



End-of-Year Tips, Reminders, & Deadlines



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As the end of 2022 is rapidly approaching, the Arnerich Massena Wealth Management team has assembled several planning ideas and tips to help you take full advantage of retirement saving, charitable giving, estate planning, and tax strategies. Please contact your investment advisor if you have questions or would like to explore any of these ideas further.

1. REALIZE CAPITAL LOSSES, WHERE APPLICABLE

The end of the year is a good time to review realized gains and losses in your portfolio. You can offset capital gains from a capital asset by selling another capital asset at a “loss.” In addition, taxpayers can use a short-term capital loss to offset up to \$3,000 in income as well. There are several IRS rules that apply when buying and selling investments to “generate” losses. Please contact your advisor if you have questions about managing capital gains.

2. MAXIMIZE CONTRIBUTIONS TO EMPLOYER-SPONSORED RETIREMENT PLANS

If you haven’t maximized contributions to your company sponsored retirement plan, you have until December 31 to do so. If you are not on pace to maximize contributions, consider increasing your withholding amount between now and the end of the year. If your company offers a match, this amount is in addition to — and not included in — the employee contribution limit. And finally, if your children are covered by a company-sponsored plan and are not maximizing their contribution, consider assisting them with living expenses so they can maximize their contributions.





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3. MAXIMIZE CONTRIBUTIONS TO YOUR TRADITIONAL OR ROTH IRA

The IRS allows contributions to an IRA up to the filing date (which is April 15, 2023).

Depending on your tax situation, you may also want to consider converting a traditional IRA into a Roth IRA; the conversion deadline is December 31. Please note that it can take several weeks for a custodian to process the paperwork.

If you have children with earned income, consider contributing on their behalf the amount they have “earned” up to \$6,000.

4. START TAKING DISTRIBUTIONS PRIOR TO THE DATE AT WHICH MINIMUM DISTRIBUTIONS ARE REQUIRED

It may make sense to start withdrawals from retirement plans before required minimum distributions are required at age 72, especially if you are in a lower tax bracket after retirement. This allows you to space distributions out, reducing the tax implications.

5. FUND YOUR HEALTH SAVINGS ACCOUNT (HSA) & SPEND YOUR FLEXIBLE SPENDING ACCOUNT (FSA)

If you have a high deductible health insurance plan, you have until December 31 to make contributions to your HSA; the maximum contribution for a family is up to \$7,300, and \$3,650 for an individual.

As for Flexible Spending Accounts (FSA), you can only carry over \$570 per year (in 2022), so be sure to use unused funds over that amount.

6. ESTATE & GIFT TAX EXEMPTION

The aggregate amount exempt from estate and gift tax per individual in 2022 is \$12,060,000. Effective January 1, 2026, the federal estate and gift tax exclusion will be cut in half to about \$6,000,000 adjusted for inflation.

7. SCHWAB CHARITABLE GIVING DEADLINES & ADJUSTED GROSS INCOME (AGI) CHARITABLE GIVING LIMITS

As the end of 2022 is near, it's time to wrap up year-end charitable giving. To ensure that your gift donations are processed by year-end, please note the Schwab Brokerage processing deadlines. In addition, here are the critical dates for Schwab Charitable to ensure they meet the IRS deadline for tax deduction.

Type of gift/contribution	Deadline requirement for 2022 tax deduction
Restricted stock	Schwab must receive letter of authorization for physical certificates by close of business Nov. 11, 2022 , or for book entry shares by Mon., Nov. 28, 2022 .
Stock transfers via physical certificate (except restricted stock)	Any physical certificate delivery that is not DRS eligible is due by close of business Oct. 28, 2022
Mutual funds	Schwab must receive letter of authorization by close of business Tues., Nov. 15, 2022 .
Stock transfers via DTC or DRS (except restricted stock)	Schwab must receive letter of authorization by close of business Mon., Nov. 28, 2022 .
Cash/securities journals (except restricted stock)	Schwab must receive letter of authorization by close of business Thurs., Dec. 15, 2022 .
Qualified charitable distributions for distributions from IRA accounts for clients who are over age 70 ½	Schwab must receive letter of authorization by close of business Thurs., Dec. 15, 2022 .
Wire transfers to another financial institution	Schwab must receive letter of authorization by close of business Wed., Dec. 7, 2022 .





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Here are the applicable Adjusted Gross Income (AGI) deduction limits for charitable donations.

If you would like assistance with your year-end giving planning or have any questions, please contact your advisor.

Gift	Gift to Public Charity Deduction limited to % of AGI	Gift to Private Charity Deduction limited to % of AGI
Cash	60%	30%
Ordinary Income and Short Term Capital Gain Property (incl. life insurance)	50%	30%
Long Term Capital Gain Property	30%	20%

