



WEALTH FINANCIAL PARTNERS

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Things to Do for 2019: December 31, 2018 Deadlines

Part 2 of 4

- **Complete 2018 qualified charitable distributions (QCDs).** QCDs allow IRA owners and beneficiaries who are age 70½ and older to transfer up to \$100,000 of IRA funds tax-free to charity. These must be done by the end of 2018. Clients who miss the deadline will miss out on this tax break for the year.
- **Verify that employer plans are emptied if a client is planning on using the net unrealized appreciation (NUA) strategy in 2018.** If funds remain in the plan at the end of the year, the lump sum distribution requirement for NUA will not be met, and this valuable tax break may be lost.
- **Do a direct transfer of inherited employer plan funds to a properly titled inherited IRA before the end of 2018 for named non-spouse beneficiaries who inherited the plan funds in 2017.** This will ensure that those beneficiaries can use the stretch option in the inherited IRA.
- **Be sure that separate accounts are set up by December 31, 2018 for any IRA beneficiaries who inherited in 2017.** Having separate accounts by this deadline allows each beneficiary to stretch distributions over their own life expectancy.
- **Check rollovers completed in 2018.** Confirm that all 60-day rollovers during 2018 were completed on time and that only one 60-day rollover (IRA-to-IRA or Roth IRA-to-Roth IRA) per account owner was done in a 365-day period. Rollovers that do not meet the rules generally create excess contributions in the receiving account. © 2018 Ed Slott and Company, LLC

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