

End of the Year Financial Essentials
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When we think of December, it's hard not to think of getting together with family and friends for the holidays. Though it seems with each passing year, we get a larger and louder reminder of everything that needs to get done before we can get to eggnog and cozy fires. When we're not present buying, grocery shopping or party planning, we're coordinating travel dates and events so everything goes smoothly, although perhaps the most important thing people often forget is their end of the year financial tasks. I know you're thinking you'll go crazy if you have one more to-do list to look after this holiday season but trust me; ignoring these key financial errands can save you a heap of trouble in the New Year.

1. **Make an end of the year check in with your financial advisor or accountant.** Like I said, you've got a lot to worry about during the holidays. Make a call to your financial advisor or accountant to let them help you with what you need to get done before you panic trying to figure it all out on your own. A year end check up will help you understand if you are progressing towards your goals and if any adjustments need to be made.
2. **Don't forget your charitable contributions.** Donations to qualified groups can help reduce your taxes at the end of the year. If you donate cash or merchandise worth \$250 or more to an authorized charitable organization you then begin to move away from the standard tax deduction and towards an itemized tax deduction on schedule A by submitting the Form 1040. More information on specific details can be found on the IRS webpage [1].
3. **Max out on your retirement savings.** According to the IRS official resource webpage on contributions, the deadline to contribute to your 401(k) is December 31st, and the limit is either \$18,000 or, if it falls below \$18,000, 100% of your yearly income – whichever is smaller [2]. You may not be anywhere near the limit for your 401(k) and you may have already matched your employer, however it is never a bad idea to add even more as it may decrease your taxes even further. Also, it's not a bad idea to discuss with your financial advisor and/or accountant if there are any other potential financial vehicles that you could take advantage of this year.
4. **If you turn 70 ½ years old, get ready for RMDs.** If you have a 401(k) or an IRA you now have to take what is called a Required Minimum Distribution (RMD). The amount calculated is based off your age and what's in your account. Failing to take your RMD can result in large tax penalties, so be sure that you and your advisor have planned ahead so that your distributions are taken care of.

There is plenty you can do in terms of preparing yourself for the New Year financially. If you manage to accomplish these four tasks, then you can set your financial woes aside and take on the holiday spirit.

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References

[1]<https://www.irs.gov/newsroom/eight-tips-for-deducting-charitable-contributions><https://www.irs.gov/newsroom/eight-tips-for-deducting-charitable-contributions>

[2]<https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-contributions>