VWG WEALTH MANAGEMENT
A Hightower Company

2026 VWG Year-End Planning Checklist

Tax Planning

- [ ] Review your payroll tax withholding for 2026 to ensure you are having enough (but not too much) federal and state taxes taken from your paycheck for 2027. Access the IRS withholding estimator: https://www.irs.gov/individuals/tax-withholding-estimator.
- [ ] Ensure that you have taken any 2026 required minimum distributions (RMDs) from IRAs, 401(k)s, and inherited IRAs.
- [ ] Although tax planning usually focuses on reducing taxable income, certain individuals may want to maintain or even increase taxable income for 2026. Those in lower tax brackets should consider taking IRA distributions or completing Roth IRA conversions.
- [ ] Consider harvesting losses in your taxable accounts. Net capital losses of up to $3,000 can be offset against ordinary income each year, with any excess carried forward.
- [ ] Employed individuals should maximize contributions to Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs).

2026 HSA Contribution Limits

- [ ] An individual with self-only HDHP coverage (minimum deductible $1,700) can contribute up to $4,400. Maximum out-of-pocket expenses are capped at $8,500.
- [ ] An individual with family HDHP coverage (minimum deductible $3,400) can contribute up to $8,750. Maximum out-of-pocket expenses are capped at $17,000.
- [ ] Individuals age 55 or older may contribute an additional $1,000 catch-up contribution.

Funding and Taking Distributions from Retirement Accounts

- [ ] If still working, confirm that you have maximized retirement plan contributions where appropriate. The maximum employee 401(k) contribution for 2026 is $24,500. Participants age 50 and older may contribute an additional $8,000 catch-up contribution. Participants ages 60-63 may be eligible for an enhanced catch-up contribution of $11,250.
- [ ] If you have earned income, another way to contribute to retirement savings is through an IRA. The maximum contribution for 2026 is $7,500 ($8,600 if age 50 or older, including the $1,100 catch-up contribution). If you are not covered by a retirement plan at work, a traditional IRA contribution may be deductible subject to IRS income limits.

- [ ] 2026 may be an opportune time for converting IRAs or pre-tax 401(k) assets to Roth IRAs. VWG has access to planning software that can model different Roth conversion strategies.
- [ ] As part of SECURE Act 2.0, the age to begin required minimum distributions is 73 for those born between 1951 and 1959 and 75 for those born in 1960 or later.

Charitable Gifts and Tax-Smart Gifting Strategies

- [ ] Start planning year-end charitable donations now. Keep records of all donations. For larger gifts, consider donating highly appreciated securities rather than cash.
- [ ] Taxpayers expecting to claim the standard deduction may consider 'bunching' charitable contributions into a single tax year. Donor Advised Funds (DAFs) remain a useful planning tool.
- [ ] For 2026, individuals age 70½ and older may consider making Qualified Charitable Distributions (QCDs) directly from their IRA to qualified charities. QCDs can satisfy RMD obligations while excluding the distribution from taxable income.

Family Gifting

- [ ] Consider year-end gifting to family members. The 2026 annual gift tax exclusion is $19,000 per recipient. Married couples may gift up to $38,000 per recipient using gift-splitting.
- [ ] The annual gift limit can be exceeded when qualifying medical expenses are paid directly to a medical provider or tuition is paid directly to an educational institution.
- [ ] For larger gifts, consider spreading gifts between calendar years when appropriate. A special 529 election allows five years' worth of annual exclusions to be front-loaded into a 529 plan. For 2026, this equals up to $95,000 for an individual or $190,000 for a married couple.
- [ ] After satisfying applicable rules, leftover 529 plan assets may be rolled into a Roth IRA for the beneficiary, subject to annual contribution limits and a lifetime rollover limit of $35,000.

Estate Planning

- [ ] If you plan on transferring significant wealth to loved ones, consider taking advantage of the 2026 federal estate and gift tax exemption amount of $15 million per person and $30 million per married couple with proper planning.
- [ ] Review beneficiary designations on IRAs, retirement plans, and insurance policies. Wills, trusts, and powers of attorney should generally be reviewed every five years or following major life changes.

Medicare Planning

- [ ] Review Medicare Prescription Drug Coverage. The Medicare Open Enrollment Period runs from October 15 through December 7, 2026. Changes take effect January 1, 2027.
- [ ] For 2026, Medicare Part D out-of-pocket prescription drug costs are capped at $2,100 annually.

Sources:

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