TOP TEN PLANNING CONSIDERATIONS:

Here are the Top 10 planning considerations for you to take into account before year-end.

Right now is an ideal time to re-evaluate your financial objectives and make sure you remain on track to achieve your goals. Here are the Top 10 planning considerations for you to take into account each year.

10. Make the most of your retirement contributions

In 2017, individuals can contribute up to $5,500 to an individual retirement account (IRA). Those who reach age 50 before the end of the year can contribute an additional $1,000 in catch-up contributions. This year's 401(k), 403(b) and 457 plan contribution limit is $18,000, with a catch-up option of up to an additional $6,000 for individuals age 50 and older. While the IRS allows 2017 IRA contributions through April 17, 2018, it's important to remember that the earlier in the year a contribution is made, the longer that contribution has to generate tax-deferred earnings. In addition, contributing to your IRA earlier in the year may provide an opportunity to make an extra contribution during the life of your IRA. For example, if you contribute early in 2017 and each year going forward (rather than waiting until the end of the year), you may have a chance to make one extra contribution prior to reaching age 70-½. For someone who is age 30 with an assumed earnings rate of 6 percent, contributing at the beginning of each year could mean an extra $29,000 at retirement. For someone age 45, it could mean an extra $12,000 of savings.

9. Consider whether a Roth IRA conversion makes sense

With a traditional IRA, contributions are generally tax-deductible and distributions are taxed at ordinary income tax rates. In contrast, contributions to a Roth IRA are not tax-deductible, but earnings can be withdrawn income tax free if you are at least age 59-½ and have had the Roth for at least five years. In addition, you are not required to take a minimum required distribution from a Roth IRA at age 70-½ as you are with a traditional IRA.

Converting a traditional IRA into a Roth doesn't always make sense, but you may consider it if:

- You have a long time until retirement
- You anticipate being in the same or a higher tax bracket when you begin distributions
- You can pay the tax from sources other than the IRA

8. Use appreciated securities for charitable giving

It is not unusual to look at contributions to charitable organizations as a tax strategy. From a financial planning standpoint, charitable planning offers a great opportunity to reduce one's tax liability for the year. An important consideration when planning contributions is whether to donate cash or appreciated securities. By donating appreciated securities, an investor can avoid capital gains on that long-held security, which increases the value of the donation compared to selling the stock, paying the capital gains tax and, then, giving the cash proceeds to charity. Should you wish to make a charitable contribution, but are unsure of the particular charity you would like to support, you may consider establishing a Donor Advised Fund (DAF). Funding a DAF before year-end allows you the tax benefit of making the contribution this year with the flexibility of delaying the decision of which causes to support until 2018.

7. Review your insurance policies

The beginning of the year is an excellent time to review your insurance portfolio. Whether your policies are related to disability, long-term care or life insurance, it's important to review these policies on an ongoing basis and following any major life events. Through the review process, your advisor can confirm that your ownership and beneficiary designations are consistent with the objectives of your financial plan. As tax laws continuously change, maintaining proper ownership of your life insurance is critical to ensuring that potential proceeds from life insurance death benefits are impacting your beneficiaries as intended. With the prolonged low-interest rate environment, maintaining proper oversight of cash values within policies is critical to ensuring those policies remain properly funded. For term life insurance policies, your advisor can assist you with monitoring renewal periods and researching alternative coverage options. Whether your goal is to replace income or pass wealth to the next generation, an insurance review can provide peace of mind.

6. Review your estate plan

If you experienced any significant life changes in the last 12 months, such as a marriage or the birth of a child, it's important to consider the impact of those changes on your estate plan. Drafting new wills and durable powers of attorneys is a critical first step for newly married couples and new parents. Additionally, if one of your children recently married, it can be beneficial to re-examine your beneficiary designations to confirm that assets are being directed in the manner intended. You may also want to review your estate distribution plan along with any creditor protection language, in case your children receive an inheritance. In terms of generational estate planning, it's important to check your estate documents to ensure that they contain language that covers after-born children. This ensures that any children in your family not initially named within your estate planning documents will be included in the transfer of assets at your death.

5. Take advantage of the annual gift tax exclusion and make a gift to family

One of the benefits of the American Taxpayer Relief Act is that it provides certainty and permanence to the federal estate and gift tax system. This allows individuals to plan more effectively when it comes to determining an amount they would like to give over time. For 2017, the annual gift tax exclusion allows an individual to give up to $14,000 ($28,000 for married couples) gift tax-free and without counting toward the individual lifetime exclusion.

4. Take advantage of low interest rates

Because interest rates remain low, now is a good time to borrow and/or refinance. If you have higher interest rate or floating rate loans, you may consider locking in at today's rates.

3. Consider ways to minimize taxes by spreading out income

If your income varies from year-to-year, or if you expect to be in a different tax bracket in the future, consider using multi-year projections to take advantage of long-term planning opportunities to minimize income taxes. Examples of such tax planning strategies include accelerating the timing of income or recognition of capital gains so that lower tax brackets can be filled or, conversely, postponing the receipt of income or capital gains and accelerating receipt of losses in order to reduce income in higher tax years.

2. Enroll for Medicare, if applicable

Medicare plans can also change from year-to-year, in regard to what they cost and cover. So, it's a good idea to review your current coverage, even if your own needs have not changed. It's also important to note that if you are within three months of turning 65, the window for your initial Medicare enrollment period has opened and will remain open for seven months. Also, each state has a State Health Insurance Program (SHIP) offering free one-on-one counseling for Medicare recipients and their families. The website www.shiptalk.org can direct you to each state's SHIP program and contact information. Individuals can also visit www.Medicare.gov for customized information related to Medicare.

1. Set S.M.A.R.T. Goals

Whether your 2017 goals involve health, finances or any other aspect of your life, writing your goals down using the S.M.A.R.T. system can help you focus on attaining your goals. S.M.A.R.T. is an acronym for Specific, Measurable, Achievable, Results focused and Time bound. For many people, goal setting can end up being a frustrating exercise because many of us have a tendency to set goals that are too vague or ambiguous. Using the S.M.A.R.T. system can be a helpful reminder to be more detailed in our approach. For example, if one of your goals for 2017 is starting a college savings plan for your child or grandchild, the S.M.A.R.T. system can help you realize how much you ultimately want to save, how much time you have to save, as well as what capacity you currently have in your budget to allocate towards meeting that goal. By focusing on the details, you dramatically improve your likelihood of meeting your goals.