

Tax-Smart Financial Planning Checklist

General Tax Awareness

- ⇒ Review your current and projected tax brackets.
- ⇒ Identify all sources of taxable, tax-deferred, and tax-free income.
- ⇒ Understand the impact of Social Security taxation and Medicare surcharges (IRMAA).

Account & Asset Organization

- ⇒ Separate assets into tax-deferred (e.g., IRAs), taxable (e.g., brokerage), and tax-free (e.g., Roth IRA).
- ⇒ Match the right assets with the right accounts (asset location strategy).
- ⇒ Review mutual funds for embedded capital gains exposure.

Tax-Efficient Investment Strategy

- ⇒ Use ETFs or separately managed accounts (SMAs) for better tax efficiency.
- ⇒ Implement tax-loss harvesting when applicable.
- ⇒ Rebalance portfolios without triggering unnecessary taxable events.

Household-Level Coordination

- ⇒ Coordinate investment decisions across spouses' and dependents' accounts.
- ⇒ Optimize distributions at the household level, not just by account.
- ⇒ Consider a Unified Managed Household (UMH) for broader tax efficiency.

Withdrawal Planning

- ⇒ Create a tax-efficient income distribution strategy (tax-deferred vs. taxable vs. Roth).
- ⇒ Plan Roth IRA conversions in low-income years.
- ⇒ Time capital gains recognition to avoid moving into a higher tax bracket.



Year-End Tax Actions

- ⇒ Max out employer retirement contributions (401(k), 403(b), etc.). [] Contribute to Roth IRAs or backdoor Roths, if eligible.
- ⇒ Use Qualified Charitable Distributions (QCDs) if over age 70½.
- ⇒ Review Required Minimum Distributions (RMDs) and strategies to reduce their impact.

Work with a Fiduciary Advisor

- ⇒ Ensure your advisor is a fiduciary, legally obligated to act in your best interest. Will your advisor accept fiduciary status in writing?
- ⇒ Work with a *CERTIFIED FINANCIAL PLANNER*® professional. The CFP board certified financial planning curriculum is offered at more than 300 accredited colleges and universities across America in both undergraduate and graduate degree programs.
- ⇒ Schedule annual tax reviews with your advisor and CPA.
- ⇒ Use planning software to project long-term tax outcomes and optimize decisions.

Let me know if I can help! [Begin here!](#)



Jim Lorenzen is a *CERTIFIED FINANCIAL PLANNER*® professional and An Accredited Investment Fiduciary® serving private clients since 1991. Jim is Founding Principal of [The Independent Financial Group](#), a registered investment advisor with clients located across the U.S.. He is also licensed for insurance as an independent agent under California license 0C00742. The Independent Financial Group does not provide legal or tax advice and nothing contained herein should be construed as securities or investment advice, nor an opinion regarding the appropriateness of any investment to the individual reader. The general information provided should not be acted upon without obtaining specific legal, tax, and investment advice from an appropriate licensed professional.