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## 2019 New Year Financial Planning Checklist

*The New Year brings an opportunity to evaluate our current financial situation and make improvements when and where we need to. Make 2019 your best year yet by adopting these saving strategies:*

### **Pump up your retirement savings:**

- Contribute up to \$19,000 in your employer's 401(k), 403(b), 457(b) or Roth 401(k) retirement plan. If you are age 50 or older, you can contribute an additional \$6,000.
- Contribute up to \$6,000 in individual retirement accounts (traditional-nondeductible, traditional-deductible or Roth). If you are age 50 or older, you can contribute an additional \$1,000.
- If you are self-employed, look to maximize your retirement savings through a Solo 401(k), Simple IRA or SEP IRA.
- Consider maximizing your retirement plan savings through after tax contributions— up to \$56,000 in total.

### **I love Roth accounts:**

- Contribute up to \$6,000 to a Roth IRA with an additional \$1,000 in catch-up contributions.  
*Note: There are income limitations for high-income wage earners. Phase outs begin at \$122,000 for single filers and \$193,000 for joint filers.*
- If you earn more than the phase out limits, you may still be able to take advantage of a "backdoor" Roth contribution.
- There are no income limits for Roth 401(k) contributions or Roth conversions.

### **Open an HSA account:**

- A HSA provides the "triple threat". Contributions can be tax deductible, growth is not subject to taxation and qualified withdrawals can be made tax-free.
- The maximum family contribution is \$7,000 in 2019 with a \$1,000 catch-up provision.
- You must be enrolled in a high deductible health insurance plan to qualify.

### **Don't forget about RMD's:**

- If you're over age 70 and retired, make sure you are taking the required distribution amount from your retirement accounts.
- The IRS imposes a 50% penalty if you forget.

### **Make (smart) charitable gifts:**

- The annual gift tax exclusion is \$15,000. Great for gifting to kids and grandkids.
- Make sure to keep records of gifts made to charities, religious organizations and non-profits.
- Consider highly appreciated investments as gifts to these groups.
- If you are taking RMD's, consider a qualified charitable contribution of up to \$100,000.

### **Medicare matters:**

- If you are turning 65 in 2019, remember to enroll in Medicare part A and B.
- You have a 7-month window around your 65th birthday to enroll without penalty.
- Even if you are covered by an employer health plan you should still enroll in part A.



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### Consider the tax impact of:

- Buying or selling real estate this year
- Selling investments not held in retirement accounts
- Exercising stock options

### Your growing family:

- If you are getting married or expecting a baby in 2019 make sure you consider the following:
  - Review beneficiaries
  - Proper life insurance
  - Your tax-withholding strategy
- Grandparents, leave an impactful legacy by establishing college savings accounts for your grandkids. 529 plans are excellent options.

### Location, Location, Location

- Make sure tax-inefficient investments are held in tax-deferred or tax-free accounts.

*I am available to discuss your 2019 financial strategy, including any of the items listed above. Have a happy, healthy and prosperous new year!*

I hope you have found this review to be educational and helpful. As always, I am honored and humbled that you have given me the opportunity to serve as your financial advisor. To review your retirement income strategy, please contact **Jeff Mahoney**, CFP®, RICP® at [jeffmahoney@hjsims.com](mailto:jeffmahoney@hjsims.com) or (952) 683-7503.

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