

# Year-End Planning Checklist

## [Take Our Compatibility Survey](#)

2022 has been a year of significant market turbulence, which has left many feeling cautious about the markets and concerned about the future. While it is impossible to predict where the market will be in the coming weeks and months, there are strategies to optimize your taxes and set you up for 2023. Use this checklist as you are wrapping up 2022, and make sure to discuss any changes to your tax situation with your wealth consultant. If you are curious to learn more about how Evergreen can help streamline your tax picture, [click here](#) to take our client compatibility survey.

### • Retirement Planning

- Take your Required Minimum Distribution (RMD) if you are age 72 or older by 12/31/2022. Those under 72 must take RMDs for inherited IRAs, and if you have inherited these accounts since 2020, you may be subject to a 10-year distribution schedule. [\[1\]](#)
- If you are over 70.5, you can make a Qualified Charitable Distribution (QCD) from your IRA to help satisfy your RMD. You can donate up to \$100,000 directly from your IRA to a 501(c)(3) charity and the amount donated will be excluded from your income. The deadline is 12/31/2022, but we recommend reaching out to your wealth consultant to start the process early to ensure it is completed before year-end. [\[2\]](#)
- Contribute to your employer retirement plans: \$20,500 + \$6,500 catch up for those over age 50. IRA and Roth IRA deadlines are April 18, 2023. [\[3\]](#)
- Review if a Roth IRA conversion fits into your plan. Conversion benefits can include tax-free distributions and eliminating RMDs, however, income tax must be paid on any amount converted. Review with your wealth consultant and tax advisor.

### • Gifting

- Limits for gifts to individuals are \$16,000 per person (\$32,000 per couple). [\[4\]](#) Gifts must be completed by 12/31/2022.
- Gifting securities when prices are down can be advantageous for estate planning purposes as it shifts future appreciation out of your estate and onto beneficiaries who may be in a lower tax rate.

### • Charitable Giving

- Review with your wealth consultant and tax advisor the best assets to donate. For public charities, you can deduct up to 60% of Adjusted Gross Income (AGI) for cash contributions, and up to 30% of AGI for long-term capital gain property. [\[5\]](#)
- Consider bunching your charitable contributions for multiple years into one year. The Tax Cuts and Jobs Act of 2017 doubled the standard deduction, and many filers no longer itemize. Combining multiple years into one can help you give more efficiently. Donor-advised funds are helpful vehicles for this type of giving as you can get a tax deduction the year you contribute, and then gift to charities over time.

### • Review investment gains and losses year-to-date

- Review tax loss harvesting with your advisor and determine if gains or losses should be realized in 2022. Determine if you will be in the 0%, 15%, or 20% capital gains rate. [\[6\]](#)
- The last day to realize any gains or losses is 12/30/2022.

- **Medical**

- Make sure to spend any funds contributed to a Flex Savings Account (FSA), as most do not roll over to 2023. Some employer plans will allow you to use it until March of the following year, so check with your plan.
- If eligible for a Health Savings Plan (HSA), contribute a maximum of \$3,650 per individual or \$7,300 per family. Make sure these funds are invested as these funds roll over each year and are extremely tax efficient, offering tax-deductible contributions and tax-free withdrawals if used for qualified medical expenses. [7]
- If enrolled in Medicare, review your plan during the open enrollment, October 15th through December 7th. [8]

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[1] <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-required-minimum-distributions-rmds>

[2] <https://www.irs.gov/retirement-plans/retirement-plans-faqs-regarding-iras-distributions-withdrawals>

[3] <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-contributions>

[4] <https://www.irs.gov/businesses/small-businesses-self-employed/whats-new-estate-and-gift-tax>

[5] <https://www.irs.gov/charities-non-profits/charitable-organizations/charitable-contribution-deductions>

[6] <https://www.irs.gov/taxtopics/tc409>

[7] <https://www.irs.gov/publications/p969>

[8] <https://www.medicare.gov/sign-up-change-plans/joining-a-health-or-drug-plan>



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