WEALTH FINANCIAL PARTNERS
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Things to Do for 2019: January 31, 2019 Deadlines
Part 4 of 4

- **Check that clients 70½ or older in 2019 receive their notification about their RMD for the upcoming year.** Be sure that the calculation has been done correctly and that the 2018 year-end account balance is correct.

- **Do a Form 5329 check-up. IRS Form 5329 is used to report the 10% penalty for early distributions, the 6% penalty for excess contributions, and the 50% penalty for RMDs not taken.** No advisor wants to see a client owe penalties on their retirement account. However, if any penalties are due to the IRS for 2018 it is best to pay them as soon as possible. Advisors should check to see that all Forms 5329 are filed. This is important because there is no statute of limitations if not filed.

- **Make a prior year IRA contribution for 2018.** Clients panicking about the end of the year have some breathing room when it comes to 2018 IRA contributions. Prior-year IRA contributions are allowed. 2018 IRA and Roth IRA contributions can be made up until the tax-filing deadline, not including extensions.

- **Make an early IRA contribution for 2019.** Contributing on the earliest date possible for a year, January 1, rather than on the last date possible – the due date for the year's tax return, generates 15½ months of extra investment returns on the contribution for the year. That higher balance then compounds over all future years until funds are withdrawn from the IRA. Doing this every year multiplies the effect. Making contributions as early in the year as possible instead of at the last minute can significantly increase an IRA's value by retirement. © 2018 Ed Slott and Company, LLC

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