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FOUNDATIONAL SAVINGS

FOUNDATIONAL SAVINGS	YES	NO
Do you need to save more in your Emergency Fund? If so, consider the following: ▪ If you have a spouse or partner and you both are employed, you may want to set aside three months of living expenses in case of an emergency. ▪ If you are single or the sole income earner, you may want to set aside six months of living expenses in case of an emergency. ▪ If you are a high-income earner or entrepreneur, you may want to set aside as much as 18 months of living expenses to take advantage of job mobility and business opportunities. ▪ If applicable, consider contributing to an Emergency Savings Account (linked with your employer's retirement plan). Be mindful of any rules and limitations that may apply.	☐	☐
Are you disappointed with the rate of return you are getting at your bank? If so, consider the benefits and risks associated with high-yield saving/checking accounts, CDs, and other conservative investments.	☐	☐

HEALTHCARE SAVINGS

HEALTHCARE SAVINGS	YES	NO
Do you have a Flexible Spending Account (FSA)? If so, consider making a pre-tax/tax-deductible contribution of $3,200, which can be used on medical, dental, and vision care. Be sure to spend any funds that can't be carried over by the end of the year (or any grace period offered by your plan), as you may lose any remaining funds.	☐	☐
Do you have a Health Savings Account (HSA)? If so, consider making a pre-tax/tax-deductible contribution of up to $4,150 ($8,300 for a family) and an additional $1,000 if you are age 55 or over. The HSA is the most tax-preferred vehicle available. See "Can I Make A Deductible Contribution To My HSA?" flowchart for details.	☐	☐

RETIREMENT SAVINGS

RETIREMENT SAVINGS	YES	NO
Do you have a traditional IRA or a Roth IRA? If so, review what amounts you are eligible to deduct or contribute, respectively.	☐	☐
Do you have a retirement plan offered through your employer? If so, consider the following: ▪ Make sure you contribute enough to maximize the amount of any match offered by the employer. ▪ You can contribute up to $23,000 annually ($30,500 if age 50 or over) if your employer plan is a 401(k), 403(b) or 457. ▪ You can contribute up to $16,000 annually ($19,500 if age 50 or over) if your employer plan is a SIMPLE IRA or SIMPLE 401(k). You may increase your SIMPLE contributions (including catch-up) by 10% (if eligible). ▪ If you have made the maximum salary deferral contribution and want to contribute more, consider if a Mega Backdoor Roth contribution is applicable. Reference “Can I Make A Mega Backdoor Roth Contribution?” flowchart.	☐	☐
Do you expect your income to increase in the future? If so, consider the following: ▪ If permitted, make a designated Roth contribution and pay taxes now at the lower rates. ▪ Contribute up to $7,000 ($8,000 if age 50 or over) to a Roth IRA. Eligibility is phased out between $146,000 - $161,000 MAGI (single) and $230,000 - $240,000 MAGI (MFJ). See "Can I Contribute To My Roth IRA?" flowchart.	☐	☐
Is your MAGI greater than $161,000 ($240,000 if MFJ) and you have maxed out your salary deferrals but want to save more? If so, a Backdoor Roth IRA contribution could allow you to save an extra $7,000 ($8,000 if age 50 or over). Reference “Can I Make a Backdoor Roth IRA Contribution?” flowchart.	☐	☐

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EMPLOYER-PROVIDED BENEFITS & BUSINESS OWNER SAVINGS

YES | NO

- ☐ ☐ **Does your employer offer any employee equity compensation plans?** If so, consider participating and review your selling strategy in advance.
- ☐ ☐ **Are you a business owner?** If so, consider the following:
  - You can contribute up to $69,000 ($76,500 if age 50 or over) in a 401(k), including your employer and employee contributions. See "Should I Set Up A Traditional 401(k) For My Business?" flowchart.
  - You can save more than the above amounts by opening and contributing to a pension plan. Contribution amounts will vary depending on several factors, such as the ages of the employees.
- ☐ ☐ **Are you a business owner and do you have minor children?** If so, consider the following:
  - Offering your children paid positions within the business can allow them to save in their name (and to be taxed at their income bracket). A Roth IRA may be an appealing account to fund.
  - Single member LLCs, sole proprietorships, and partnerships where the only owners are the parents don't have to pay FICA taxes on the earnings of a minor child.

ACCOUNTS TO HELP FUTURE GENERATIONS

YES | NO

- ☐ ☐ **Are you or your dependents planning to attend college?** If so, consider using a 529 plan to save for college:
  - You can use your annual exclusion amount to contribute up to $18,000 per year to a beneficiary's 529 account, gift tax-free.
  - Alternatively, you can make a lump sum contribution of up to $90,000 to a beneficiary's 529 account, and elect to treat it as if it were made evenly over a 5-year period, gift tax-free.
  - You may be eligible for a state income tax deduction or credit if you contribute to a plan sponsored by your state.
  - You may be able to transfer portions of unused 529 funds to your beneficiary's Roth IRA (rules and limitations apply).
- ☐ ☐ **Are you interested in funding future generations?** If so, consider the following: (continue on next column)

ACCOUNTS TO HELP FUTURE GENERATIONS (CONTINUED)

YES | NO

- UTMA/UGMA accounts could be used to save on behalf of minor children (or grandchildren). Be mindful of Kiddie Tax rules.
- Dynasty trusts could be used to provide funds for many future generations. Each state has specific rules regarding the vesting of interests and maximum duration of trusts.

TAX-DEFERRED INSURANCE OPTIONS

YES | NO

- ☐ ☐ **Do you have (or would you consider) an annuity?** If so, consider the following:
  - If you have maxed out your savings in tax-deferred accounts, this option may be attractive as it provides tax deferral on the gains.
  - Depending on the contract, some annuities offer very few guarantees, resulting in low-cost options.
- ☐ ☐ **Do you need to increase your life insurance coverage?** If so, consider the benefits of buying a cash value life insurance policy, which can provide both life insurance and tax deferral on the gains.

OTHER ACCOUNTS

YES | NO

- ☐ ☐ **Are you looking to invest in the markets and are you not overly concerned about saving (or able to save) in tax-deferred accounts?** If so, consider a taxable brokerage account:
  - Long-term gains are taxed at preferential rates upon the sale (no tax at distribution from the account). Qualified dividends are also taxed at preferential rates.
  - Some investments (tax-managed funds, zero-dividend stock funds, municipal bond funds, ETFs) can further mitigate any tax liability.
- ☐ ☐ **Are you charitably inclined?** If so, consider utilizing a Donor Advised Fund.
- ☐ ☐ **Do you have any debts (especially credit card debt)?** If so, consider paying down high-interest debt instead of saving more.

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