

Key Terms

ROTH CONVERSION - A Roth IRA conversion occurs when you move funds from a traditional IRA, simplified employee pension (SEP) IRA, or savings incentive match for employees (SIMPLE) IRA into a Roth IRA.

AGI - Adjusted gross income (AGI) is the figure that the Internal Revenue Service (IRS) uses to determine your income tax liability for the year. It is calculated by subtracting certain adjustments from gross income, such as business expenses, student loan interest payments, and other expenses. After calculating a taxpayer's AGI, the next step is to subtract deductions to determine their taxable income.

QUALIFIED CHARITABLE DISTRIBUTION - A qualified charitable distribution (QCD) is a distribution from your individual retirement account (IRA) to a qualified charity. You must be age 70½ or older to make a qualified charitable distribution. A qualified charitable distribution is not taxed, nor is it included in your taxable income.

UMBRELLA INSURANCE POLICIES - Umbrella insurance policies are written to cover several different primary liability policies. For example, a family might purchase a personal umbrella insurance policy from an insurance company to extend excess coverage over both their automobile and homeowners policy. Umbrella policies are considered excess policies since they're considered extra coverage for claims that exceed the payouts and coverage limits of the primary or underlying policy.

FIDUCIARY - A fiduciary is a person or organization that acts on behalf of another person or persons, putting their clients' interests ahead of their own, with a duty to preserve good faith and trust. Being a fiduciary thus requires being bound both legally and ethically to act in the other's best interests. Under a trustee/beneficiary duty, the fiduciary has legal ownership of the property or assets and holds the power necessary to handle assets held in the name of the trust. In estate law, the trustee may also be known as the estate's executor.

Checklist

	TAKING CHARGE	LOOKING AHEAD	REFLECTION & REDEFINITION
CASH FLOW	<ul style="list-style-type: none"> Do you have 3-6 months of expenses saved for emergencies? Are you automating your savings through payroll deduction? 	<ul style="list-style-type: none"> Have you considered a Roth conversion strategy? Given recent legislation, has your start date for Required Minimum Distributions changed? Have you considered accessing your retirement earlier to spread out future tax implications? 	<ul style="list-style-type: none"> Do you want to consider gifting during your lifetime? How will gifting impact your long-term success?
RETIREMENT PLANNING	<ul style="list-style-type: none"> Are you contributing the maximum amount to your 401k/403b? If you don't already have one, have you considered opening up an IRA? Have you considered a Roth versus a traditional retirement account? Do you have an investment account to invest your additional savings? 	<ul style="list-style-type: none"> Are you taking advantage of catch-up contributions in your retirement accounts? Do you have any retirement plans with former employers that you can consolidate into one retirement account? 	<ul style="list-style-type: none"> Have you considered a Qualified Charitable Distribution to meet philanthropic goals in a tax efficient manner?
RISK MANAGEMENT	<ul style="list-style-type: none"> When was the last time you reviewed your insurance coverage levels? Are insurance carriers coordinated for maximum discounts? Do you have excess liability (umbrella) coverage? 	<ul style="list-style-type: none"> Are your insurance coverage levels still appropriate? Do you need to adjust your umbrella policy? Are the beneficiaries still relevant? 	<ul style="list-style-type: none"> Have you reviewed your insurance policies to ensure they aren't at risk of lapsing? Do you still need your current policies, or could those premium dollars be spent elsewhere?
ESTATE PLANNING	<ul style="list-style-type: none"> Do you have a will, power of attorney, and health care directive? Have you reviewed your beneficiary designations? 	<ul style="list-style-type: none"> Do you need to update any of your beneficiary designations? How would you like to see the next generation benefit from their inheritance? 	<ul style="list-style-type: none"> Will your estate be taxed at the federal level?