With the year winding to a close, it's important to take specific steps in regard to your finances. Below are five actions that can help save you significant amounts of money and become more confident about reaching your financial goals.

1. Plan to avoid retirement-account withdrawals that will trigger taxes. Often, end-of-year distributions from IRAs and other retirement accounts will cause Social Security taxes to kick in. That's a scenario that's avoidable with a little planning. For example, if your annual combined income from Social Security, pension benefits, IRA distributions, etc. exceeds $32,000, then you'll owe taxes on your Social Security. Based on the level of your annual combined income, up to 85% of your Social Security proceeds in a given year may be subject to tax.

So if it's December and you're close to that tax threshold, you may want to adjust your plans. For instance, if you plan to withdraw money from your IRA for a new car, you might be better off taking out part of the total now and the rest next year.

2. Harvest tax losses. The end of the year can be a good time to pull the trigger and sell stocks that are down and no longer seem promising. Booking these losses gives you the equivalent of credits that you can use now or in the future to offset the tax consequences of capital gains. A very simple example: You just sold shares of stock A and stock B. Stock A was up 20% from when you bought it, which means you owe tax on the gain. However, stock B was down 20%. Having "harvested" the loss from stock B, you can use it to offset stock A's gain and eliminate the tax liability.

3. Revisit your magic number. If you've put together a retirement plan with a good advisor, you should know exactly how much money you'll need to retire on the date of your choice. Now is a good time to huddle with your advisor and make sure that the amount you're contributing to your retirement plan, and the rate at which it's grown, have you on track to retire when you want to. If your savings are growing ahead of schedule, you might be able to reduce your ongoing contribution amount. If you're behind schedule—or if you foresee weaker investment returns going forward, you may want to increase it.

4. Plan for RMDs. You'll need to start taking required minimum distributions (RMDs) from your IRA by April of the year after you turned 70 ½. If you withdraw less than your RMD, expect to be slapped with a 50% penalty tax on the difference. It's important to note that if you've inherited an

IRA account, you may need to start paying RMDs right away even if you're under 70 ½. You should visit your accountant or financial advisor soon so that you understand your obligations.

5. Plan your charitable giving. It's the season for giving. But you always want to give to charity in ways that will be most beneficial to you from a tax standpoint. Your advisor can help you make sure that your gifts are tax deductible. He or she can help with timing as well: For instance, if you've taken a lot of tax writeoffs this year, you may want to wait until next year to make that large donation you've been planning.

I strongly advise that you take some time today to set up a meeting with a professional financial advisor. By reviewing your situation and helping you make smart decisions, they can help ensure your financial wellbeing in 2019 and beyond.