The most financially successful people know that growing wealth isn't just about what you earn, but also about what you keep. And that means keeping your tax bills to a minimum. With the end of the year approaching, now's the time to pull the levers that enable you to do just that. Here are some tax-planning strategies you should consider implementing.

1. Give stock, don't sell it. Selling a large taxable investment, even if the purpose is to reallocate that money into other investments, triggers capital gains taxes. Rather than selling, consider donating appreciated stock to charity or gifting shares. Both steps can save you a bundle in taxes.
2. Use your tax bracket. Pushing income off until next year may help you move down to a tax bracket where the capital-gains-tax rate is as low as 0%. Be sure to consult a tax professional to ensure you're on solid ground with the IRS.
3. Max out your 401(k). Contributing the legal maximum to your employer's 401(k) plan every year is a no-brainer, because it allows you to take full advantage of both the plans' inherent tax benefits and any employer match. Employers commonly match as much as half of your contributions, up to 6% of your salary. That's free money. The IRS limit this year is $19,500 per person; if you're 50 or older, you can contribute an additional $6,500, bringing the total to $26,000.
4. Max out your IRA. After maxing out your 401(k), do the same with your traditional or Roth IRA, both of which are also tax-advantaged. You can contribute up to $6,000 to an IRA this year, or $7,000 if you're age 50 or above.
5. Convert your IRA to a Roth. Roth IRAs are funded by after-tax dollars—the opposite of a traditional IRA. The upside is that the money grows tax-free, and you (or your heirs) don't pay any taxes when you eventually take withdrawals. Converting your traditional IRA will trigger a tax bill—but the reason to do it now is that tax rates are at historic lows. Many experts believe that rates will rise, if not in 2021, then in the next several years. You can also use deductions from charitable giving to neutralize part or all of your IRA conversion tax.
6. Make a distribution decision. Owners of 401(k) and traditional IRA accounts are required to take minimum annual distributions from those accounts starting in the year they turn 72. Under the CARES Act, signed in the spring, taxpayers may skip their withdrawals in 2020. But there are reasons you might want to take a distribution anyway. For example, if you expect much higher total income next year, taking money now means you might pay a lower rate on it than you would next year. Likewise, certain charitable contributions made directly from an IRA can reduce your gross income and thus your taxes.
7. Donate stock shares. Charitable gifts made in 2020 will trigger bigger tax breaks than usual. In 2019, charitable gift deductions were limited to 60% of adjusted gross income. Thanks to the CARES Act, you can write off up to 100% of AGI. So if you were planning to make a significant gift, this could be the year to do it.
8. Update your beneficiaries. Now is also a good time to review the beneficiary information on all your financial accounts, from banks to insurance to investments. Life situations change all the time—divorces, deaths, new family members—and beneficiary designations often become outdated. This can and does lead to ugly situations such as a current spouse fighting an

ex-spouse in court over an inheritance. And any accounts without named beneficiaries will wind up in probate after your death, which adds cost, time and aggravation to estate settlement. From a tax standpoint, up-to-date beneficiary designations can help ensure that your heirs aren't subjected to any more tax than is legally necessary.

Tax planning may not be as fun as earning and investing money. But paying attention to it can make the difference between achieving big goals and settling for less. If you'd like to discuss the intersection of tax planning and your wealth, please give us a call.