



# VIEWPOINT

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*Klingenstein Fields Wealth Advisors is committed to providing our clients with insights to help them manage their financial lives. We are pleased to introduce ViewPoint, which will regularly deliver perspectives on an array of topical investment, market and planning topics. Please enjoy.*

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## Tax Planning Is More Than Just Tax Preparation

The end of the year may have you thinking about how to better manage your tax situation in the future. Klingenstein Fields Wealth Advisors believes that effective tax planning goes far beyond the careful recordkeeping and tax reporting that takes place during tax season. Successful tax planning requires analyzing your current and future objectives, and building thoughtful strategies to maximize your assets for you, your family, and everything that is most important in your world. We can assist you in developing a comprehensive tax plan that encompasses a number of areas:

### Investing

Evaluating the tax implications of your portfolio can be a practical place to begin. We can help you review your existing investments in light of your individual situation to uncover opportunities where you may benefit by incorporating tax-advantaged strategies. Areas we focus on include:

**Tax-loss harvesting** or using tax losses to offset the potential tax consequences of gains can have a substantial impact, especially in a year when your portfolio is realizing large gains.

**Municipal bond investments** can help you take advantage of federal and, depending on the state, state tax-free income. For investors in high-tax brackets with an allocation to fixed income, this can make a noticeable impact. We can incorporate a municipal bond strategy into your overall portfolio to provide strong after-tax returns, as well as diversification benefits.

**Tax-sensitive investing** represents a holistic way we can manage your entire portfolio if your tax situation warrants, utilizing multiple tactics to minimize taxable circumstances. If you have both taxable and tax-deferred accounts, such as an IRA, coordinating the types of investments across your accounts affords additional planning opportunities.

### **Create An Estate Plan With Tax Benefits For You And Your Family**

When planning to leave a legacy, benefactors often overlook the potential tax burden that occurs when an estate is executed. Many states have estate taxes that can substantially reduce your family's inheritance. We can work with you and your legal and tax advisors to analyze and develop an estate plan that carefully considers the tax impact of future capital gains, trusts, gifts and charitable giving – as well as insurance, long-term care and employee benefits programs.

*We focus holistically on your wealth to help you accomplish your multiple goals while minimizing your tax burden.*

### **Give To Charity To Help Others – And Yourself**

Philanthropy offers you the opportunity to help others while providing you with potential tax benefits now and for your estate, depending on how you choose to give. We can discuss

with you the many ways to make a difference for a cherished cause. Actions may include donating appreciated securities, setting up a trust vehicle, or starting your own foundation or donor-advised charitable fund.

### **Maximize Your Retirement – And Tax – Savings**

We encourage you to take full advantage of any qualified retirement plans for which you may be eligible, such as company-sponsored plans and individual retirement plan options, as ways to achieve tax benefits for today and build savings for tomorrow.

### **Preparation Starts Now**

Preserving your wealth is a crucial component of its accumulation – and your ultimate enjoyment of it now and in the future. Careful tax planning can result in more of your wealth working for you and your family. We can work with your legal and tax advisors to develop an integrated strategy to help you achieve your goals. At Klingenstein Fields Wealth Advisors, our role is to focus holistically on your wealth and help you accomplish your multiple goals while minimizing your tax burden. ●

## **If You've Got That Giving Feeling**

As year-end approaches, you may be thinking about making your final direct gifts of the year to the charities, endowments and/or foundations you support. You may also be considering your giving strategy for the year to come, and, naturally, you would like to maximize the tax benefits of giving. As you think about giving, or start to assemble information for tax reporting, Klingenstein Fields Wealth Advisors would like to give you some hints to help you manage your charitable strategies.



### **Know Your Recipient**

In order for your donation to be tax-deductible, it must be made to a qualified, tax-exempt organization. If you are not certain whether the organization to which you wish to donate is qualified, we can work with you or your tax advisor to help determine this.

### **Understand Your Tax Situation For The Year**

The overall amount that you can deduct annually has a limit based on your adjusted gross income for the year, as well as other factors. Generally, the IRS allows you to deduct charitable gifts up to 50% of your adjusted gross income,

but lower limits of 20% or 30% apply in some cases, such as gifts to private foundations or fraternal societies. If you have previously contributed an amount beyond the tax-deductible limit, that amount may have been carried forward and may count toward this year's limit. We can help you evaluate whether it makes sense to adjust your giving strategy up or down, based on your expected income and other circumstances.

**Explore Ways To Give Directly**

Different organizations may have different types of direct gifts they will accept. Acceptable donations may range from cash, stocks, real estate, personal property and other goods. If you contribute real estate you have owned longer than a year, you can typically deduct an amount equal to the fair market value. This may provide a benefit if the property has appreciated significantly in value. The same may hold true if you donate stocks that have appreciated. We can work with you to help you determine the most appropriate giving strategy for your situation.

**Timing Matters**

Contributions are tax-deductible in the year they are made, but what and how you are giving will affect whether it is tax-deductible this year.

<b>CHECK MAILED</b>	Envelope must be postmarked in 2015 in order to be tax-deductible for this year
<b>CREDIT CARD</b>	Deductible in the year in which the charge is posted, so if you make a donation which is posted in 2015, it is tax-deductible this year, even if the bill is not paid until 2016
<b>BY PHONE</b>	Tax-deductible in the year in which the funds are transferred, so if you verbally commit to a donation in 2015, the donation must actually be made this year to count for tax purposes
<b>NON-CASH GIFTS</b>	Gifts such as stocks or real assets (real estate, art, etc.) can be more complex and take some time to be effectively transferred, so start the process early

**Organize For Efficient Philanthropy**

For many people, a donor-advised fund can serve as an efficient vehicle to focus and organize their charitable giving. Easy to set up and simple to administer, these flexible programs can help you to fulfill your philanthropic goals in a tax-smart and organized way. We can help you to determine if a donor-advised fund would be a good fit for you.

**Document, Document, Document...Everything**

Remember to keep records (and receipts) of your donations. The IRS requires written confirmation of your donation for all contributions of \$250 or more, including a non-cash donation. A letter or an email that acknowledges the gift and documents the amount that you have given qualifies as a receipt. A cancelled check or a credit card statement (with a posting date) may also be sufficient.

**When You Give, Deduct What You May Have Also Received**

If you received anything in exchange for your donation, you must deduct its value from the overall gift to determine the tax-deductible portion. Potential items to consider may include any physical merchandise, goods or services, such as a membership, tickets to a charity event, or a thank you gift in recognition of your donation.

Klingenstein Fields Wealth Advisors can help you understand the implications of potential approaches in order to develop a charitable giving strategy that works for you and your family. By being strategic about your giving, we find that the families we work with can enhance their wealth while funding the causes and organizations that matter to them the most. We can work closely with you and your other advisors to help create an integrated wealth plan that addresses your philanthropic as well as your other life goals. ●

## A Deep Heritage of Wealth Management

With a distinguished history of over twenty-five years in wealth management, Klingenstein Fields Wealth Advisors can help you and future generations preserve and grow your wealth. We remain privately owned and controlled by active management, without the distractions that publicly-owned companies face. As a result, our sole focus is on the long-term financial success of our clients. Our owners invest alongside you, helping ensure our interests always remain aligned with yours.

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### IMPORTANT DISCLOSURE INFORMATION

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Klingenstein Fields Wealth Advisors), or any non-investment related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from Klingenstein Fields Wealth Advisors. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. Klingenstein Fields Wealth Advisors is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. If you are a Klingenstein Fields Wealth Advisors client, please remember to contact Klingenstein Fields Wealth Advisors, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. A copy of the Klingenstein Fields Wealth Advisors' current written disclosure statement discussing our advisory services and fees is available upon request.