



COMPREHENSIVE

WEALTH MANAGEMENT

Tax Alert | 2023 Tax Year

Please review this check-list before filing your taxes!

Tax Time Check-List

We recommend that you provide a copy of this check-list to your CPA so that they can better assist you.

Below is a list and description of the documents you or your CPA will need to prepare your taxes this year with respect to your CWM managed accounts.

IMPORTANT: Please keep in mind that CWM MUST receive all requests for tax documents no later than April 3, 2024. Requests are processed in the order received and those received after the 4th of April, may not be completed by the April tax filing deadline.

1099-Composite (Non-Retirement Accounts)

Examples of non-retirement accounts:

- Individual Accounts
- Joint Accounts
- Trust Accounts
- Transfer on Death Accounts
- Custodial UTMA/UGMA Accounts
- Corporate/LLC/LP Accounts

The 1099-Composite includes dividends, interest, buys, and sells (i.e. gain/loss schedule) for the year. As a result, this document is all that you or your CPA needs in order to report on your non-retirement investment accounts.

You will receive this document around mid-February from Schwab by mail or in electronic format and it will be available to you on your CWM Client Portal or online at Schwab.com. If you do not remember your Schwab.com login, please contact Schwab directly at 800-515-2157 to retrieve this information (Schwab will not release your login information to CWM).

More often than not, a corrected 1099-Composite will be issued as late as the middle of March, so we **strongly recommend that you do NOT formally file your taxes before April 1st**. (If a corrected 1099 is generated, this is not due to any action on the part of CWM or Schwab; rather, the various fund companies that produce 1099s dictate the changes and create the need to issue a corrected 1099.)

If you are working with one of our recommended CPA partners (below) they will already have access to your Schwab 1099 documents and there will be no need for you to bring additional copies with you to your meeting:

- Rick Foster – OR – Teresa Gill of *EFG CPAs, PLLC*
- Brent Hagen – OR – Pam Yi of *The Hagen Firm, PLLC*



COMPREHENSIVE

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Tax Alert | 2023 Tax Year

Management Fees

Professional fees, such as attorney fees, CPA fees, and advisory fees are not tax deductible.

1099-R (Retirement Accounts)

Examples of retirement accounts:

- IRA, Rollover IRA, SIMPLE IRA, SEP
- Roth IRA
- Individual 401(k)
- 401k, 403b, 457
- Defined Benefit Plan, Cash Balance Plan

1099-Rs are produced when a withdrawal is made from a retirement account. If you took money out of a retirement account in 2023, you or your CPA will need to account for it using the 1099-R.

You should have received your 1099-R around the end of January from Schwab by mail and it will be available to you on your CWM Client Portal or online at Schwab.com. If you do not remember your Schwab.com login, please contact Schwab directly at 800-515-2157 (Schwab will not release your login information to CWM).

Special Notice: If you purchased a life insurance policy with a long-term care rider (aka hybrid-life) to exempt yourself from the Washington Cares Act, you will receive a 1099-R stating how much the long-term care rider cost for the year. This is purely for informational purposes, and you do NOT need to account for this on your return.

Year-End Gain/Loss Report (Retirement Accounts)

You do not need this report to file your taxes.

Schwab sends out a Year-End Gain/Loss report for retirement accounts. The purpose for these reports is unclear since you are not taxed annually on any gains or losses in your IRAs or other retirement accounts, which grow tax-deferred. Keep in mind that you **DO** need to report any deposits or withdrawals made to your retirement account within the given tax year.

It is also important to note that the Year-End Gain/Loss report does NOT provide you with enough information to determine how your account actually performed, as it ONLY lists the realized gains and losses (i.e. positions that were bought and sold) that occurred during the 2023 tax year. What the gain/loss report does NOT include are any unrealized gains/losses (that is, gains or losses on positions that have yet to be sold), nor does it report any dividends or interest received. As a result, the report does not give you the full picture as to how your retirement account(s) actually performed.

Please refer to your CWM consolidated 2023 Year-End performance reports in order to review actual retirement account performance. This is available in the Portfolio Statements folder in the Document Vault on your CWM Client Portal. Please call (425) 778-6160 or email Info@CWMnw.com should you require assistance accessing the Client Portal.



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☐ 5498 (Retirement Accounts)

Examples of retirement accounts:

- IRA, Rollover IRA, SIMPLE IRA, SEP
- Roth IRA

5498s are produced when a contribution is made to a retirement account. If you made a contribution to a retirement account in 2023, then you or your CPA will need to account for it. **There is one exception here;** if you are putting money into a retirement plan such as a 401k or 403b *through work*, you do not need to account for it *unless* you are self-employed.

Since you have until April 15th (or later in some cases) to make a contribution to a retirement account for the prior year, **5498s are not mailed until the second week of May.** As a result, **it is very important that you know what your retirement account contributions were for 2023 when you or your CPA prepares your taxes.** You can find this information by reviewing the “Transaction History” for your account on Schwab.com.

☐ K-1s

K-1s are essentially gain/loss schedules for limited partnerships and member LLCs. Some of you will receive K-1s from investments made in companies that require K-1 reporting. If you receive a K-1, you or your CPA will need to account for them on IRS Form 990-T.

While you can receive K-1s for retirement accounts, *most of the time* you will not need to account for them on your tax return. The general rule is that unless Box 20 of the K-1 has Code ‘V’ and is greater than \$1,000, you do not need to bother reporting them for a retirement account. For non-retirement accounts, you need to account for all K-1s *regardless* of what is in Box 20.

Unfortunately, K-1s do not have the same mailing deadline as 1099s. The K-1 mailing deadline is March 15th; many companies try to have them mailed by the deadline, though it is not uncommon for them to file an extension and to send months later. **Do not file your taxes until you are certain that you have received all K-1 documents.**

If you are invested with any of the following companies below and have not received your K-1 by March 31st, please contact us and we will help retrieve them for you.

- **US Energy**
- **Nobel Royalties**
- **Walton International**
- **Cynergy Emerging Growth Fund**

If you are unsure about whether or not you will receive a K-1, please e-mail Info@CWMnw.com or call the office at 425-778-6160.

CWM and IFG do not offer tax advice. Consult your CPA for specific tax questions.

This document has been prepared and is distributed for informational purposes only. Information is based on sources believed to be reliable; however, their accuracy or completeness cannot be guaranteed. This information is not intended to be a substitute for specific individualized tax, legal or investment planning advice as individual situations will vary. For advice about your specific situation, please consult with your CWM advisor.