

Before the year is over, it is important to review your financial matters to ensure you are not missing any crucial deadlines and are optimizing where possible. In order to help you with your year-end review, we have compiled the below financial checklist. We are here to make sure you remain on track to achieve your goals. If you have any questions, please reach out to a member of your Beacon Trust team.

Year-End Financial Checklist:*

- Take your Required Minimum Distribution (RMD) by December 31st
 - This applies to Individual Retirement Account (IRA) and 401(k) account holders aged 72 or older; if you turn 72 in 2021, then your first RMD is not due until 4/1/22. However, if you defer your first distribution until 4/1/22, you will need to take a second distribution prior to 12/31/22.
 - Certain Inherited IRA/Inherited Roth IRA holders may also be subject to the RMD requirement.

- Review and update beneficiaries if necessary
 - Review all account beneficiaries and make sure they are in line with your intentions.

- Spend Flexible Spending Account (FSA) balances
 - Typically, FSA funds need to be spent by December 31st. We recommend speaking with your benefits office to confirm the last date you may apply these funds to covered expenses.

- Evaluate charitable gifting options
 - For 2021, taxpayers may deduct up to 100% of their adjusted gross income (AGI) for charitable contributions made with cash. Contributions that exceed that amount can be carried forward for five years.
 - Individuals or those married filing jointly who are taking the standard deduction can claim an above the line deduction of \$300 or \$600 respectively for cash contributions to charitable organizations.
 - For those who itemize deductions, gifting appreciated non-cash assets held more than one year, may offer an additional tax benefit in comparison to cash donations. These donations are limited to 30% of AGI.
 - Bunching or grouping multiple years of charitable gifts into a single year can allow for a bigger tax deduction in years with higher income.
 - Individuals aged 70 or older may perform a Qualified Charitable Distribution (QCD) and directly transfer funds from their IRA to a qualified charity to satisfy their RMD for the year. Note that QCDs are limited to \$100,000 per year.

- Consider gifting to heirs
 - The 2021 annual exclusion limit is \$15,000 per person.
 - The limit is increased by \$1,000 for next year, making the 2022 annual exclusion limit \$16,000 per person.

- Check your credit report
 - You're entitled to one free copy of your credit report annually from each of the three reporting companies. This is a good opportunity to confirm there is no fraudulent activity.

* As specific circumstances can vary, each item on the checklist may not be applicable to all individuals. Please reach out to your advisor if you have any questions about your financial situation.

Review the chart below for annual contribution amounts for Retirement, HSA, and FSA Accounts:

	2021	2022
Defined Contribution Plans¹		
Maximum salary deferral for workers	\$19,500	\$20,500
Catch-up contributions for workers 50 and older	\$6,500	\$6,500
Total contribution limit (employer + employee)	\$58,000	\$61,000
Total contribution limit, plus catch-up contribution	\$64,500	\$67,500
IRAs & Roth IRAs²		
Maximum contribution	\$6,000	\$6,000
Catch-up contributions for workers 50 and older	\$1,000	\$1,000
Total contribution limit, plus catch-up contribution	\$7,000	\$7,000
Healthcare Savings Account (HSA)³		
Individual	\$3,600	\$3,650
Family	\$7,200	\$7,300
Catch-up contributions for workers 55 and older	\$1,000	\$1,000
Flexible Spending Account (FSA)⁴		
Health - Individual	\$2,750	\$2,850
Dependent Care - Individual or Married Filing Jointly	\$5,000	\$5,000
Dependent Care - Married Filing Separately	\$2,500	\$2,500

¹ The last day to make a contribution to your 401(k)/Defined Contribution Plan is December 31 for the current tax year.

² The last day to make a contribution to your IRA or Roth IRA for the 2021 tax year is April 15, 2022.

³ The last day to make a contribution to your HSA is December 31 for the current tax year.

⁴ The last day to make a contribution to your FSA is December 31 for the current tax year.