



# Planning Points for 2020

*This year, as the tax rules change, so should your planning...*

Hidden in the subtle and not so subtle changes to the tax laws are adjustments and planning points you should consider deploying if your situation warrants it. **Here are some things to think about post-SECURE act:**

- **Over 70 & still working?** If you are over 70.5 & have earned income- you can keep up those retirement savings now! Might as well save a little money in taxes while you increase your savings.
- **RMD Age!** Haven't hit 70 ½ yet? The RMD age has gone to 72, meaning your distribution/income plan could be affected.
- **Beneficiary stretch rules have changed...** If your kids are your beneficiaries of your retirement plans, you may need to do some planning. Non-minors may face big tax bills- coming in and talking about the impact could do some real good for them. Maybe if it's right for you, you should consider a Roth Conversion.
- **529 education plans are more useful than ever.** These can now be used to pay back some student loans or for apprenticeship programs (on top of private k-12, technical/vocational and college expenses).
- **New Retirement Plan Guidelines** Watch out for more items meant to encourage retirement savings- eligibility for certain part time employees, increased safe-harbor auto contributions and more.

**Then there are the tried and true basics:**

- **Keep an eye on capital gains rates.** You pay a significantly smaller percentage in taxes if you hold your assets more than 1 year before selling. This is true for both Federal & Massachusetts taxes if you are a resident.
- **Have control over your taxable income?** Consider some tax bracket strategies! Intelligently fill your tax brackets. For example, couples who have taxable income under roughly \$80,000 enjoy a low tax bracket of 12%. But the next bracket is 22%- an 83% jump! Even if you

don't need it, sometimes it pays to take on a little more taxable income now instead of jumping to that next bracket later.

- **Keep an eye on Social Security and Medicare premiums thresholds.** If you haven't reviewed that lately with your advisor (us) [GET IN HERE!](#)
- **Review past strategies** to make sure they still are working- planning areas such as a home office expenses, the effect of the new standard deduction on you, debt considerations, consolidating deductible expenses, and many others are all part of your tax planning. What worked for your benefit before, might not now.

We are happy to work with you and your accountant on these areas to be efficient without overthinking it all. Don't let the Tax Dog wag your tail. Ok, that's not a thing. But you get the point.