



End-of-Year Tips, Reminders, and Deadlines



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**It's hard to believe, but 2020 will actually be coming to an end soon, which for many of us may signal a sigh of relief! As the year comes to a close and you are working through end-of-year to-do items, Arnerich Masse-
na's Wealth Management team has put together several planning ideas and tips to help you take advantage of saving, gifting, and tax strategies. Please contact your investment advisor if you have questions or would like to explore any of these ideas further.**

1. MAXIMIZE CONTRIBUTIONS TO EMPLOYER-SPONSORED RETIREMENT PLANS

If you have yet to maximize contributions to your company's retirement plan, you have until December 31 to do so. If not on pace to maximize contributions to your plan, 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.

2. MAXIMIZE CONTRIBUTIONS TO YOUR TRADITIONAL OR ROTH IRA

The IRS allows contributions to an IRA up to the filing date (which is April 15, 2021).

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 several weeks for a custodian to process the paperwork. Read more about contributing to a Roth and Roth conversions in recent blog posts, *Seven Reasons to Convert to a Roth* and *One More Reason You May Want to Convert to a Roth*.

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



3. 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 (70 ½ if you reach 70 ½ before January 1, 2020), especially if you are in a lower tax bracket after retirement. This allows you to space distributions out, reducing the tax implications.





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4. CAPTURE TAXABLE REALIZED LOSSES, WHERE APPLICABLE

The end of the year is a great 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; taxpayers are able to use a 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 “book” losses. Please contact your advisor if you have questions about managing capital gains.

5. FUND YOUR HEALTH SAVINGS ACCOUNT (HSA)

If you have a high deductible health insurance plan, you have until December 31 to make contributions; the maximum contribution for a family is up to \$7,100.

6. ESTATE & GIFT TAX EXEMPTION

The aggregate amount exempt from estate and gift tax per individual in 2020 is \$11,580,000. This amount reverts to half this amount (\$5,000,000 increased for inflation) on January 1, 2026. Consider accelerating gifting, as the estate and gift exemption amount may be reduced sooner by possible tax law changes.

7. TAX PLANNING 2020 PODCAST

In case you missed it, click here or the image below to listen to our recent Tax Planning 2020 podcast, *Planning Ahead for Potential Upcoming Tax Changes*, featuring an interview with Arnerich Massena’s senior wealth strategist Glen Goland, JD, CFP® about potential upcoming tax changes and how investors may be able to get ahead of them.



8. SCHWAB CHARITABLE GIVING DEADLINES

As we near the end of the year, it’s time to wrap up year-end charitable giving. On the following page, you’ll find a list of time-sensitive dates for Schwab Charitable to ensure gifts meet the IRS tax deduction deadline.

Type of gift/contribution	Deadline requirement for 2020 tax deduction
Restricted stock	Schwab must receive letter of authorization for physical certificates by close of business Nov. 10, 2020 , or for book entry shares by Dec. 11, 2020 .
Stock transfers via physical certificate (except restricted stock)	Any physical certificate delivery that is not DRS eligible is due by close of business Oct. 30, 2020
Mutual funds	Schwab must receive letter of authorization by close of business Mon., Nov. 30, 2020 .
Stock transfers via DTC or DRS (except restricted stock)	Schwab must receive letter of authorization by close of business Mon., Dec. 7, 2020 .
Cash/securities journals (except restricted stock)	Schwab must receive letter of authorization by close of business Wed., Dec. 23, 2020 .
Qualified charitable distributions for distributions from IRA accounts for clients who are over age 70 ½	Check with your service team for processing deadlines.
Wire transfers to another financial institution	Schwab must receive letter of authorization by close of business Mon., Dec. 7, 2020 .

Please feel free to contact your advisor at any time if you have questions or would like to discuss any of these or other planning issues.



2020 Year-End Contribution Guidelines

2020 is a unique year. **Please consider contributing early** to take advantage of strong markets, and because processing times may take longer due to COVID-19 remote staffing and election year volume impacts.

Refer to the critical dates below to ensure that contributions are received and processed by December 31, the IRS deadline for yearly tax deduction eligibility. For some assets, these dates fall in November.

You must have your Schwab Charitable account established and open prior to submitting contributions. Please allow up to 14 business days to open the account prior to making your contribution. **All forms must be received in good order.** We will be closed for Thanksgiving on November 26 and for Christmas on December 25.

Type of Contribution	Action Needed	Timing
Assets held at Charles Schwab & Co. Inc.	Log in to your Schwab Charitable Account, click on "Contribute to My Account" and follow instructions. or Download and fax the Contribution Form (PDF).	Contributions made online must be received by 11:59pm ET December 31. Faxes must be received by 11:59 p.m. ET December 31.
Checks	Download and mail the Contribution Form (PDF). Overnight or mail the check.	Contribution Form and check must be postmarked by December 31.
Wire transfer	Submit a transfer request to the financial institution to wire the funds. For details see Delivery Instructions (PDF).	Wires generally take two to three business days. Please check with your financial institution. The wire must be received by Schwab Charitable no later than 4p.m. ET December 31.
Mutual funds held at a firm other than Charles Schwab & Co. Inc.	Complete, print and mail the Schwab Charitable Transfer of Assets (PDF) form.	Processing times can vary but typically will take two to six weeks . To ensure proper processing, we suggest initiating this request by November 19. Assets must be received by December 31.
Stock transfers from a non-Charles Schwab & Co., Inc., financial institution	Complete the Schwab Charitable Transfer of Assets form and Instruct Schwab Charitable to initiate the transfer. or Initiate a transfer request to the firm holding the securities, and include Schwab's DTC number: 0164 from our Delivery Instructions .	Processing times can vary but typically will take two to six weeks . Please check with your financial firm. Assets must be received by December 31.
Physical stock certificates for publicly traded companies	Download, complete and mail or fax the Contribution Form (PDF). Include an irrevocable stock or bond power form. Please note: This form is only needed if you can't endorse the certificate.	Must be postmarked by December 31.
Control and restricted stock	Call Schwab Charitable 800-746-6216.	Processing times vary. To ensure proper processing, we suggest initiating request as follows: Stock restricted by legend (Physical SKL) must be received by November 13. Control/Affiliate book entry must be received by December 15.
Cryptocurrency	Call Schwab Charitable 800-746-6216.	Call by December 11.
Other illiquid assets including private company stock, hedge fund interests, private equity, real estate, etc.	Call Schwab Charitable 800-746-6216.	Processing times may vary based on asset. To ensure proper processing, we suggest initiating the request by November 30. Assets must be received by December 31.

Please know that any distribution from your IRA account to a donor-advised fund is not a Qualified Charitable Distribution (QCD) for tax purposes.

2020 Year-End Granting Guidelines

In order for grants to be processed by year end, grant recommendations should be **received by December 1**. For efficient grantmaking, consider scheduling grants online now as a one-time or recurring grant.

Because you received a tax deduction when you contributed to your Schwab Charitable account, grants made from your account are not tax deductible.



In general, grants are processed in three to five business days however, **processing may take longer toward the end of year**. If grants are recommended to charities Schwab Charitable has granted to in the past 12 months, recommendations made after the deadline may still be processed by year end.

Action Needed	Timing
Log in to your Schwab Charitable account, select “grant” and follow instructions. Or Download, print, and fax or mail the Recommend a Grant form (PDF).	To ensure processing by year-end, grant recommendations [†] must be submitted by December 1.

Grant recommendation tips: Increase granting efficiency by using the **grant again** feature for the charities you’ve given to previously. You may also sustain support for your favorite charities by scheduling **recurring grants** over an extended period of time. You may skip or cancel a grant at any time.

How to Submit

Online (recommended method): Login to your account at www.schwabcharitable.org	Fax: 877-535-3852 Mail: Schwab Charitable P.O. Box 628298 Orlando, FL 32862	Overnight Delivery: Schwab Charitable 1958 Summit Park Dr. Suite 200 Orlando, FL 32810
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For questions or assistance with philanthropic planning or charitable giving:

Visit www.schwabcharitable.org
Email ask@schwabcharitable.org
Call Schwab Charitable at 800-746-6216
Contact your advisor or financial consultant

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[†] Certain charities may take longer for review.
The type of securities and how quickly the securities are transferred by the financial institution currently holding the investments may impact Schwab Charitable’s ability to receive contributions by year end.
Schwab Charitable is the name used for the combined programs and services of Schwab Charitable Fund™, an independent nonprofit organization. Schwab Charitable Fund has entered into service agreements with certain subsidiaries of The Charles Schwab Corporation.