

SPEAKING OF SOMEDAY

ONLINE RETIREMENT LEARNING EVENT

—— LIVE, NOV 12 ——

EVERY SOMEDAY NEEDS A PLANSM



YEAR-END MOVES:

Prepare for 2016

YOUR HOST



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PRESENTER



Year-End
Moves



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OVERVIEW



Year-End
Moves

Topic overview:

Year-end is a great time to review a financial checklist to help position your portfolio for 2016 and beyond.

Goals:

Today, we're going to share some year-end strategies and review some important dates.

What you'll learn:

- How can you reduce your tax bill?
- What are the different ways you can save for retirement?
- How can you best manage your finances?

YEAR-END STRATEGIES

DECEMBER
31

Year-End
Moves



Taxes

1

Harvesting Tax Losses



Retirement
Savings

2

Maxing Out Tax-Advantaged
Retirement Accounts

3

Converting to a Roth IRA



Giving

4

Making Strategic Charitable Contributions

5

Using Your Annual Gift Tax Exemption

YEAR-END STRATEGIES

DECEMBER
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1

HARVESTING TAX LOSSES



1

HARVESTING TAX LOSSES STRATEGY



Year-End
Moves



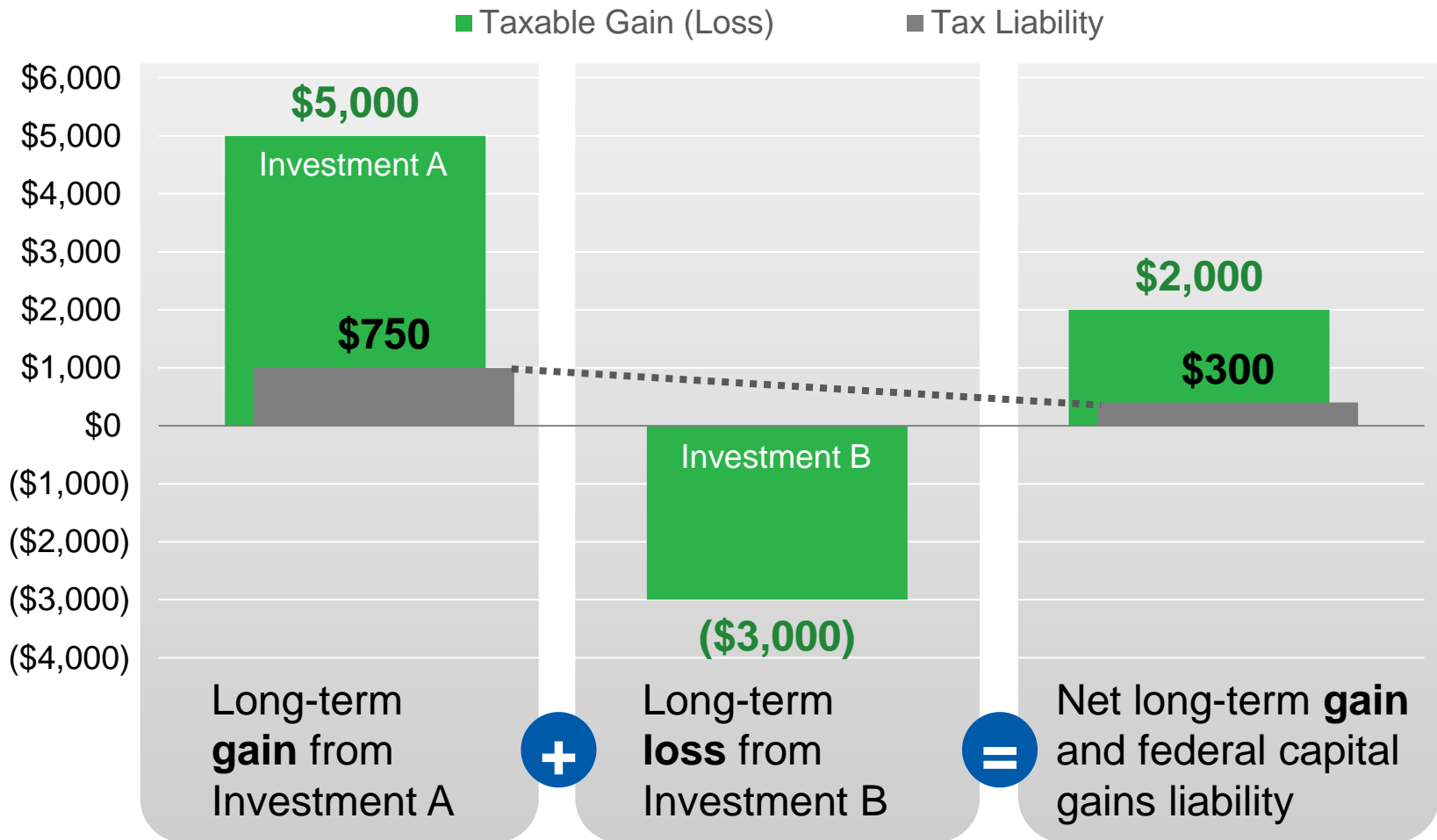
Sell an investment that has lost value to help **reduce capital gains** elsewhere in your portfolio.

1

HARVESTING TAX LOSSES HOW IT WORKS



Year-End
Moves



1

HARVESTING TAX LOSSES THINGS TO CONSIDER



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Good recordkeeping
is critical (purchase timing and cost basis)

Watch your
asset allocation

Beware of
“wash sales”

Investors using options strategies and harvesting losses should be aware of adverse consequences related to straddles and constructive sales.

2

MAXING OUT TAX-ADVANTAGED RETIREMENT ACCOUNTS



2

MAXING OUT TAX-ADVANTAGED RETIREMENT ACCOUNTS STRATEGY



Year-End
Moves

Fully fund workplace savings plans, then **consider IRAs and annuities.***

2

MAXING OUT TAX-ADVANTAGED RETIREMENT ACCOUNTS HOW IT WORKS



Year-End
Moves

Maximize the power of **tax-deferred compounding** until you withdraw.

Take advantage of **Workplace Contributions** to help boost your savings.

Understand income restrictions for deductible contributions into an IRA and income restrictions for contributions to a Roth IRA.

Generally, there are **no limits on annuity contributions**.

2

MAXING OUT TAX-ADVANTAGED RETIREMENT ACCOUNTS THINGS TO CONSIDER



Year-End Moves

	2015 Contribution Limits	Catch-Up Contributions
401(k) / 403(b)	\$18,000 under age 50	\$24,000 age 50 and older
Traditional / Roth IRA	\$5,500 under age 50	\$6,500 age 50 or older



Don't forget spousal IRA saving opportunity
Applies to non-wage-earning spouse; assumes joint federal tax income return



NEW Fidelity® Roth IRA for Kids
Give the children in your life a head start to a more secure future

3

CONVERTING TO A ROTH IRA



3

CONVERTING TO A ROTH IRA STRATEGY



Year-End Moves

Consider **converting**
traditional IRAs to **Roth IRAs**.*

**Tax-free
growth
potential;
tax-free
withdrawals**

**No minimum
required
distributions**

**Tax-free
money for
heirs**

3

CONVERTING TO A ROTH IRA THINGS TO CONSIDER



Year-End
Moves

Three important factors:

Cost

Taxes

Time

REMEMBER:

You don't have to be eligible to make a Roth IRA contribution to convert a traditional IRA to a Roth IRA.

3

CONVERTING TO A ROTH IRA HOW IT WORKS



Year-End
Moves

The Slaters, Married, Age 57 and 56 Expect to retire in 10 years

Not expecting much change in income after retirement, but plan to move to a state with much higher taxes. They have decided to convert their IRA in order to avoid those high state income taxes during retirement.

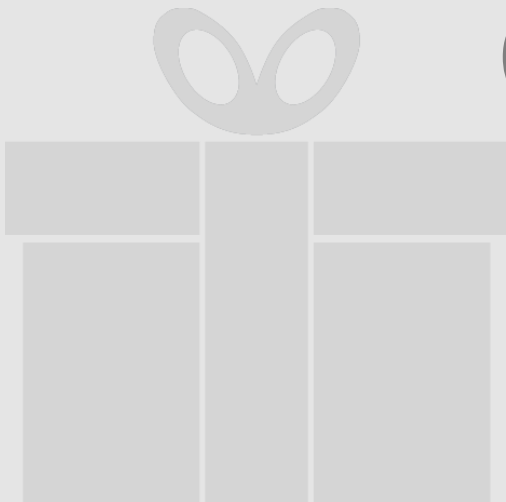
Evaluation of how much they should convert this year.

- **\$177,500** current gross income
- Expect **~\$25,000** in deductions
- **28% federal tax bracket and no state income taxes currently**; no change in federal tax bracket, but high state income taxes expected after retirement
- **Income expected to grow slightly** with time (1% more than inflation)
- **\$480,000 in pretax retirement savings** in rollover IRAs from previous employers
- **Could afford to pay up to \$50,000 in taxes** on a Roth conversion with assets from a taxable account



4

MAKING STRATEGIC CHARITABLE CONTRIBUTIONS




4

MAKING CHARITABLE CONTRIBUTIONS STRATEGY



Year-End Moves

An aerial photograph of a university campus, likely Cornell University, showing various buildings, a large green lawn, and trees with vibrant autumn foliage in shades of orange, yellow, and red. The sky is a clear, pale blue.

Maximize your charitable impact by turning **capital gains** into **charitable gains.**

4

MAKING CHARITABLE CONTRIBUTIONS HOW IT WORKS



Year-End
Moves

Giving with a Donor-Advised Fund (DAF)



GIVE

Make a tax-deductible charitable contribution

BENEFITS

- **Potentially eliminate capital gains taxes** by contributing long-term appreciated assets
- **Simplify** recordkeeping
- One donation for multiple causes
- Ability to **front-load** and **support** charities **over time**



GROW

Contributions are invested

BENEFITS

- **Maximize** support to charities
- Potential for contributions to **grow tax free**



GRANT

Recommend grants to IRS-qualified charities

BENEFITS

- Online transactional capabilities
- Involve family in giving and leave **charitable legacy**
- Anonymity, if desired

4

MAKING CHARITABLE CONTRIBUTIONS HOW IT WORKS



Year-End
Moves

Patty and John, Married, Age 60

Expect to **retire in five years**

GOAL: Implement a strategic giving strategy to accommodate their charitable goals into retirement

62% of Fidelity Charitable® donors established a DAF to sustain their giving throughout retirement.



4

MAKING CHARITABLE CONTRIBUTIONS HOW IT WORKS



Year-End
Moves

Establish a DAF and make a contribution while in a higher tax bracket.

Plan to contribute **highly appreciated long-term securities**, take a **tax deduction** for the fair market value of the donation, and potentially **eliminate capital gains tax**.

Front-load giving by creating a “ready reserve” of charitable assets to support multiple charities and involve family in their philanthropy, **now and in the future**.

5

USING YOUR ANNUAL GIFT TAX EXEMPTION



5

USING YOUR ANNUAL GIFT TAX EXEMPTION STRATEGY



Year-End
Moves



Gifts generally help **reduce the amount of your estate.**

5

USING YOUR ANNUAL GIFT TAX EXEMPTION HOW IT WORKS



Year-End
Moves

Gift up to \$14,000 a year per individual (**\$28,000** if you and your spouse both give).*

Gifts can include **cash, stocks, bonds, and some real estate.**

Lifetime federal gift tax exclusion amount for 2015 is **\$5.43 million.**

5

USING YOUR ANNUAL GIFT TAX EXEMPTION THINGS TO CONSIDER



Year-End
Moves

You must report gift amounts over the exclusion amounts.

Plan ahead! Consult your tax advisor about how gifting may work for you, and your **Fidelity representative** for assistance in handling the transaction.

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IMPORTANT DATES

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FINAL STEPS ON YEAR-END MOVES





IMPORTANT DATES



Year-End
Moves

NOVEMBER:

- Increase your contributions** to tax-advantaged retirement savings accounts; especially 401(k) plans
- Review the **asset allocation** of your portfolio and rebalance or reconsider alternative investments as necessary
- Evaluate with your tax advisor the need to sell investments at a loss to **offset capital gains**
- Research year-end **mutual fund distributions** and plan accordingly with your tax advisor

DECEMBER:

- Assess charitable giving opportunities**; understand lead time necessary for wiring transfers, processing stock, or donating cash
- Roth IRA conversion deadline** with 2015 dates: December 31
- Last day to open a **self-employed 401(k)**: December 31
- Ensure that **MRDs for the year are in process or completed** (to avoid penalty)
- Confirm your **beneficiaries**

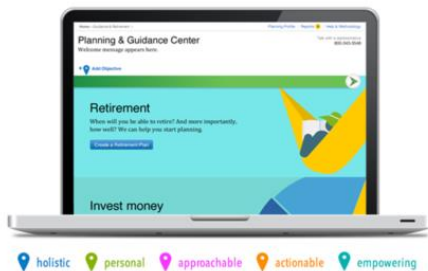


YOUR NEXT MOVE TO PREPARE FOR 2016 AND BEYOND



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savings plan



Learn more about
tax-efficient investing
strategies



Read Discussion Guide on how
to start family conversations and
prepare for the future



Fidelity Investment Professionals are always here to help. **Call 800.343.3548**



Questions and Answers

IMPORTANT INFORMATION



Year-End
Moves

Before investing, consider the investment objectives, risks, charges, and expenses of the fund or annuity and its investment options. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time, and you may gain or lose money.

Diversification/asset allocation does not ensure a profit or guarantee against loss.

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