

2023 YEAR-END FINANCIAL CHECKLIST



Since we are close to flipping the calendar to 2024, this is a great time to sit down and reflect on the past financial year and anticipate what might be ahead. Here are a few actions to consider taking before year-end:



1 IF YOU HAVEN'T

maxed out your RETIREMENT PLAN CONTRIBUTIONS for 2023, you may want to use your year-end bonuses to do so. The maximum 401(k) contribution for 2023 is \$22,500. If you are over the age of 50, you can contribute up to \$30,000. Required Minimum Distributions (RMD's) from IRA's will begin for those turning 73 in 2024. Prior to SECURE Act 2.0, passed in December 2022, RMD age was 72. SECURE Act 2.0 provided one extra year for those turning 72 in 2023.

2 CONSIDER INCREASING

next year's SALARY DEFERRAL to your retirement plan by one percent or more. If you are anticipating a raise next year, it's a great way to save a portion of it before you spend that extra cash.

3 AS A REMINDER,

review your accounts to ensure you've satisfied your RMD. If you haven't, consider giving all or a portion of it to a charitable cause utilizing a QUALIFIED CHARITABLE DISTRIBUTION (QCD) allowing you a tax benefit for giving, even if you take the standard deduction.

4 REVIEW

your TAX SITUATION with your advisor and CPA. Depending on your current income, and projected future income, you may have the opportunity to do ROTH CONVERSIONS to pay a lower tax rate now than in the future. If you have built up realized gains, you may have the opportunity to REALIZE LONG-TERM CAPITAL GAINS at a low tax rate. If you have any positions at a loss, it may be a good opportunity to do some TAX-LOSS HARVESTING to offset future gains.





5 IF YOU HAVE A CHILD

nearing college age, consider putting more into a 529 PLAN. Many states offer a state income tax deduction for contributions. For example, in the state of Iowa, contributions up to \$3,785 per beneficiary by an individual (up to \$7,570 per beneficiary by married taxpayers filing jointly) are deductible when computing your taxable income for the state of Iowa.

6 WITH STANDARD DEDUCTIONS

now at \$27,700 for married couples filing jointly (\$13,850 for single), you may want to consider the following:

- Consider combining charitable gifts for a few years into a single year. By doing this, you could receive a higher itemized deduction this year and then utilize the standard deduction next year.
- Be aware that, if you use the standard deduction, you won't be able to deduct mortgage interest, which can be yet another benefit to eliminating debt.



7 TAKE TIME

to think about the year ahead before electing your BENEFITS for the next year.

- If you have a high deductible healthcare plan, consider maximizing a Health Savings Account (HSA). The 2023 contribution limit for an individual is \$3,850 and \$7,750 for a family. HSA holders 55 and older get to save an extra \$1,000.
- Have you met your out-of-pocket maximum in the current year? If you have, consider any medical care you've been putting off before the end of the year.
- Are you aware of any certainties when it comes to your health care in 2024? If you know you are having a baby, a surgery, or some other medical procedure in 2024, have the provider give you an estimate of cost so that you can evaluate your health plan options.

8 IF YOU ARE A RECIPIENT

of STOCK OPTIONS OR RESTRICTED STOCK, review the number of units vested to you in 2023 and will be vested to you in 2024. Make sure that your tax preparer is aware of those so that you can plan for them in advance. There may be opportunities to offset that extra income with increased retirement plan contributions or deferred compensation contributions.

9 SET A FUN GOAL

Saving money is great, but plan to have a little fun along the way. Reward yourself for hitting some increased savings goals.



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