit Transfer servers.

An effective, cost-free way to reduce you chances of becoming an identity theft victim, and to make it harder for thieves to access your credit information or fraudulently use your name, is to freeze your credit with all three cred-

it reporting agencies, Here is how to place a credit freeze at each of the three bureaus:

**Equifax:** call 1-800-349-9960 or visit [www.equifax.com/personal/credit-report-services/credit-freeze](http://www.equifax.com/personal/credit-report-services/credit-freeze).

**Experian:** call 1-888-397-3742 or visit [www.experian.com/freeze/center](http://www.experian.com/freeze/center).

**TransUnion:** call 1-888-909-8872 or visit [www.transunion.com/credit-freeze](http://www.transunion.com/credit-freeze).

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