

# 2017 in Review: Year-End Tax and Financial Planning

Wealth Management Insights | November 2017

*While the new year may be right around the corner, there's still time left in 2017 to optimize your taxes and financial plans. This month's Wealth Management Insights shares some tips on last-minute activities that could still have an impact on your bottom line.*

## What you should know:

### 1. Key tax deadlines are approaching.

- December 31 is the final day to make charitable contributions and pay other tax-deductible expenses and claim the tax benefit in 2017. That deadline also applies to realizing capital gains and losses, but keep in mind that the last trading day for the year is Friday, December 29.
- November 28 is the last day to double-up on an investment and still be able to sell an older tax lot for a loss by year-end and avoid the wash sale treatment.
- Fourth-quarter estimated payments are due January 16, 2018, although the IRS has extended this deadline to January 31 for those affected by Hurricanes Irma and Harvey.

### 2. Life and family changes may require updates to your financial documents.

- Understand how changes in your personal situation can impact your tax liability. If your marital status changed due to marriage, divorce or death, or if you added a child, your tax liability could be significantly impacted. Also, if you moved to another state during the year, plan to file part-year tax returns in both states.
- If you retired during 2017 or plan to in 2018, keep in mind how your income will change over this period. This may cause you to accelerate or defer certain activities into a different year in order to maximize the tax benefit or minimize the cost.
- Those personal changes can impact your beneficiary designations on retirement plans or ►

insurance policies. It can also mean changes to those you've named as trustee, guardian or power of attorney as part of your estate plan. Be sure to review those designations and ensure they're still current.

### 3. Other planning issues to consider as we approach year-end.

- Use this time to review your investment portfolio and asset allocation strategy to ensure they are still in line with your overall financial goals.
- Review the steps you've taken to protect your identity. Change your online passwords, review your credit report and consider signing up for credit monitoring or other identity protection services.

- Tax and healthcare reform are still being debated in Washington. Be sure to keep up on any changes to the income or estate tax or your options in purchasing insurance, which may impact you for this year or into the future.

### What you should do now:

Your tax and financial plans require regular reviews, and year-end is a great time to take this on. Your Baird Financial Advisor can help you evaluate your current plans as well as suggest ways for you to achieve your goals this year and in the future. ■