

DON'T ALLOW TAX REFORM TO CREATE COMPLACENCY

Last year's tax preparation season was the first following passage of the 2017 Tax Cuts and Jobs Act. Individual tax reform implications, including doubling the standard deduction and imposition of a \$10,000 state and local tax deduction (SALT) cap, have been widely discussed. As expected, the number of filers itemizing deductions in 2018 dropped significantly from roughly 45 million to 18 million.



While tax planning may have gotten a lot simpler for most, there are still many important items to consider heading into year-end. Acting now can help reduce your near and longer-term tax burdens.

WHAT FACTORS SHOULD I CONSIDER?

<p>Withholding and Estimated Payments</p>	<ul style="list-style-type: none"> <li>• Do you need to adjust W-2 withholding taxes with your employer to better align with 2019 income?</li> <li>• If you are making estimated tax payments, are the amounts still appropriate? This can help prevent underpayment and potential penalties, or paying too much up front.</li> <li>• If it is advantageous to do so, are you able to defer any current year income into next year?</li> </ul>
<p>Retirement Savings</p>	<ul style="list-style-type: none"> <li>• Have you fully funded your workplace retirement plans? Doing so reduces your taxable income and one should always try and at least maximize employer matching contributions.</li> <li>• Have you maximized your IRA contributions?</li> <li>• Have you determined whether a Roth conversion would be beneficial?</li> <li>• For those taking Required Minimum Distributions (RMDs), have you considered taking advantage of the Qualified Charitable Distribution from your IRA?</li> </ul>
<p>Charitable Giving</p>	<ul style="list-style-type: none"> <li>• Have you considered creating a Donor Advised Fund (DAF)?</li> <li>• Have you thought about gifting highly appreciated securities to charity instead of cash?</li> </ul>
<p>Trust and Estates</p>	<ul style="list-style-type: none"> <li>• Have you discussed your estate plan and the ramifications surrounding wealth inheritance with your children?</li> <li>• Are you aware of steps that can be taken to reduce or eliminate state estate tax liability?</li> <li>• Have you considered setting up a Domestic Asset Protection Trust?</li> </ul>
<p>Health Care Savings</p>	<ul style="list-style-type: none"> <li>• If your employer has a high deductible health care plan, are you taking advantage of a Health Savings Account as a means of reducing taxable income and generating tax-free health care savings?</li> </ul>

OUR RECOMMENDATIONS

Be proactive. Informed tax planning is essential to efficiently managing current obligations as well as the amount of your wealth that can be shielded from future estate taxes. Working closely with your tax advisor and portfolio manager can make a big difference. Reach out and let's plan together.

How can we help you? Please contact:  
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