



WEALTH FINANCIAL PARTNERS

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Things to Do for 2019: December 31, 2018 Deadlines

Part 1 of 4

- **Make sure that 2018 required minimum distributions (RMDs) for all IRA account owners who reached age 70½ prior to 2018 are paid out.** IRA owners generally use the Uniform Lifetime Table to find the life expectancy factor to calculate their RMDs. There is an exception for those individuals whose spouses are more than 10 years younger and are the sole primary beneficiary for the entire year. They will use the Joint Life Expectancy Table. There is a 50% penalty that applies when RMDs are missed, so be sure you don't miss this deadline.
- **Verify that all 2018 RMDs for deceased IRA owners, if not taken by the IRA owner when alive, are paid out to the beneficiaries by year end.** The year-of-death RMD is calculated as though the account owner lived for the entire year. It is often overlooked, particularly when IRA owners die near the end of the year without taking their full RMD. Beneficiaries who miss the deadline will face a 50% penalty on the shortfall.
- **Don't forget 2018 RMDs for beneficiaries.** Double check that RMDs for all beneficiaries are paid out before the end of the year. IRA custodians are not required to notify beneficiaries of their RMDs. Don't overlook Roth IRA beneficiaries. They also are subject to RMDs.
- **Confirm that all 72(t) [substantially equal periodic payments (SEPPs)] distributions are made before year end.** If you or a client has started these payments to avoid the 10% early distribution penalty, the consequences are severe if payments are later missed or modified. Don't let it happen on your watch!
- **Make sure funds intended to be 2018 Roth IRA conversions leave the IRA account or employer plan by the end of the year.** You do not have up to April 15th to complete a prior year conversion; the funds must be distributed in 2018 and reported on a 2018 Form 1099-R. © 2018 Ed Slott and Company, LLC

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For more IRA Expertise, contact us!

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