



As the end of the year approaches, there are a number of items you may need or want to accomplish before 2023 begins. This year-end checklist is divided into two basic categories: items you must do before year-end (if they apply to you) and items you should consider doing on an annual basis.

### **MUST Do Before Year-End Tips:**

- **Complete all required minimum distributions (RMDs) from your IRAs:** If you are 72 or older, you will need to satisfy your RMD amounts (failure to properly satisfy your RMDs each year will result in tax fees and penalties.) Similarly, if you have an inherited or beneficiary IRA you will also need to satisfy your annual RMD amount before year-end regardless of your age. Don't forget, in lieu of taking some or all of your RMD as taxable income, you can make a qualified charitable distribution (QCD) directly from your IRA to a qualified charitable organization instead.
- **Complete any tax loss harvesting:** If you need or want to realize any capital losses to apply against any realized gains you had during 2022, you must realize these losses before year-end.
- **Spend down your flexible spending account:** If you have a flexible spending account through your employer, and that account does not allow you to roll any unused money forward to the coming year, make sure you spend any remaining balance before year-end on qualified expenses.
- **Fully fund your Health Savings Account (HSA):** If your employer offers an HSA, you may be eligible to contribute up to \$7300 in 2022, plus another \$1000 if you are 55 or older. Although your 2022 contributions are technically not due until Tax Day in April 2023, funding this account earlier, if you can, is always advised.

- **Fully fund all your retirement accounts:** If you have not already fully-funded your employer-sponsored retirement account, you should do so. Similarly, you should also fully fund your IRA account (\$6000 for 2022/\$7000 if you are 50 or older). Technically, you have until Tax Day 2023 to make this contribution, but, earlier is always advised!
- **Connect with your tax advisor if you are considering rolling some or all of a traditional IRA or 401k into a Roth IRA/401k:** If it makes good tax and financial planning sense for you to do a full or partial “pre-tax” IRA rollover into an “after-tax” Roth IRA, you will need to complete this before year-end.
- **Complete your annual 529/College Savings Plan account contribution:** Contributions are generally considered to be gifts and the 2022 annual gift tax exclusion amount is \$16,000.
- **Complete all your charitable giving for the year:** In order to receive a charitable gift tax deduction for your 2022 taxes, you will need to make your charitable gifts before year-end. Also, if you are planning to make a charitable gift this year, consider gifting appreciated securities rather than selling your securities and then giving cash. If you sell your highly appreciated securities you will be responsible for any capital gains tax that may be due. However, if you gift these securities directly to a charitable institution instead, they can sell these securities and will not have to pay capital gains taxes.
- **Complete annual gifting to family:** The annual exclusion from gift tax per donee is \$16,000 for 2022. (It will be \$17,000 in 2023.) For example, if you have 3 children, you can give each of them \$16,000 before year-end and not be subject to gift tax. Your spouse can do the same thing and also not trigger any gift tax liability. But, your gifting must be done before the end of the calendar year to count for 2022.
- **Review your financial progress and set your financial goals for the coming year:** The end of the year is a perfect time to take stock of your progress toward your current year’s goals and to set new goals for the coming year. It is well-recognized that setting goals for yourself helps you maintain focus and stay motivated and on track to achieve these goals. Goal setting also allows you to measure your progress along the way.

**SHOULD Do Around Year-End Tips:** (Although these items are less time-sensitive, they still deserve your annual attention. Year-end is a great time to focus on your upcoming financial year and knock these tasks off your to-do list!)

- **Review beneficiary designations to ensure they are current:** A lot can happen in a year that might warrant a change to your beneficiary designations (a birth, a death, a divorce, etc.) Also, keep in mind that you probably have multiple financial accounts containing beneficiary designations (e.g. IRAs, 401ks, health savings accounts, life insurance policies, annuities). For each account with a beneficiary designation, it is this designation and not your Will that determines how this asset will be distributed following your death. As a result, it is critically important to quickly review them each year to confirm they are accurate.
- **Review and, if necessary, rebalance your 401k/403b:** Depending upon the size of your employer-sponsored retirement plan account and financial market conditions, at least once a year, you should review your asset allocation in this account and, when necessary, rebalance it. If you are not sure how to do this or are not sure what asset allocation you should be aiming for, reach out to your BLBB financial advisor for assistance (215-643-9100).
- **Review your work benefits and participate in open enrollment, if needed:** Most employers conduct open enrollment for employee benefits at some point during the 4<sup>th</sup> quarter of the year. This is your chance to review and, if necessary, change your benefits selections for the coming year.

- **Check your credit report:** You are entitled to a free credit report each year from <https://www.annualcreditreport.com/requestReport/landingPage.action>. You should check for accuracy and fraudulent activity.
- **Use your year-end bonus/raise to improve your financial situation:** If you receive a year-end bonus or raise, consider using some or all of this to better secure your financial footing. For example, you could contribute to your IRA or health savings account (if you haven't already fully funded these accounts); you could build your emergency fund; you could increase the percentage of your annual salary that you are contributing to your 401k/403b, and/or you could pay down debt.

If you have any questions about these tips and how they may apply to you, please reach out to your BLBB financial advisor (215-643-9100) as soon as possible. They can help you navigate and complete your list!



L to R: Robb Parlanti, Ed Barnes, Clif Haugen, John Lawton, John Armstrong, Laura Brewer, Dean Karrash, Brian Gallagher, Brianna Barnes March, Nick Bucci, Bob Flood, Chris Perry



[www.BLBB.com](http://www.BLBB.com)  
215.643.9100

Mailing address  
P.O. Box 1010, Montgomeryville, PA 18936

Street address  
103 Montgomery Avenue, Montgomeryville, PA 18936

Investment advisory services provided by BLB&B Advisors, LLC. BLB&B Advisors, LLC is a Pennsylvania-based investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.