

Seek Professional Advice

For best results for your unique concerns discuss the new tax environment with your professional advisor team. Your Wealth Management Financial Consultant must collaborate with your Tax Advisor and your Estate Plan Attorney to help you update your wealth management plan.

Steps You Can Take Today

Clients who are concerned about future tax uncertainty may want to bring this checklist to meetings with their Estate Attorney, Wealth Management Financial Consultant, and Tax Professional.

- 1) Consider taking capital gains in 2010, before capital gains tax rates rise.
- 2) Wait until year-end, when the future qualified dividend tax rate may be better understood, to limit potential portfolio volatility by lightening positions in dividend-paying stocks.
- 3) Explore tax-advantaged opportunities like converting Traditional IRAs to Roth IRAs. Business owners who experienced a net operating loss may be able to convert tax-deferred retirement assets to a Roth IRA tax free.
- 4) Consider accelerating ordinary income from stock options and deferred compensation, if possible, into 2010 when you may be in a lower tax rate than future years.
- 5) Look into deferring tax deductible expenditures, such as charitable contributions, until later years when they may be worth more.
- 6) Check your exposure to Alternative Minimum Tax. Work with your tax professional to identify tax opportunities unique to your situation.
- 7) Review your portfolio for potential credit issues, adequate maturity diversification, and to make sure it is structured not just to meet current needs, but also with an eye to future ordinary income tax changes.
- 8) Remain watchful for any potential tax changes in the state and/or municipality where you live, because they could raise taxes to make up for lack of federal funding.
- 9) Review your current estate documents, the way your assets are titled and your beneficiary designations with your attorney and/or tax professional sooner rather than later. If appropriate, revise them to provide planning flexibility in light of the uncertain estate tax landscape. Consider use of disclaimer or "what if" language.
- 10) Explore life insurance strategies to transfer wealth to heirs tax free.
- 11) Discuss whether strategies using life insurance to create tax-free retirement income are appropriate for your goals and time horizon.