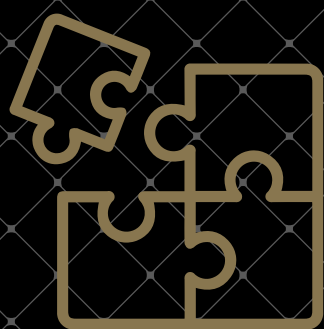




2026

Year-End Financial Strategy Guide

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Preparing for year-end financial planning doesn't start in the final months of the year, it starts well before Q4. Taking time earlier in the year to organize your finances, evaluate your progress, and understand potential tax implications can help you make more informed, confident decisions when deadlines approach. This guide is designed to help you proactively prepare for year-end planning in 2026, so you can maximize opportunities, minimize surprises, and stay aligned with your long-term goals.

Assess Where You Stand

A strong year-end strategy begins with a clear understanding of your current financial position. This goes beyond simply reviewing account balances, it involves evaluating your broader financial picture and how it aligns with your goals.

Start by comparing your current financial situation to where you were at the end of last year. Have your savings, investments, or net worth improved? Are you on track to meet the goals you set at the beginning of 2026? If not, identifying gaps early gives you time to adjust your strategy before year-end deadlines.

It's also important to evaluate life changes that may impact your financial plan. Events such as a job transition, marriage, divorce, the birth of a child, or unexpected financial setbacks can all influence your priorities and planning needs. Even changes in job satisfaction or lifestyle preferences can signal a need to revisit your goals.

This is also a good time to review your spending, saving, and investing habits. Are you contributing consistently to retirement accounts? Have you maintained an emergency fund? Are your investments aligned with your risk tolerance and time horizon?

Working with a financial professional can be especially valuable during this stage. An objective third party can help you assess your situation without emotional bias, identify gaps or inefficiencies, and ensure your strategy reflects both your current circumstances and future objectives.

Estimate Your Tax Situation

Understanding your tax outlook before year-end is a critical step in effective financial planning. Rather than waiting until tax season, estimating your 2026 tax liability now can help you identify opportunities to reduce your overall tax burden.

Begin by reviewing your income sources, including wages, investment income, bonuses, and any additional earnings. From there, consider how deductions, credits, and contributions may affect your taxable income.



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Key 2026 tax considerations include:

- **Standard deduction:** \$16,100 for single filers and \$32,200 for married couples filing jointly
- **Marginal tax rates:** Remaining at 10%, 12%, 22%, 24%, 32%, 35%, and 37%, with inflation adjustments
- **Child Tax Credit:** Up to \$2,200 per qualifying child
- **Additional deductions:**
 - \$6,000 additional deduction for individuals age 65 or older
 - Up to \$25,000 deduction for qualified tips
 - Up to \$12,500 (\$25,000 jointly) for qualified overtime income

By projecting your tax position early, you can explore strategies such as increasing retirement contributions, timing income or deductions, or leveraging tax-advantaged accounts.

Collaborating with a tax or financial professional can provide further clarity. They can help you model different scenarios, uncover planning opportunities, and ensure your strategy aligns with current tax law.

Tax Considerations

Once you have a general understanding of your tax situation, you can begin evaluating specific strategies that may improve your outcomes before year-end.

Roth Conversions

A Roth conversion involves transferring funds from a pre-tax retirement account, such as a traditional IRA or 401(k), into a Roth account. While this can provide long-term tax-free growth and withdrawals, the converted amount is treated as taxable income in the year of the conversion.

This strategy may be beneficial if you expect to be in a higher tax bracket in retirement or if your current tax rate is relatively low. However, because it can significantly increase your taxable income for the year, careful planning is essential.

Required Minimum Distributions (RMDs)

For individuals subject to RMD rules, understanding your obligations is essential to avoid penalties. In 2026, RMDs generally begin at age 73 for those born between 1951 and 1959, and at age 75 for those born in 1960 or later.

Failing to take the required distribution may result in a penalty of up to 25% of the amount not withdrawn, though this may be reduced if corrected promptly. Notably, Roth 401(k) and 403(b) accounts are exempt from RMD requirements.



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Flexible Spending Accounts (FSAs)

FSAs usually operate under a “use-it-or-lose-it” rule. Any unused funds at the end of the plan year may be forfeited, depending on your plan’s provisions. Reviewing your balance ahead of year-end allows you to plan eligible expenses and avoid losing funds.

Tax-Loss Harvesting

Tax-loss harvesting involves selling investments at a loss to offset capital gains realized during the year. If your losses exceed your gains, you may be able to deduct up to \$3,000 against ordinary income (\$1,500 if married filing separately), with remaining losses carried forward to future years.

This strategy can help reduce your current tax liability while maintaining your overall investment strategy when implemented thoughtfully.

Additional Planning Opportunities

While tax strategies are a major component of year-end planning, there are several other areas worth addressing ahead of Q4.

Retirement Contributions

Increasing contributions to retirement accounts can strengthen your long-term financial outlook while potentially reducing taxable income. Consistent contributions, combined with compounding growth, can significantly impact retirement readiness over time.

Health Savings Accounts (HSAs)

HSAs offer a combination of tax advantages: contributions may be tax-deductible, earnings grow tax-free, and withdrawals for qualified medical expenses are generally tax-free. Unlike FSAs, unused funds roll over year to year, making HSAs a valuable long-term planning tool.

529 Plan Contributions

529 plans provide tax-advantaged savings for education expenses. In 2026, qualified withdrawals can be used for a wide range of expenses, including tuition, materials, and certain training programs. Additionally, limited amounts may be used for student loan repayment.

For those with significant resources, “superfunding” allows up to five years’ worth of contributions to be made at once, subject to gift tax rules.

Be Consistent with Your Long-Term Strategy

Year-end planning is not just about meeting deadlines; it’s about maintaining consistency and discipline in your overall financial approach.

Portfolio Review and Diversification

Regularly reviewing your investment portfolio helps ensure it remains aligned with your goals, risk tolerance, and time horizon. Diversification across asset classes can help manage risk and reduce volatility, particularly during uncertain market conditions.

Estate Plan and Beneficiary Review

Your estate plan should be reviewed periodically, especially after major life events. Ensuring that wills, trusts, and beneficiary designations are current can help prevent unintended outcomes and reduce potential legal complications.

Proper asset titling is also essential, as it determines how assets are transferred and may override instructions in a will. Keeping these elements up to date helps streamline the transfer of wealth and avoid unnecessary delays or costs.

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Incapacity Planning

In addition to estate planning, consider whether you have appropriate documents in place to address incapacity, such as powers of attorney and healthcare directives. These documents ensure your financial and medical decisions can be managed according to your wishes if you are unable to do so.

Important 2026 Deadlines to Note

Being aware of key deadlines can help you stay organized and avoid missed opportunities or penalties. The following are important dates to keep in mind for 2026:

- **RMDs:** December 31, 2026 (with exceptions for first-year distributions)
- **Roth conversions:** December 31, 2026
- **401(k), 403(b), and 457(b) contributions:** December 31, 2026
- **IRA contributions:** April 15, 2027 (for the 2026 tax year)
- **HSA contributions:** April 15, 2027
- **SEP contributions:** Generally by the tax filing deadline, including extensions
- **Qualified Charitable Distributions (QCDs):** December 31, 2026
- **Charitable donations:** December 31, 2026
- **Annual gifts:** December 31, 2026

Contribution limits and thresholds vary depending on account type, age, and filing status, so reviewing your eligibility and limits in advance is essential.

Final Thoughts

Preparing for year-end financial planning is most effective when it's done proactively. By assessing your current position, estimating your tax situation, and understanding key strategies and deadlines, you can approach Q4 with clarity and confidence.

Financial planning is not a one-time event, it's an ongoing process that evolves with your life, goals, and the broader economic environment. Taking the time now to organize and evaluate your finances can help ensure that when year-end planning begins, you are ready to make informed, strategic decisions.

Consider working with a financial professional to further refine your approach and ensure your plan remains aligned with your long-term objectives.

Source:
2025 Year-End Checklist for Your Financial Strategy | EdwardJones

Important Disclosures:
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Traditional IRA account owners have considerations to make before performing a Roth IRA conversion. These primarily include income tax consequences on the converted amount in the year of conversion, withdrawal limitations from a Roth IRA, and income limitations for future contributions to a Roth IRA. In addition, if you are required to take a required minimum distribution (RMD) in the year you convert, you must do so before converting to a Roth IRA.

This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

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