

Year End Estate and Tax Planning Checklist 2024

We will be reaching out to you before year end recommending that you review this checklist and perhaps schedule a phone chat or an in-office visit should you need some guidance to what you have already completed this year for the tax year ending for 2024. As always, if you have questions, just give us a call! 208-350-7283

- **Review your portfolio:** 2024 has been a year of ups and downs. Review your account with your advisor to see if you can benefit from tax-loss harvesting to offset some of the capital gains from your assets that have performed well.
- **Review Income to see if there are good opportunities to accelerate income or convert some of your Traditional IRA to a ROTH:** While contributing directly to a ROTH can be restricted by income levels, converting pre-tax assets into a ROTH might be something to consider in a year with lower than usual income. You will pay taxes to do this, but you may be mitigating higher taxes in the future. Also, if you have a long-time horizon, you will hopefully have more growth in the ROTH where the distributions can come out tax-free.
- **Maximize contributions to retirement accounts:** Money used to fund tax-advantaged retirement accounts can directly impact your tax plan now and in the future.
- **Fund your Health Savings Account (HSA)* or Use your Flex Spending Account (FSA)*:** The funding of your HSA and FSA helps to reduce your taxable income. The distributions will be tax free for qualified expenses. For the FSA, the funded monies are to use it or lose it.
- **Review your Estate* Plan:** The current federal estate and gift tax exemptions will be sunsetting in 2026. Without congress approving new legislation, levels will be reduced to the pre-2017 level of \$5 million adjusted for inflation. Planning should start soon as you have two complete years left to do some planning and take advantage of these higher levels. Are your accounts titled correctly and in line with your estate plan? Also review your chosen fiduciaries and agents to make sure they are still the correct choices.
- **Review of your Beneficiaries:** Are they current? Do they take into consideration any births, deaths, marriages, divorces, or other lifetime milestone events? Do this for all beneficiary designated accounts including Payment on Death, Transfer on Death, Insurance and other Risk Policies, and Retirement Accounts.
- **Complete Annual Gifting:** The current annual exclusion gift is \$17,000 from an individual (\$34,000 for married couples) to anyone (there is no limit to the number of recipients). You can take advantage of this gifting strategy to fund 529 accounts as well. This is a wonderful way to reduce estate size and not pay any gift taxes. Gifts made directly to medical or educational institutions do not count towards the annual exclusion.
- **Make charitable gifts:** The gift may be eligible for a deduction on your 2024 income tax return.

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