

# Your Year-End Financial Planning Checklist

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Year-end is a great time to look back on all you have accomplished and take steps to wrap up the year in the best manner possible. Use the following checklist to help ensure nothing is overlooked.

## Financial Planning

- ◆ Review your budget, spending goals and cash flow to determine if any adjustments should be made.
- ◆ Check in on your emergency fund to make sure you have at least three to six months of savings set aside.
- ◆ Make any last-minute contributions to your children's 529 college savings accounts.
- ◆ Reevaluate your financial planning goals in light of any major life events or changing goals that have occurred over the course of the year.
- ◆ Incorporate any plans to make a major purchase into your financial planning goals.

## Employee Benefits

- ◆ Review your life, health, dental, vision and disability insurance to ensure all coverage continues to meet the needs of your family, especially if you have experienced any major life transitions over the course of the year, or if you expect any significant changes in the year ahead.
- ◆ Participate in your employer's annual benefits enrollment period, making changes to your elections as necessary.
- ◆ Double check your account beneficiaries to ensure they are up to date and correct.
- ◆ If you are participating in a health savings account (HSA), confirm you have maxed out your contributions for the year, if it's your goal to do so.
- ◆ If you are participating in a flexible savings account (FSA), be sure to use up any funds that cannot be rolled over to next year.

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## Investments

- ◆ Review your investment allocation and make any necessary changes based on your goals.
- ◆ Consider rebalancing your portfolio to help ensure your asset allocation remains in line with your objectives and risk tolerance.
- ◆ Review your asset location strategy to help ensure you are holding tax-efficient investments in taxable accounts and tax-inefficient investments in tax-favored accounts.
- ◆ Identify opportunities to consolidate accounts.
- ◆ Avoid capital gains distributions when purchasing new shares of mutual funds, as this could trigger a taxable event.

## Retirement

- ◆ Confirm you've contributed enough to your employer-sponsored retirement plan to receive the full company matching contribution.
- ◆ Max out your 401(k) and IRA contributions if it's your plan to do so.
- ◆ Review your retirement plan investment allocations to help ensure they continue to meet your needs.
- ◆ Contribute to a SEP-IRA if you are self-employed.
- ◆ Consider increasing retirement plan contributions by 1-2%, an amount that's unlikely to make much of an impact on your take-home pay, but which can have a big impact on your retirement savings over time.

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## Charitable Contributions

- ◆ Make charitable donations to support the causes you care about while also lowering your tax liabilities.
- ◆ Establish a donor-advised fund to manage your giving in future years while receiving a tax benefit in the current year.
- ◆ Maximize your charitable impact and lower your tax liability by donating appreciated assets.

## Taxes

- ◆ Evaluate if you can harvest investment losses to offset gains.
- ◆ Consider selling appreciated assets if you are temporarily in a low tax bracket and eligible for the 0% capital gains tax rate.
- ◆ Consider giving appreciated assets to family members in lower tax brackets, as this can reduce or eliminate taxes on the gains while removing the assets from your estate.
- ◆ Consider prepaying certain expenses (ex. mortgage payments) to take advantage of deductions in 2021 instead of 2022.

## Insurance

- ◆ Review all existing policies to confirm the existing coverage remains sufficient in light of any recent changes to your personal situation.
- ◆ Review all insurance policy beneficiaries.
- ◆ Consider adding any additional coverage necessary, such as umbrella, disability, life, long-term care, etc.
- ◆ Make sure any new dependents (new baby, new spouse, etc.) are covered by your policies.

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## Estate

- ◆ Review all estate planning documents to ensure they continue to meet your needs.
- ◆ Make sure all beneficiaries and trustee designations are up to date and accurate.
- ◆ Consider establishing a trust to help ensure all assets are managed and distributed according to your wishes while avoiding probate.
- ◆ Review or establish health care directives.
- ◆ If you're a business owner, review and/or update your buy/sell agreement and any other documents necessary for business continuity.

## Debt

- ◆ Consider strategies for minimizing your interest payments, such as consolidating your debt or paying down high-interest debt first.
- ◆ Review any outstanding loan positions to help ensure you are getting the most favorable rates and terms possible.
- ◆ Reprioritize paying off debt and make a plan to do so.

This list is not all-inclusive, and additional factors or questions not included may be applicable to you. For more information, read our article, [Year-End Financial Planning: Top Financial Tasks to Complete Before the End of 2021](#), or reach out to your wealth manager. We look forward to helping you end 2021 on a positive note and start 2022 off right.