

Year End Planning

As we near the end of the year, here are some things you may want to consider doing.



1. **Max out your 401(k) plans.** The IRS allows most employees to contribute \$18,500 in their employer sponsored retirement accounts. Employees age 50 and older can add another \$6,000. For 2019, the maximum annual contribution will increase to \$19,000, but the limit on catch-up contributions for those 50 and older remains at \$6,000.

2. **Make IRA contributions.** The most you can contribute to all your traditional and Roth IRAs is the smaller of \$5,500 for 2018 or \$6,500 if you are age 50 or older by the end of the year; or your taxable compensation for the year. (You do have until April 15, 2019 to make your 2018 IRA contributions.) The contribution limit increases in 2019 to \$6,000, with the catchup for those 50 or older remaining at \$1,000.

3. **Charitable Contributions.** If your itemized deductions are just below the new standard deduction, you may want to consider grouping your charitable deductions into larger amounts every other year, rather than giving smaller amounts annually. You could also consider making a charitable donation to a donor advised fund.

4. **See if you need to pay estimated taxes.** If you have received a large bonus or other taxable sum this year or know you will be receiving one by year end, you should check with your tax preparer to see if you need to file estimated taxes to avoid any tax penalties.

5. **Medical/Dental Expenses.** If you can itemize for 2018, you can deduct medical and dental expenses that exceed 7.5% of your adjusted gross income. With this in mind, if you have expensive medical or dental care looming on the horizon, you may want to have this done before the end of the year, if possible, as the adjusted gross income floor for medical and dental expenses will be 10% in 2019 unless Congress changes this.