



## Holiday Traditions

***“Thanksgiving dinners take eighteen hours to prepare. They are consumed in twelve minutes. Half-times (in football) take twelve minutes. This is not coincidence.”*** - Erma Bombeck

As the holidays draw near, your thoughts may begin to turn towards your favorite year-end traditions. The music, food, clothing, and decorations of the holidays all evoke pleasant images of our childhood and remind us how wonderful life is. The warm feeling we get from our holiday traditions is something we want to repeat every year; and so despite the fact that it takes an hour to pile all the kids in the car, you do it each year to drive around the neighborhood and view the holiday lights. You agonize over finding perfect gifts for everyone and you invite your extended family to your home for huge meals that take hours to prepare.

These revered holiday traditions bring much satisfaction, so we are willing to accept the work that they require. Likewise, there are several year-end financial traditions that you should adopt that will allow you to reap some benefits as you move into the new year.

### **The season of planning**

While we are willing to admit that eggnog, Christmas trees, and menorahs do not typically induce you to call your accountant, there are a few financial topics that should be on your mind at this time of the year. For instance, much of your tax planning needs to be completed before the end of December. If you have generated any capital gains

during the year, you should work with your accountant and your financial advisor to determine whether you have any investments that are worth less than the original purchase price so they can be sold at a loss to offset those gains. Also, if you are age 70 1/2 or older, you are usually required to make minimum distributions from any qualified retirement accounts that you have before December 31. If you miss this New Year's Eve deadline you may be subject to penalties from the IRS.

You should also consider your company retirement plan at this time of year. If you make contributions to a 401(K), 403(B), or other employer-sponsored plan, the deadline for making contributions to these is usually December 31. You should review the Federal contribution limitations and your own budget for the current year to see if you have any room for additional contributions to these plans: Think about this as a holiday tax-deduction gift to your future self.

### **The season of giving**

Ebenezer Scrooge learned that it was better to give than to receive and for most of us, charitable giving is a holiday tradition that generates warm feelings. And even the Grinch-like IRS gets into the holiday spirit by allowing a tax deduction: For most taxpayers, contributions to a favorite charity are

*(continued on back)*

deductible from the current year's taxes if they are made before December 31.

If you prefer to keep your charitable efforts closer to home, the holiday season is an ideal time to present a child, grandchild, or other family member with the gift of a college savings plan. While a brand new prepaid tuition plan or a 529 college savings account may not evoke the same immediate joy as a new iPhone, your future college graduate will thank you for it later.

### **The season of redemption**

The holidays are a time to be thankful for your past prosperity and to prepare for the new year and beyond. By including a short financial checklist in your year-end tradition, you can help others who are less fortunate, provide more prosperous future holidays for your own family, and make the dreaded onset of tax season easier to handle. And, if you are someone who has always avoided financial planning during this time of year, keep in mind that the holidays are a time of forgiveness and redemption. In the beginning of Dickens' story, Scrooge was a bitter and stingy man, but after he received some prudent financial advice from beyond the grave and did a bit of future planning, his holiday tradition took a dramatic turn for the better.

As we at Heritage celebrate our year-end traditions, we sincerely hope you enjoy yours. From all of us at Heritage, we wish all of you the very best this holiday season.



*Heritage Investment Group provides wealth management and investment guidance to high-net-worth individuals, families, charitable foundations and qualified plans. We provide seasoned financial guidance, with respect and integrity, backed by a disciplined investment process. Since 1993 we've built our firm on a strong foundation of family and friendships with guiding principles of ethics and integrity.*

*The original version of this article was written by Heritage for the November 2015 edition of The Light, a local magazine serving Broward County, Florida.*



## **H | I | G HERITAGE** INVESTMENT GROUP

2480 N.E. 23rd Street, Pompano Beach, Florida 33062  
Phone: 954.785.5400 Fax: 954.933.0966

115 South Fielding Avenue, Tampa, Florida 33606  
Phone: 813.258.1759 Fax: 813.254.3756

[www.heritageinvestment.com](http://www.heritageinvestment.com)