2021 · WHAT ACCOUNTS SHOULD I CONSIDER IF I WANT TO SAVE MORE?

HALL & BURNS WEALTH MANAGEMENT, LLC

FOUNDATIONAL SAVINGS	YES	NO
Do you need to save more in your Emergency Fund? If so, consider the following: ■ If you are married and both you and your spouse are employed, you may want to set aside three months of living expenses in case of an emergency. ■ If you are single or the sole income earner, you may want to set aside six months of living expenses in case of an emergency. ■ If you are a high-income earner or entrepreneur, you may want to set aside as much as 18 months of living expenses to take advantage of job mobility and business opportunities.	☐	☐
Are you disappointed with the rate of return you are getting at your bank? If so, consider the benefits and risks associated with high-yield saving/checking accounts, CDs, and other conservative investments.	☐	☐

HEALTHCARE SAVINGS	YES	NO
Do you have a Flexible Savings Account (FSA)? If so, consider making a tax-deductible contribution of $2,750, which can be used on medical, dental, and vision care. Be sure to spend any funds that can't be carried over by the end of the year (or any grace period offered by your plan), as you may lose any remaining funds.	☐	☐
Do you have a Health Savings Account (HSA)? If so, consider contributing up to $3,600 ($7,200 for a family) and an additional $1,000 if you are age 55 or over. The HSA is the most tax-preferred vehicle available. See "Can I Make A Deductible Contribution To My HSA?" flowchart for details.	☐	☐

RETIREMENT SAVINGS	YES	NO
Do you have a retirement plan offered through your employer? If so, consider the following: ■ Make sure you contribute enough to maximize the amount of any match offered by the employer. ■ You can contribute up to $19,500 annually ($26,000 if age 50 or over). ■ If you have made the maximum salary deferral contribution and want to contribute more, consider if a Mega Backdoor Roth Contribution is applicable. Reference "Can I Make A Mega Backdoor Roth IRA Contribution?" flowchart.	☐	☐
Do you expect your income to increase in the future? If so, consider the following: ■ Contribute to a Roth 401(k) and pay taxes now at the lower rates. ■ Contribute up to $6,000 ($7,000 if age 50 or over) to a Roth IRA. Eligibility is phased out between $125,000-$140,000 MAGI (single) and $198,000-$208,000 MAGI (MFJ). See "Can I Contribute To My Roth IRA?" flowchart.	☐	☐
Is your MAGI greater than $140,000 ($208,000 if MFJ) and you have maxed out your 401(k) salary deferrals but want to save more? If so, consider the following: ■ A Backdoor Roth IRA contribution could allow you to save an extra $6,000 ($7,000 if age 50 or over). Reference "Can I Make a Backdoor Roth IRA Contribution?" flowchart. ■ If your employer's plan allows after-tax contributions, you may be able to make a Mega Backdoor Roth IRA contribution. See "Can I Make A Mega Backdoor Roth IRA Contribution?" flowchart.	☐	☐

EMPLOYER-PROVIDED BENEFITS & BUSINESS OWNER SAVINGS	YES	NO
Does your employer offer an ESPP? If so, consider participating and review your selling strategy in advance. (continue on next page)	☐	☐

2021 · WHAT ACCOUNTS SHOULD I CONSIDER IF I WANT TO SAVE MORE?

HALL&BURNS WEALTH MANAGEMENT, LLC

EMPLOYER-PROVIDED BENEFITS & BUSINESS OWNER SAVINGS	YES	NO
Are you a business owner? If so, consider the following: ▪ You can contribute up to $58,000 ($64,500 if age 50 or over) in a 401(k), including your employer and employee contributions. See "Should I Set Up A Traditional 401(k) For My Business?" flowchart. ▪ You can save more than the 401(k) amounts by opening and contributing to a pension plan. Contribution amounts will vary depending on several factors, such as the ages of the employees.	☐	☐
Are you a business owner and do you have minor children? If so, consider the following: ▪ Offering your children paid positions within the business can allow them to save in their name (and to be taxed at their income bracket). A Roth IRA may be an appealing account to fund. ▪ Single Owner LLCs, Sole Proprietorships and Partnerships where the only owners are the parents don't have to pay FICA taxes on the earnings of a minor child.	☐	☐

ACCOUNTS TO HELP FUTURE GENERATIONS	YES	NO
Are you or your dependents planning to attend college? If so, consider using a 529 plan to save for college: ▪ You can use your annual exclusion amount to contribute up to $15,000 per year to a beneficiary's 529 account, gift tax-free. ▪ Alternatively, you can make a lump sum contribution of up to $75,000 to a beneficiary's 529 account, and elect to treat it as if it were made evenly over a 5-year period, gift tax-free. ▪ You may be eligible for a state income tax deduction or credit if you contribute to a plan sponsored by your state.	☐	☐
Are you interested in funding future generations? If so, consider the following: ▪ UTMA/UGMA accounts could be used to save on behalf of minor children (or grandchildren). Be mindful of Kiddie Tax Rules. ▪ Dynasty trusts could be used to provide funds for many future generations. Each state has specific rules regarding the vesting of interests and maximum duration of trusts.	☐	☐

TAX-DEFERRED INSURANCE OPTIONS	YES	NO
Do you have (or would you consider) an annuity? If so, consider the following: ▪ If you have maxed out your savings in tax-deferred accounts, this option may be attractive as it provides tax deferral on the gains. ▪ Depending on the contract, some annuities offer very few guarantees resulting in low-cost options.	☐	☐
Do you need to increase your life insurance coverage? If so, consider the benefits of buying a cash value life insurance policy, which can provide both life insurance and tax deferral on the gains.	☐	☐

OTHER ACCOUNTS	YES	NO
Are you looking to invest in the markets and are not overly concerned about saving (or able to save) in tax-deferred accounts? If so, consider a taxable brokerage account: ▪ Long-term gains are taxed at preferential rates upon the sale (no tax at distribution from the account). Qualified dividends are also taxed at preferential rates. ▪ Some investments (tax-managed funds, zero-dividend stock funds, municipal bond funds, ETFs) can further mitigate any tax liability.	☐	☐
Are you charitably inclined? If so, consider utilizing a Donor Advised Fund.	☐	☐
Do you have any debts (especially credit card debt)? If so, consider paying down high-interest debt instead of saving more.	☐	☐

2021 · WHAT DOCUMENTS DO I NEED TO KEEP ON FILE?

HALL & BURNS WEALTH MANAGEMENT, LLC

TAX DOCUMENTS	YES	NO
Are you filing income tax returns? If so, consider the following: ▪ Keep at least three years of state and federal tax returns and supporting documentation on file. Supporting documentation includes records that prove any income, deductions, or credits claimed (W-2, 1099, end of year statements from banks and investment accounts). ▪ Depending on the state (like CA), you may need to keep tax returns for longer than three years. ▪ If you think you forgot to report income and it's more than 25% of gross income, keep six years of tax returns on file. ▪ If you are claiming a loss for worthless securities or bad debt deduction, keep records for seven years.	☐	☐
Have you made taxable gifts or received an inheritance? If so, keep all 709s that you file, and any 8971s or 706s issued to you, along with any supporting documentation in your permanent records.	☐	☐

HEALTHCARE DOCUMENTS	YES	NO
Will you apply for Medicaid (perhaps due to long-term care expenses)? If so, keep all financial statements and records of transactions for the previous five years to support your application for Medicaid, as there is generally a five-year look-back provision.	☐	☐
Do you have a Health Savings Account (HSA)? If so, keep all medical receipts from the date the HSA was opened.	☐	☐
Did you write off medical expenses on your tax return? If so, keep records for as long as you keep your tax returns (generally three years).	☐	☐
Are you on Medicare? If so, consider the following: ▪ Keep your Medicare Summary Notices for at least a year, or until your bill is paid in full. (continue on next column)	☐	☐

HEALTHCARE DOCUMENTS (CONTINUED)	YES	NO
▪ If you are enrolled in an employer drug plan that is considered creditable, keep your annual "Notice of Creditable Coverage" provided by your employer. This is needed if you enroll in Part D at a later time.		

LEGAL DOCUMENTS	YES	NO
Are you a U.S. citizen? If so, keep a copy of your Social Security card, birth certificate, and passport.	☐	☐
Are you a foreign national? If so, keep all documents related to your entrance into the United States, such as passport, Green Card, and I-94.	☐	☐
Do you have an estate plan? If so, keep a copy of your Will, Trust(s), Powers of Attorney (General and Health Care), Living Will, and beneficiary designations on file, and store the originals in a safe place. Also, consider giving copies to people that play an important role in your estate plan, such as your agents, Executor(s) and Trustee(s).	☐	☐
Are you currently married? If so, keep your marriage certificate on file, which may be needed in case of a name change, proof of marriage for insurance benefits, and for obtaining a joint mortgage. If you have a prenuptial agreement, store your original copy in a safe place.	☐	☐
Have you been divorced? If so, keep your divorce papers on file.	☐	☐
Have you served in the military? If so, keep your military discharge papers as they may be needed to prove your eligibility for veteran's benefits.	☐	☐
Do you have a safety deposit box? If so, keep the necessary information to find and access the safety deposit box.	☐	☐

2021 · WHAT DOCUMENTS DO I NEED TO KEEP ON FILE?

HALL & BURNS WEALTH MANAGEMENT, LLC

ASSET & DEBT RELATED DOCUMENTS	YES	NO
Do you have any investment accounts or bank accounts? If so, consider the following: ▪ Keep the most current statements on file (paper or electronic). ▪ Keep the End of Year statement on file until you complete your tax return. ▪ If you own investments purchased before 2012 (the year that custodians were required to track cost basis), keep records of what you paid for the non-covered investments in the event you sell them in the future, as the 1099 may not report cost basis.	☐	☐
Do you maintain any retirement accounts? If so, consider the following: ▪ Keep documentation on any contributions and withdrawals. ▪ If you took a Coronavirus-Related Distribution, keep your withdrawal request and 1099-R. ▪ If you made a Roth conversion, keep records showing the conversion. ▪ If you made non-deductible traditional IRA contributions, keep Form 8606 until the account is fully withdrawn to track cost basis.	☐	☐
Are you a small business owner? If so, keep the following: ▪ Federal EIN, business formation documents, ownership agreements, and any business licenses. ▪ Payroll records, employment tax records, and receipts for all expenses. ▪ Business asset records, such as purchase and sales invoices, deeds, and titles. ▪ Records of employee benefits, such as retirement plan documents.	☐	☐
Do you have any debts (student loans, mortgage, etc.)? If so, keep the loan documents until the loan is paid off. Once the loan is paid off, keep documentation on file proving that the loan has been paid in full. (continue on next column)	☐	☐

ASSET & DEBT RELATED DOCUMENTS (CONTINUED)	YES	NO
Do you own property (automobiles, real estate)? If so, consider the following: ▪ Keep any deeds, titles, settlement statements, or bills of sale on file until you decide to sell the property. ▪ Keep documentation showing purchase-related fees that were capitalized on file until you decide to sell the property.	☐	☐
Do you have a home office for which you receive a tax deduction (perhaps you are self-employed)? If so, keep all receipts for any housing/home office-related expenses (such as utility bills and mortgage statements) to prove the home office deduction.	☐	☐
Have you made any improvements to your home? If so, keep any receipts related to the home improvement as they may be used to substantiate any adjustments to the cost basis for your property.	☐	☐
Do you own real property in multiple states? If so, keep detailed records proving which state you lived in for the majority of the year (receipts, or travel itineraries). It is especially important if you are concerned about your state income tax liability and/or establishing residency.	☐	☐

OTHER DOCUMENTS	YES	NO
Do you have any higher education (college, certifications)? If so, keep copies proving that you completed the coursework.	☐	☐
Do you have any insurance policies (homeowners, disability, life insurance)? If so, keep the most current policies on file.	☐	☐
Are you currently employed? If so, keep any contracts signed, including any non-solicit or non-compete agreements.	☐	☐

2021 · WHAT ISSUES SHOULD I CONSIDER BEFORE I RETIRE?

HALL & BURNS WEALTH MANAGEMENT, LLC

CASH FLOW ISSUES

CASH FLOW ISSUES	YES	NO
Will your cash flow needs change? If so, consider developing a new income and expense plan.	☐	☐
Will you receive a pension? If so, consider the following: ■ There may be multiple payout options (single, joint). ■ Coordination strategies may exist between pension, Social Security, or life insurance.	☐	☐
Could there be pensions and/or retirement benefits from a previous employer that you may be forgetting?	☐	☐
Are you retiring early? If so, consider the following: ■ Social Security benefits may be reduced if you earn more than $18,960 and are collecting benefits prior to your full retirement age (FRA) or if you earn more than $50,520 in the year you reach FRA. ■ Social Security benefits will be reduced if you collect prior to your FRA. ■ You can access your 401(k) penalty-free if you leave your employer in the year you turn 55 or later.	☐	☐
Will you or your spouse receive a pension from an employer that did not withhold Social Security taxes? If so, consider the impact of the Social Security Windfall Elimination Provision or the Government Pension Offset.	☐	☐
Are you currently married? If so, consider additional Social Security claiming strategies.	☐	☐
Were you married previously and currently unmarried? If so, consider the following: ■ If the marriage lasted 10 years and ended in divorce, you may be eligible for benefits under your ex-spouse's record. See "Am I Eligible For Social Security Benefits As A Divorced Individual?" flowchart. ■ If the marriage lasted more than nine months and ended due to your spouse passing away, you may be eligible for benefits under your deceased spouse's record. See "Am I Eligible For Social Security Benefits As A Surviving Spouse?" flowchart.	☐	☐

HEALTH INSURANCE ISSUES

HEALTH INSURANCE ISSUES	YES	NO
Will you be retiring before age 65 and need health insurance? If so, consider the following: ■ You are not eligible for Medicare until age 65 (unless you qualify for an exception). ■ If you are a Health Insurance Marketplace enrollee and household income is between $12,760 and $51,040 for one person in the household ($17,240 to $68,960 for two people in the household), you may be eligible for the Premium Assistance Tax Credit.	☐	☐
Will you have to change your employer-sponsored health insurance upon turning 65 or upon retiring from your employer? If so and you are under age of 65, you may need to look to COBRA or the Health Insurance Marketplace. If you are age 65 or over, you may need to sign up for Medicare.	☐	☐
Will you need additional insurance such as vision or dental coverage?	☐	☐
Are you contributing to an HSA? If so, consider HSA and Medicare coordination issues. See "Can I Make A Deductible Contribution To My HSA?" flowchart.	☐	☐
Will your MAGI exceed $88,000 (single) or $176,000 (MFJ)? If so, you may be subject to Medicare IRMAA Surcharges. Reference "Will I Avoid IRMAA Surcharges on Medicare Part B & Part D?" flowchart.	☐	☐
Are you disabled? If so, you may be eligible for certain benefits or have the ability to access benefits early.	☐	☐
Have your needs for life insurance changed?	☐	☐
Are you concerned about funding long-term care? If so, consider LTC insurance, self-insurance strategies, and assisted living communities.	☐	☐
If you have LTC insurance, does it need to be reviewed to ensure that it meets your needs?	☐	☐

HALL & BURNS WEALTH MANAGEMENT, LLC

ASSET & DEBT ISSUES	YES	NO
Do you have stock options, grants, or restricted stock units? If so, consider how your retirement affects your rights, and the impact upon your tax liability and your cash flow planning.	☐	☐
Will your investment objectives or risk tolerance change?	☐	☐
If you are a business owner, do you need an exit strategy or a succession plan?	☐	☐
If you have annuities or illiquid assets, do they need to be reviewed to understand options?	☐	☐
Do you have a loan on any employer retirement plans? If so, you may need to plan for how to pay it back and be mindful before rolling the balance to another plan.	☐	☐
Do you have a deferred compensation plan? If so, coordination strategies may exist between pension, Social Security, or life insurance.	☐	☐
Do you have multiple accounts with similar tax treatment (multiple 401(k)s or IRAs)? If so, consider consolidating accounts to reduce complications.	☐	☐
Will you change your residence? If so, this may impact tax liability, cash flow planning, and your Medicare Advantage plan if you move out of the network.	☐	☐

TAX PLANNING ISSUES	YES	NO
Do you expect to have large Required Minimum Distributions? If so, consider strategies to reduce the RMD such as Roth conversions.	☐	☐
Upon retirement, do you expect your income to be lower? If so, consider deferring any Roth conversions until you are in a lower tax bracket. Reference "Should I Consider Doing A Roth Conversion?" flowchart.	☐	☐

LONG-TERM PLANNING ISSUES	YES	NO
Do you expect your estate will exceed your unused federal estate and gift tax exclusion amount (maximum $11.7 million, or $23.4 million if you are married)? If so, consider strategies to plan for a possible federal estate tax liability.	☐	☐
Are you charitably inclined? If so, consider charitable giving strategies to reduce your tax burden.	☐	☐
Is your estate plan old or possibly outdated? If so, reference "What Issues Should I Consider Before I Update My Estate Plan?" checklist.	☐	☐
Do the account beneficiaries need to be reviewed and possibly updated? This includes retirement plans, life insurance, and TOD accounts.	☐	☐

OTHER ISSUES	YES	NO
Do you have any unused vacation days? If so, you may be eligible to use them prior to retiring or you may receive compensation.	☐	☐
Are there any state-specific issues that should be considered (such as unique taxation rules)?	☐	☐

HALL & BURNS WEALTH MANAGEMENT, LLC

ASSET & DEBT ISSUES	YES	NO
Do you have unrealized investment losses? If so, consider realizing losses to offset any gains and/or write off $3,000 against ordinary income.	☐	☐
Do you have investments in taxable accounts that are subject to end-of-year capital gain distributions? If so, consider strategies to minimize tax liability.	☐	☐
Are you age 72 or older, or are you taking an RMD from an inherited IRA? If so, consider the following: ■ RMDs from multiple IRAs can generally be aggregated; however, RMDs from inherited IRAs can't be aggregated with traditional IRAs. ■ RMDs from employer retirement plans generally must be calculated and taken separately, with no aggregation allowed. However, 403(b) plans are an exception, and RMDs from multiple 403(b)s can be aggregated.	☐	☐

TAX PLANNING ISSUES	YES	NO
Do you expect your income to increase in the future? If so, consider the following strategies to minimize your future tax liability: ■ Make Roth IRA and Roth 401(k) contributions and Roth conversions. ■ If offered by your employer plan, consider making after-tax 401(k) contributions. ■ If you are age 59.5 or over, consider accelerating traditional IRA withdrawals to fill up lower tax brackets.	☐	☐
Do you expect your income to decrease in the future? If so, consider strategies to minimize your tax liability now, such as traditional IRA and 401(k) contributions instead of contributions to Roth accounts. (continue on next column)	☐	☐

TAX PLANNING ISSUES (CONTINUED)	YES	NO
Do you have any capital losses for this year or carryforwards from prior years? If so, consider the following: ■ There may be tax-loss harvesting opportunities. ■ You may be able to take the loss or use the carryforward to reduce your ordinary income by up to $3,000.	☐	☐
Are you on the threshold of a tax bracket? If so, consider strategies to defer income or accelerate deductions and strategies to manage capital gains and losses to keep you in the lower bracket. Consider the following important tax thresholds: ■ If taxable income is below $164,925 ($329,850 if MFJ), you are in the 24% percent marginal tax bracket. Taxable income above this bracket will be taxed at 32%. ■ If taxable income is above $445,850 ($501,600 if MFJ), any long-term capital gains will be taxed at the higher 20% rate. ■ If your Modified Adjusted Gross Income (MAGI) is over $200,000 ($250,000 if MFJ), you may be subject to the 3.8% Net Investment Income Tax on the lesser of net investment income or the excess of MAGI over $200,000 ($250,000 if MFJ). ■ If you are on Medicare, consider the impact of IRMAA surcharges by referencing the "Will I Avoid IRMAA Surcharges On Medicare Part B & Part D" flowchart.	☐	☐
Are you charitably inclined and want to reduce taxes? If so, consider the following: ■ Explore tax-efficient funding strategies, such as gifting appreciated securities or making a QCD. ■ If you expect to take the standard deduction ($12,550 if single, $25,100 if MFJ), consider bunching your charitable contributions (or contributing to a donor-advised fund) every few years which may allow itemization in specific years.	☐	☐
Will you be receiving any significant windfalls that could impact your tax liability (inheritance, RSUs vesting, stock options, bonus)? If so, review your tax withholdings to determine if estimated payments may be required. (continue on next page)	☐	☐

HALL & BURNS WEALTH MANAGEMENT, LLC

TAX PLANNING ISSUES (CONTINUED)

	YES	NO
Do you own a business? If so consider the following: ■ If you own a pass-through business, consider the QBI Deduction eligibility rules. Reference the "Am I Eligible For A Qualified Business Income Deduction?" flowchart. ■ Consider the use of a Roth vs. traditional retirement plan and its potential impact on taxable income and Qualified Business Income. ■ If you have business expenses, consider if it makes sense to defer or accelerate the costs to reduce overall tax liability. ■ Some retirement plans, such as a Solo 401(k), must be opened before year-end.	☐	☐
Have there been any changes to your marital status? If so, consider how your tax liability may be impacted based on your marital status as of December 31st.	☐	☐

CASH FLOW ISSUES

	YES	NO
Are you able to save more? If so, consider the following: ■ If you have an HSA, you may be able to contribute $3,600 ($7,200 for a family) and an additional $1,000 if you are age 55 or over. See "Can I Make A Deductible Contribution To My HSA?" flowchart for details. ■ If you have an employer retirement plan, such as a 401(k), you may be able to save more but must consult with the plan provider as the rules vary as to when you can make changes. ■ The maximum salary deferral contribution to an employer plan is $19,500, plus the catch-up contribution if age 50 or over is $6,500 per year.	☐	☐
Do you want to contribute to a 529 account? If so, consider the following: ■ You can use your annual exclusion amount to contribute up to $15,000 per year to a beneficiary's 529 account, gift tax-free. ■ Alternatively, you can make a lump sum contribution of up to $75,000 to a beneficiary's 529 account, and elect to treat it as if it were made evenly over a 5-year period, gift tax-free.	☐	☐

INSURANCE PLANNING ISSUES

	YES	NO
Will you have a balance in your FSA before the end of the year? If so, consider the following options your employer may offer: ■ Some companies allow up to $550 of unused FSA funds to be rolled over into the following year. ■ Some companies offer a grace period up until March 15th to spend the unused FSA funds. ■ Many companies offer you 90 days to submit receipts from the previous year. ■ If you have a Dependent Care FSA, check the deadlines for unused funds as well.	☐	☐
Did you meet your health insurance plan's annual deductible? If so, consider incurring any additional medical expenses before the end of the year, at which point your annual deductible will reset.	☐	☐

ESTATE PLANNING ISSUES

	YES	NO
Have there been any changes to your family, heirs, or have you bought/sold any assets this year? If so, consider reviewing your estate plan. See "What Issues Should I Consider Before I Update My Estate Plan?" checklist for details.	☐	☐
Are there any gifts that still need to be made this year? If so, gifts up to the annual exclusion amount of $15,000 (per year, per donee) are gift tax-free.	☐	☐

OTHER ISSUES

	YES	NO
Do you have children in high school or younger who plan to attend college? If so, consider financial aid planning strategies, such as reducing income in specific years to increase financial aid packages.	☐	☐

CONTACT INFORMATION

HALL & BURNS WEALTH MANAGEMENT, LLC

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LPL Financial and Hall & Burns Wealth Management do not offer tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

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