GARDECAPITAL

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2026 Year End Wealth Management Reminders

With the final weeks of 2026 upon us, now is a good time to review a few planning items before the calendar turns. This year brought new tax rules affecting charitable giving along with higher contribution limits for retirement accounts, so a little attention now can go a long way. Custodians also see a surge of requests as December 31 approaches, and acting early helps avoid processing delays. Below, we highlight the key wealth management deadlines on the horizon so you can wrap up the year with confidence and head into 2027 well prepared.

Charitable Donations: DAF Contributions and IRA QCDs

There are multiple methods to donate to charity. Some donors contribute cash to their favorite organizations while others will give appreciated stock. One easy way to give charitably is through a **Donor Advised Fund (or DAF),** a special vehicle that lets taxpayers receive a deduction for the year in which they contributed and then manage the disbursements to charities over time.

Another method for those aged 70½ or older is a **"qualified charitable distribution" (QCD),** which can reduce the amount of taxes owed in the year of a contribution. The current rules allow each person to contribute up to $111,000 annually from their IRA directly to any charity (or charities) of their choice (excluding Donor Advised Funds).

Keep in mind that the deadline for charitable contributions this year is December 31, 2026.

Tip: If you plan on a charitable contribution in 2026, let your advisor know immediately. Custodians such as Schwab and Fidelity are usually flooded with requests in the last few months of the year to set up Donor Advised Funds and processing times can increase dramatically. We recommend notifying your advisor by December 10th to allow time for processing.

Also note that new tax rules took effect this year that change how charitable gifts are deducted:

- **A new floor for itemizers.** Only charitable contributions above 0.5% of your adjusted gross income (AGI) are deductible. For example, a household with $400,000 of AGI cannot deduct the first $2,000 of its giving.
- **A cap for top earners.** For taxpayers in the top tax bracket, the tax benefit of charitable deductions is capped at 35%.
- **Bunching gifts may help.** Making one larger contribution to a Donor Advised Fund in a single year can make it easier to clear the 0.5% floor, while still letting you grant the funds to charities over several years.
- **QCDs are not affected.** Because a QCD is never included in your income, it is not subject to either the new floor or the cap, making it an especially efficient way to give for those aged 70½ or older.

This may be a great opportunity to reach out to your CPA to discuss how these rules apply to your situation and to plan the timing of your gifts.

Qualified Plan Contributions

If you are still working and are contributing to a qualified plan (meaning a work-sponsored plan), the deadline for your 2026 contributions is **December 31, 2026,** or the last paycheck prior to that date. These plans include 401(k)s, 403(b)s, 457s, among others.

The most you as an employee can contribute to these plans for 2026 is $24,500 (if you are under 50 years old) or $32,500 including the $8,000 catch-up contribution (if you are 50 or older). These limits only reflect the maximum annual amount that you as an employee can defer into your own plan and do **not** include *employer* contributions. There may also be additional catch-up contributions allowed in your plan for those employees ages 60-63.

Tip: If this is applicable, you may want to reach out to your payroll/HR department to ensure you are contributing the right amount to your qualified plan for 2026 and that you are receiving the full amount of matching funds that your employer may be offering. If you have been contributing an accelerated amount in the second half of 2026, it is a good idea to check to make sure that your January 2027 contribution is still appropriate to get to the desired annual amount for next year.

Individual Retirement Account Contributions

The deadline for your contribution to individual retirement accounts (such as Traditional, Roth, SEP IRA, and SIMPLE IRA) has more breathing room. The deadline to contribute to a Roth IRA or a Traditional IRA for 2026 is **April 15, 2027**. SEP-IRA contributions and employer contributions to a SIMPLE IRA can be made until **April 15, 2027** or **October 15, 2027**, depending on whether or not the tax return will be extended. Note that employee salary deferrals into a SIMPLE IRA must be made through payroll by **December 31, 2026**. The limit for IRA/Roth IRA contributions for 2026 is $7,500 (or $8,600 if you're 50 or older).

Tip: Be sure to check with your tax advisor or CPA about the timing and amounts of any contributions. A Roth IRA, for example, has income phase-out limits that are different for single and married tax filers.

Required Minimum Distributions (RMDs)

The IRS requires investors who have Traditional IRAs, SIMPLE IRAs, SEP IRAs, and certain qualified plans to begin withdrawing amounts from those accounts once they reach their Required Beginning Date (RBD). These withdrawals are called **required minimum distributions (RMDs).** Note that 401(k) holders may also have to take an RMD in the year they retire or sooner if they own more than 5% of the company sponsoring the plan. If you have any questions about these rules, we would be happy to assist.

Under Secure Act 2.0, which became law in 2022, the required age to begin taking RMDs was extended to 73 for any accounts that you own directly in your own name (not an inherited IRA, in other words), and it will be pushed out again to age 75 for those born in 1960 or later. Secure Act 2.0 also eliminated the RMD requirement from Roth 401(k) accounts.

Your first-ever RMD must be taken by April 1 in the year after it was technically due (meaning you have a few extra months if you need them for your first-ever RMD). For each subsequent RMD (your second, third, and so forth) the deadline is **December 31** of that year.

Your advisor will work with you on the amount to withhold for taxes and whether to reinvest the after-tax proceeds or send them to you for your living expenses. If you have inherited an IRA or a Roth IRA, your advisor and Client Operations Specialist will work with you on an appropriate distribution strategy.

Roth Conversions

In some limited cases, it may be advantageous to convert a portion of your pretax retirement account to a Roth IRA. This requires thoughtful analysis and coordination with you and your CPA/tax preparer. Roth conversions may generate a favorable tax tradeoff for some investors. For example, if you are in the 12% bracket today but might be in the 22% bracket at the time you would be taking RMDs, a Roth conversion may improve the economics. And it actually gets better, because those after-tax dollars are reinvested and can grow over the course of your lifetime and will never be taxed again assuming tax laws remain the same.

The deadline for Roth conversions this year is **December 31, 2026**.

Other Wealth Management Items

Review your estimated tax payments after unplanned income. If 2026 brought taxable events you didn't anticipate, such as unexpected RSU vesting, a larger-than-expected bonus, stock option exercises, or other unplanned taxable distributions, now is a good time to revisit your estimated tax payments. Employers typically withhold on bonuses and RSU income at a flat supplemental rate (often 22%), which may fall well short of your actual tax bracket and leave you with a balance due or an underpayment penalty in April. The final 2026 estimated payment is due **January 15, 2027**, and increasing your paycheck withholding before year-end is another option, since withholding is generally treated as paid evenly throughout the year. We recommend coordinating with your CPA to confirm you are on track.

Consider year-end gifting to family members and others. The annual gift tax exclusion remains **$19,000** per recipient for 2026. This means you can give up to $19,000 to as many individuals as you like, whether children, grandchildren, other family members, or friends, without filing a gift tax return or using any of your lifetime exemption. Each spouse can give $19,000 per recipient from their own funds, allowing a married couple to give a combined $38,000 per recipient. Annual exclusions do not carry forward, so gifts must be completed by **December 31, 2026** to count toward this year. If you are gifting securities or funding a 529 plan, please let your advisor know early in December so there is time to process the transfer.

As always, we are available as a resource on any of these topics. Please do not hesitate to reach out to us at any time with questions or concerns, and we are always happy to coordinate a meeting with your CPA or tax preparer as appropriate. We look forward to connecting with you soon.

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