



# 'Wrapping' up the Year

**W**ith the end of the year in sight and everybody busy preparing for the holidays, financial planning may fall down the priority list. To help ensure no important aspects are missed, we developed an easy checklist to guide you through your plan. Please reach out to your Columbia Pacific Wealth Management financial advisor with any questions or for guidance implementing these items.



COLUMBIA PACIFIC WEALTH MANAGEMENT

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## Investment Portfolio

- Lower your tax liability by loss harvesting from your portfolio
  - | Strategies to avoid wash sale rules
- Rebalance your portfolio

## Income Tax Planning

- Manage income given the applicable tax bracket
- Learn strategies for reducing taxable income for closely held business owners
- Ensure appropriate income tax withholding
- Learn strategies to reduce AMT liability
- Evaluate state and local estate taxes

## Retirement Planning

- Fund retirement accounts
  - | 401(k) contribution limits
    - Annually through age 49: \$19,500
    - Age 50 and up: \$26,000
  - | IRA contribution limits:
    - Annually through age 49: \$6,000
    - Age 50 and up: \$7,000
- Contribute to HSA accounts
- Fund Roth and other IRA accounts for children
- Consider Roth conversions
- Review RMD strategy—2020 has put a freeze on RMDs; will you still benefit from taking it?
- Review benefit elections for Social Security and Medicare programs
- Review beneficiary designations on your retirement accounts

## Estate Planning

- Make annual gifts or fund your charitable giving account
- Fund 529 plans
- Elect to make a charitable bequest directly from your IRA
- Consider advanced estate planning strategies
  - | Gifting, limited family partnership discounting, etc.
- Conduct family meetings

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## Other Reminders

**This is also a great time to review certain planning items with your financial advisor:**

**2021 CASH FLOW** — Review your actual 2020 spending. Create a 2021 budget and plan for big purchases, sales, and debt/loan refinance options during this low interest rate environment.

**CREDIT REPORT** — The Fair Credit Reporting Act requires each of the nationwide credit reporting companies to provide you a free copy of your credit report once every 12 months.

**HEALTHCARE AND INSURANCE** — Review your medical and insurance policies to make sure they meet your coverage needs prior to annual benefits enrollment.

**ESTATE PLANNING** — Review wills, trusts, power of attorney, and other documents designed to transfer or protect your assets. Review elections and appointments made within these documents to make sure you have the right executors, trustees, and guardians in place.

**EMPLOYER'S BENEFITS** — Open enrollment is typically in December if you're employed. Consider taking advantage of all available options, including a flexible spending account, health savings account, life insurance, and more.



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