THRIVING SENIOR

Helping seniors live better, one tip at a time

Tax-Smart Retirement Checklist

What to review before year-end

☐ Take Your 2026 RMD by December 31

If you are 73 or older and have a traditional IRA or 401(k), calculate your RMD using the IRS Uniform Lifetime Table and your prior year-end account balance. Contact your IRA custodian to initiate the withdrawal in time for it to settle before year-end. Missing this deadline triggers a penalty of up to 25 percent of the amount not withdrawn.

☐ Complete a QCD Directly from Your IRA

If you are 70½ or older, instruct your IRA custodian to transfer funds directly to a qualifying 501(c)(3) charity before December 31. Up to $108,000 is excluded from your taxable income in 2026. Confirm the charity qualifies and keep the acknowledgment letter for your records. The transfer must go directly from the IRA — you cannot withdraw and then donate.

☐ Make Annual Gifts of Up to $19,000 Per Recipient

You can give up to $19,000 to any number of individuals in 2026 without filing a gift tax return. Married couples can combine exclusions for $38,000 per recipient. Gifts must be completed — checks cleared, wire transfers received — by December 31 to count for this tax year. This is a straightforward way to reduce your taxable estate.

☐ Review Your 2024 MAGI for 2026 IRMAA Surcharges

Check your 2024 tax return to understand your Modified Adjusted Gross Income and determine whether you are currently paying IRMAA surcharges on your Medicare premiums. If you had a qualifying income reduction since 2024 — retirement, death of a spouse, divorce — file Form SSA-44 or call 1-800-772-1213 to request an IRMAA adjustment.

☐ Model the Income Impact of Any Roth Conversion

Before executing a Roth conversion, calculate how the additional income will affect your current tax bracket, your Social Security taxation, and your 2028 IRMAA exposure. Convert only what keeps you within a favorable bracket. All Roth conversions must be completed by December 31 — unlike IRA contributions, they cannot be made retroactively after year-end.

☐ Project Your 2026 MAGI Before Year-End Moves

Gather estimates of all 2026 income sources: Social Security, IRA distributions, investment income, pension, and any asset sales. Calculate where your MAGI will land relative to IRMAA thresholds and Roth conversion brackets. This single exercise will guide every other decision on this checklist and prevent costly surprises when you file.

☐ Identify Appreciated Assets for Step-Up in Basis Planning

Review your taxable investment accounts for assets with large unrealized gains. Assets held until death generally receive a stepped-up basis, eliminating capital gains tax on prior appreciation for your heirs. Discuss with your estate attorney or financial advisor whether it makes more sense to hold these assets, sell them strategically now, or gift them — based on your overall estate plan.

☐ Confirm Your Lifetime Estate Exemption Strategy

The federal lifetime estate and gift tax exemption is approximately $13.99 million per individual in 2026, but legislative changes could affect future thresholds. If your estate is large enough to be potentially affected, review your estate plan with an attorney before year-end. Strategies like irrevocable trusts or accelerated gifting may be appropriate depending on how the law evolves.

☐ Harvest Tax Losses to Offset Capital Gains

Review your taxable investment accounts for positions with unrealized losses. Selling those positions to offset capital gains realized earlier in the year is called tax-loss harvesting. Be mindful of the wash-sale rule, which disallows the loss if you repurchase the same or substantially identical security within 30 days before or after the sale. This must be completed by December 31.

☐ Review Beneficiary Designations on All Retirement Accounts

IRA and 401(k) beneficiary designations override your will, making them critically important. Review all accounts — including life insurance policies — to ensure designations reflect your current wishes. Major life changes such as marriage, divorce, or the death of a named beneficiary are common reasons designations become outdated. Contact your plan administrator or IRA custodian to update forms as needed.

☐ Check Whether You Owe Estimated Taxes for Q4

If you have significant untaxed income — from IRA withdrawals, Roth conversions, investment gains, or self-employment — you may need to make a Q4 estimated tax payment by January 15, 2027. Alternatively, you can ask your IRA custodian to increase federal tax withholding on a year-end distribution, since withholding is treated as paid evenly throughout the year and can cover underpayments.

☐ Maximize Deductible Contributions If Still Eligible

If you have earned income in 2026, you may still contribute to a traditional or Roth IRA. The contribution limit is $7,000, with a $1,000 catch-up contribution allowed if you are 50 or older, for a total of $8,000. IRA contributions can be made up to the tax filing deadline in April 2027, but starting earlier gives your money more time to grow.

☐ Organize Charitable Giving for Maximum Tax Benefit

If you itemize deductions, ensure all charitable contributions are made — and for non-cash donations, properly documented — by December 31. For donors who do not itemize, a QCD remains the most effective strategy. Consider bunching two years of planned charitable giving into a single year to exceed the standard deduction threshold and make itemizing worthwhile.

What to Do Next

Once you have worked through this checklist, schedule a year-end appointment with your CPA or financial advisor to review your projections together and execute any remaining moves before the December 31 deadline. Bring your most recent tax return, a summary of your 2026 income sources, and your current account statements. The time you invest before year-end consistently pays off when you file your return in the spring.

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