PARTNERING FOR SUCCESS:

Year-end planning with your advisor

Year-end financial planning is essential for optimizing savings, investment growth, and retirement readiness. This guide offers a comprehensive checklist that covers key areas to review with your financial advisor and actions to take before December 31.

Required minimum distributions (RMDs)

- [ ] If you're 73 or older, take your RMD by December 31 to avoid penalties. If you turned 73 this year, you can delay your first RMD until April 1 of next year.
- [ ] If you have reached age 70 ½ and are charitably inclined, consider using a qualified charitable distribution (QCD) to satisfy your RMD, reduce your tax bill, and support a charitable cause.
- [ ] If you inherited a retirement account, work with your advisor to understand your RMD obligations, which vary based on your relationship to the original account holder.

Investment portfolio review

- [ ] Discuss tax-loss harvesting strategies with your advisor to potentially offset gains or reduce taxable income.
    - You may offset up to $3,000 of ordinary income if losses exceed gains. Avoid "wash-sale" violations.[1]
- [ ] Revisit your asset allocation and risk tolerance. If needed, rebalance tax-efficiently using proceeds for upcoming income needs.
- [ ] As part of the rebalancing exercise, try to improve your portfolio's asset location and reduce concentrated positions.
- [ ] Ensure you have sufficient liquidity for short-term goals in the new year.

Retirement planning

- [ ] Consider maximizing salary deferrals to your employer plan by December 31 and/or IRA contributions by April 15 of next year to reduce taxable income.[2]
    - Non-working spouses may be eligible for spousal IRA contributions—review with your advisor.
- [ ] If you're age 50+, consider making catch-up contributions in IRAs and employer-sponsored plans. Special catch-up contributions may apply for ages 60 to 63.
- [ ] Collaborate with your advisor to plan next year's contributions—Roth versus pre-tax—based on your income, tax strategy, and evolving legislation. Starting in 2026, higher-income earners will be required to make catch-up contributions to employer-sponsored retirement plans on a Roth basis, rather than pre-tax.
- [ ] Review your retirement income strategy and withdrawal plan for the upcoming year to ensure alignment with your goals.

Roth conversion opportunities

- [ ] Evaluate Roth conversion strategies with your advisor to lock in current tax rates and meet goals such as reducing future RMDs or leaving more after-tax assets to heirs.
- [ ] Plan how you will pay the Roth conversion tax bill to avoid underpayment penalties.
- [ ] Review available deductions to help offset the tax impact of a conversion.
- [ ] You must take any required minimum distributions before you complete a Roth conversion since RMDs can't be converted.

Income and tax threshold planning

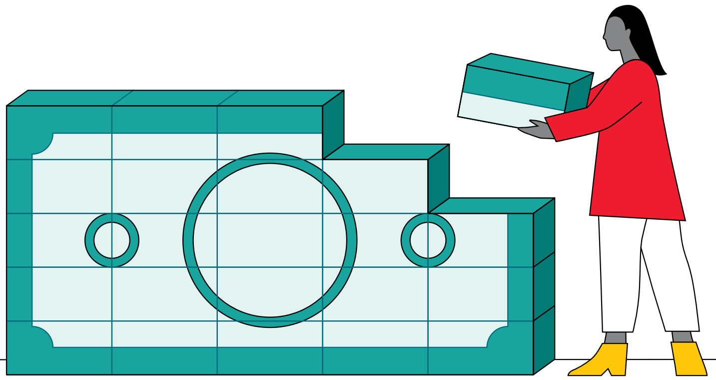
- [ ] Work with your advisor to determine whether accelerating or deferring income could help to manage your tax bracket.
- [ ] Pay close attention to above-the-line deductions to avoid Modified Adjusted Gross Income (MAGI)-based phaseouts.
- [ ] Explore exercising stock options to manage taxes—non-qualified options are taxed when exercised, while incentive stock options may qualify for lower rates if holding requirements are met.
- [ ] Discuss tax-gain harvesting opportunities to lock in lower (or even 0%) capital gains tax rates.[1]
- [ ] Review next year's income needs and cash flow to ensure alignment with your financial goals.
- [ ] Look ahead to see which federal tax bracket you may fall into next year, since that can guide how you will draw from your accounts.
- [ ] Coordinate with your advisor and tax professional to review tax withholdings and make estimated payments if needed.

Charitable giving

- [ ] To reduce taxable income through charitable giving, ensure contributions are made by December 31.
- [ ] Your advisor can help you evaluate whether bunching donations across tax years may allow for itemized deductions.
  - As of 2026, charitable itemized deductions require annual giving to exceed 0.5% of AGI.
  - Itemizers can generally deduct up to 60% of AGI for cash donations. Appreciated assets may qualify for a deduction of up to 30% of AGI using fair market value or up to 50% if using cost basis.
  - As of 2026, non-itemizers may deduct up to $1,000 (single) or $2,000 (married) for cash donations.
- [ ] Explore donor-advised funds for flexible giving.
- [ ] If age 70 ½ or older, explore using qualified charitable distributions (QCDs) from IRAs—even if you don't have an RMD.[3]

Annual gifting and estate planning

- [ ] If you're looking to reduce the size of your estate and potentially lower estate taxes, you may gift up to the annual exclusion amount per person without triggering gift tax.
- [ ] Track lifetime estate and gift tax exemption usage and evaluate whether to remove additional assets from your estate.
- [ ] Ensure your estate plans reflect your current goals. Review and update wills, powers of attorney, beneficiary designations, and medical directives with your advisor.



Health care planning

- [ ] Consider maximizing Health Savings Account (HSA) contributions by April 15 to take advantage of triple tax benefits—deductible contributions, tax-free growth, and tax-free withdrawals for qualified expenses.
    - Individuals age 55+ can contribute an extra $1,000.
- [ ] Use any remaining Flexible Spending Account (FSA) funds before year-end to avoid forfeiting unused balances.
- [ ] Estimate next year's income to assess eligibility for Affordable Care Act (ACA) subsidies if purchasing health insurance through the Marketplace.
- [ ] Plan for future health care premiums if income is changing.
- [ ] If enrolled in Medicare:
    - Review your premium notice mailed in November, as next year's premiums may increase.
    - Discuss with your advisor whether you should appeal income-related IRMAA surcharges due to life-changing events that may have reduced your MAGI.

Children's education and retirement planning

- [ ] Contribute to 529 plans or Coverdell ESAs by December 31 to capture available tax benefits.[4] Expanded uses for 529 plans now include more K–12 expenses and Roth rollovers.
- [ ] If your child earned income this year, explore opening a custodial Roth IRA to jumpstart their retirement savings.
- [ ] Review the suitability of custodial or Trump accounts with your advisor.

Other year-end tasks

- [ ] Notify your advisor of major life events such as marriage, divorce, birth, relocation, or career changes.
- [ ] Revisit your risk management strategy:
    - Increase insurance coverage if needed.
    - Add liability or long-term care insurance where appropriate.
- [ ] Anticipate large purchases or wealth events in the coming year, and adjust your budget accordingly.
- [ ] Establish a relationship with a tax professional ahead of tax season to streamline your filing process.

Plan for upcoming age-based milestones

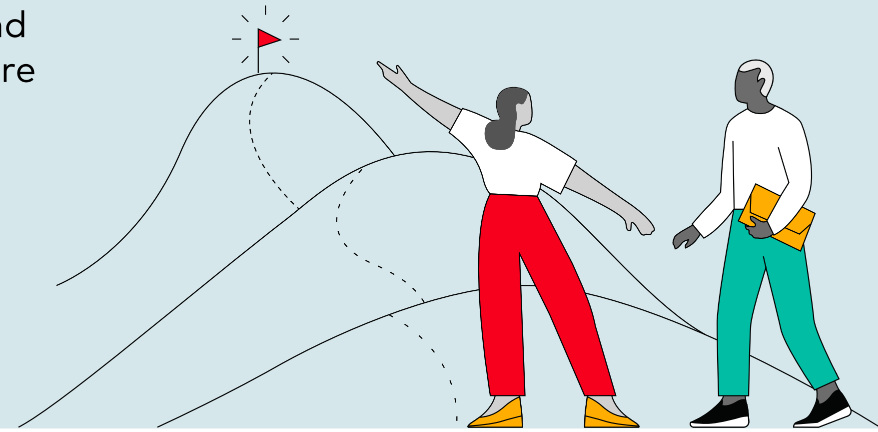
Review these key ages that may affect your financial planning in case any apply in the current year or will apply in the year ahead:

AGE	WHAT TO KNOW
18–21	Custodial accounts may need to be re-registered
24	Kiddie tax may no longer apply
26	Adult children may lose coverage under your health plan
50	Catch-up contributions begin
55	Penalty-free employer plan withdrawals may be allowed[5]
59½	No early withdrawal penalty on retirement accounts
60	Widow(er)s may begin collecting Social Security survivor benefits Enhanced catch-up contributions available for ages 60–63 in eligible retirement plans
62	Consider whether to start Social Security
63	Income this year may affect Medicare premiums at 65
65	Eligible for Medicare
66–67	Full retirement age for Social Security
70	Eligible for maximum Social Security benefit
70½	Can begin making QCDs from IRAs
73	RMDs begin
75	RMDs begin for those born in 1960 or later

While this checklist covers many essential year-end planning items, it may not encompass every nuance of your unique financial situation. That's where your financial advisor becomes indispensable. Their insight, experience, and personalized guidance transform planning into progress—ensuring your strategy is not only sound, but aligned with your values and goals.

From tax efficiency to long-term wealth building, your advisor is your partner in maximizing every opportunity. You've made a wise choice by engaging with them—and the benefits of that partnership are already unfolding.

Here's to finishing the year strong and stepping into the next with clarity and confidence.



Notes:

1 Potential wash-sale implications—a loss could be disqualified under IRS rules if it was realized within 30 days before or after repurchasing the same (or "substantially identical") security.

2 Deductibility of traditional IRA contributions may be limited by income and employer plan participation.

3 QCDs cannot be directed to donor-advised funds.

4 Select states allow contributions until April 15.

5 Available if the individual separates from service in or after the year they turn 55. Applies only to the employer's plan from which they separated. Not all employer plans are required to allow such "Rule of 55" withdrawals.

Connect with Vanguard® • advisors.vanguard.com • 800-997-2798

All investing is subject to risk, including possible loss of principal.

Be aware that fluctuations in the financial markets and other factors may cause declines in the value of your account.

Withdrawals from a Roth IRA are generally tax-free if you are over age 59½ and have held the account for at least five years; withdrawals of earnings taken prior to age 59½ or five years may be subject to ordinary income tax or a 10% federal penalty tax, or both. (A separate five-year period applies for each conversion and begins on the first day of the year in which the conversion contribution is made.)

Neither Vanguard nor its financial advisors provide tax and/or legal advice. This information is general and educational in nature and should not be considered tax and/or legal advice. Any tax-related information discussed herein is based on tax laws, regulations, judicial opinions and other guidance that are complex and subject to change. Additional tax rules not discussed herein may also be applicable to your situation. Vanguard makes no warranties with regard to such information or the results obtained by its use, and disclaims any liability arising out of your use of, or any tax positions taken in reliance on, such information. We recommend you consult a tax and/or legal advisor about your individual situation.

Tax-loss harvesting involves certain risks, including, among others, the risk that the new investment could have higher costs than the original investment and could introduce portfolio tracking error into your accounts. There may also be unintended tax implications. We recommend that you carefully review the terms of the consent and consult a tax advisor before taking action.

FAYEAREN 102025