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premiums and charitable giving before year's end.

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For me, the dread of tax season truly arrives when I start receiving 1099s, W-2s, 1098s, etc., in February. It's time to gather everything, fill out a painful spreadsheet and write a check to my CPA. The fourth quarter, on the other hand, is fun. This is when you can be strategic. A tax puzzle emerges with, sometimes, very favorable, or very unfavorable, results. The fourth quarter is for tax planning, not tax reporting.

I realize that I'm in the minority in thinking that tax planning is fun. However, the things you do before Dec. 31 are typically what save you the bigger dollars. And saving bigger dollars is fun for everyone.

Here are five things retirees should consider before Dec. 31:

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your wages and any other business income. When you retire, your taxable income, and thus your tax rates, fall. When you turn on Social Security and start taking distributions from retirement accounts, it pops back up. Hence, "the valley."

During this time, you can move money from pre-tax retirement accounts into Roth IRA accounts and pay taxes at your current rate. If you think your current rate is lower than your future rate will be, you should work with a professional to evaluate this strategy.

2. Realizing capital gains

If you'd had a crystal ball and invested $1 million at the bottom of the market in 2009, closed your eyes and woken up today, you'd have over $6 million. Few people were that fortunate. However, it is fair to say that the longer you've held on to your stocks in taxable accounts, the larger the unrealized gains.

As in the strategy above, you may have a tax valley in your retirement years that allows you to sell some of those winners without paying taxes. Most people understand that we have different income tax brackets. Most people don't know that we have different capital gains tax brackets. Most people will pay 15% federal capital gains. However, if you fall into the 10% or 12% income tax bracket, you pay 0% capital gains. Once again, consult with your tax professionals to see what is a viable strategy for you.

3. Evaluate Medicare thresholds

I work with several retired CPAs, and for some reason, the IRMAA letters they get drive them up a wall. IRMAA is an acronym that stands for income-related monthly adjustment amount. In plain English, it makes your Medicare Part B coverage more expensive, sometimes significantly so, if you cross certain income thresholds.

The premium is derived from your *gross* (not taxable) income two years prior. So, as

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in the same year. The IRS imposes required minimum distributions from your pre-tax accounts at certain ages, based on the year you were born. You can figure out your RMD age with the table below:

DOB/birth year	First RMD
6/30/49 or earlier	70½
7/1/49-12/31/50	72
1951-1959	73
1960+	75

Source: Kiplinger Consumer News Service

So, first you must ensure that you take your RMD by Dec. 31. There is an extension in your first year until April 1 of the following year, though this rarely makes sense from a tax perspective.

While you may have to take RMDs, you may still be able to lower your taxable income by contributing to retirement accounts. This seems ironic in an article for retirees. The form we see it take most often is through consulting work, post-retirement. For example, let's say you are 73 and have $1 million in retirement accounts and had $50,000 in net self-employment income. You could offset almost your entire RMD by funding a solo 401(k).

5. Consider qualified charitable distributions (QCDs)

The deadline for all charitable giving is Dec. 31. This is why more money is donated on Dec. 31 itself than even on Giving Tuesday (the first Tuesday after Thanksgiving in the U.S.). A general rule for those who are 70½ or older is to give from your IRA first,

appreciated stock second, cash last. Just like all things in personal finance, what you

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