

Key Wealth Institute

Top 10 2026 Year-End Planning Ideas for Individuals

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As 2026 comes to a close, individuals are navigating a complex planning environment shaped by persistent inflation, elevated consumer prices, shifting U.S. tariff and trade policy, geopolitical risk, federal debt concerns, and continued market concentration around artificial intelligence. Against this backdrop, year-end is an important time to revisit cash flow, tax strategy, investment positioning, and long-term planning.

The One Big Beautiful Bill Act (OBBBA or H.R. 1) provided greater clarity by making many individual tax provisions permanent, but planning uncertainty remains. The November mid-term elections could affect control of Congress and the direction of future tax policy, reinforcing the need to make year-end decisions in the context of both current law and consideration for future flexibility. To summarize the key tax changes for individuals:

Tax rates:

- For 2026, individual taxpayers subject personal income to a top ordinary rate of 37% and a potential high-wage earner Medicare tax of 0.9%. The lower individual tax rates from the Tax Cuts and Jobs Act (TCJA) are permanent.
- There are no changes in the special tax rates that generally apply to long-term capital gains and qualified dividends (0%, 15%, or 20%).
- There is still a 3.8% Medicare surtax on Net Investment Income.
- The Alternative Minimum Tax (AMT) still applies with higher AMT exemptions and phaseout thresholds.

Individual tax deductions/credits:

- With the OBBBA, the increased standard deduction has been made permanent.
- There is a new senior deduction for taxpayers over age 65 until 2028, with a phaseout if modified adjusted gross income (MAGI) is over a threshold.



- With the OBBBA, the State and Local Tax (SALT) cap has been temporarily increased until 2029, with a phasedown if MAGI is over \$500,000. There are also several other changes to charitable contributions and a new overall limit on itemized deductions for those in the highest tax bracket.
- The child tax credit has been doubled to \$2,000 per child under age 17 and phases out at higher income limits (made permanent with OBBBA with several modifications).
- There is a qualified business income deduction for pass-through income, with additional modifications as a result of OBBBA.

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Here are 10 planning ideas to consider for the remainder of 2026:

Tax planning and income recognition

1. Tax bracket management – Accelerate or defer income/deductions

Thanks to OBBBA, many of the TCJA provisions that were previously scheduled to sunset are now permanent, and we have clarity on future tax rates. The prior argument that “rates are about to increase” is largely gone, and the focus shifts more to your personal situation rather than a legislative tax increase. In general, when it comes to managing your tax bracket, you should fill lower brackets and avoid those higher brackets by accelerating income if you expect a higher income next year, a loss of deduction or credits next year, or a large liquidity event or business sale in future years. Roth conversions, harvesting gains and deferring loss harvesting, exercising stock options, accelerating bonuses, accelerating the installment sale gain, or taking IRA distributions above RMD requirements are all strategies for tax bracket management. Income deferral strategies include delaying year-end bonuses to the following year; pushing asset sales in the following year (if income in the current year is unusually high and future lower-income years are expected); maximizing tax-deferred contributions to 401(k), 403(b) or other retirement accounts; and utilizing installment sales to spread the gain over multiple years rather than recognizing the gain all at once.

When it comes to deductions, taxpayers should match deductions to the highest-value year. If you are in an unusually high tax bracket in the current year, consider accelerating deductions with strategies such as bunching charitable contributions, accelerating medical expenses to exceed the adjusted gross income (AGI) thresholds, and accelerating state and local tax payments (when beneficial). Deductions can also be deferred to future higher income or higher bracket years to create greater tax savings. For those in the highest tax bracket (37%), itemized deductions including the charitable deduction may be reduced post-OBBBA. This can affect whether accelerating deductions truly produces the expected benefit.

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2. Gain/loss harvesting – Make the most of the reduced capital gain tax rates

Capital gain planning is still important. Long-term capital gains are taxed at a rate of 0%, 15%, or 20%. The 3.8% surtax on net investment income may also apply. The OBBBA did not alter the existing capital gain tax brackets. For those capital assets with gains, consider capital gain harvesting. These assets can be sold now and repurchased with a higher basis so that future sales will have less capital gain that could be taxed at potentially higher rates. This strategy can be used to strategically sell assets to use up as much of the 0% bracket as possible. Note that the wash sale rules don't apply to harvesting gains and then buying them back. You can effectively get a step-up in basis on current investments without any federal tax liability (although you may incur state income taxes on the gain). Always work with your tax advisor and portfolio strategist near year-end for strategies to match capital gains and capital losses. Remember that for individuals, capital losses can't be carried back but can be carried forward indefinitely.

Taxpayers wanting to realize paper losses on stocks while still retaining the same investment position can sell shares and buy shares in the same company or another one. Be sure to avoid the wash-sale rules, which disallow the loss if substantially the same shares are acquired within the 61-day period beginning 30 days before and ending 30 days after the sale.

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Retirement and tax-advantaged savings

3. Roth conversions – Take advantage of lower income years

Roth conversions may be worth revisiting before year-end, particularly if you are in a lower-income year, expect higher income later, or want to reduce future required minimum distributions. With tax rates now more certain post-OBBBA, the analysis should focus less on a looming rate sunset and more on your current bracket, projected investment income, future retirement income needs, charitable goals, estate planning objectives, and the impact on heirs.

OBBBA also creates new planning considerations. A conversion could increase federal tax if it causes the loss of the temporary senior deduction, while pre-65 conversions may help reduce later MAGI and preserve that deduction. The temporary SALT cap increase may also improve the economics of a conversion for some taxpayers, but conversions should be sized carefully to avoid unintentionally exceeding relevant deduction or income thresholds.

Roth assets can also provide estate planning flexibility because the original owner is not subject to lifetime RMDs, and heirs may benefit from continued tax-free growth during the applicable inherited Roth IRA distribution period. However, conversions are not automatically beneficial; if heirs are expected to be in lower tax brackets, paying the tax now may not be the best result.

Higher-income taxpayers who cannot contribute directly to a Roth IRA may still have options through non-deductible IRA contributions, after-tax retirement plan contributions, in-plan Roth conversions, or rollovers where permitted. These strategies should be reviewed carefully, especially because Roth conversions can no longer be recharacterized.

4. Maximize the use of tax-advantaged savings vehicles

With higher contribution limits and new catch-up rules, year-end is a good time to maximize tax-advantaged savings. Consider increasing pre-tax salary deferrals to employer-sponsored retirement plans and, where available, evaluating after-tax Roth contributions or in-plan Roth conversion opportunities. Also review spousal IRA contributions and whether new catch-up contribution rules affect how you save.

For lower- and moderate-income taxpayers, including young adults early in their careers, retirement contributions may qualify for the Saver's Credit in 2026. Beginning in 2027, the Saver's Credit is scheduled to be replaced by the Saver's Match, a federal matching contribution deposited into an eligible retirement account.

Health savings accounts (HSAs) can also play a valuable role. If eligible in December, you may be able to make a full year's deductible HSA contribution for 2026. Consider investing HSA funds for long-term growth, saving qualified medical receipts, and preserving the account as a potential source of tax-free healthcare funding in retirement.

Parents and grandparents should also revisit 529 plan funding. These accounts offer tax-free growth for qualified education expenses, and OBBBA expanded eligible uses to include a broader range of K–12 expenses and workforce credentialing programs. Review state-specific rules and consider whether excess balances could support other family members, future generations, or, where permitted, Roth IRA rollovers.

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5. Trump Accounts – funding considerations

Trump Accounts are designed as long-term retirement savings vehicles for children and may be worth considering when a child qualifies for seed money, employer contributions, or special philanthropic contributions. Because they are not intended for short-term access or education funding, they should be evaluated alongside 529 plans, custodial accounts, Roth accounts, trusts, and the family's broader savings priorities.

If you have already funded your own retirement, education, and liquidity goals, modest contributions can benefit from decades of compounding. However, if the primary objective is college funding, a 529 plan may remain the more appropriate vehicle.

6. Review your retirement accounts – potentially ticking tax bombs

Retirement accounts can become significant tax assets — and potential tax liabilities — if they are not coordinated with income tax, estate planning, and charitable goals. In addition to Roth conversion opportunities, review beneficiary designations, inherited IRA implications, and whether any trusts named as beneficiaries align with SECURE Act rules and final regulations.

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For inherited retirement accounts, most non-eligible designated beneficiaries must distribute inherited IRAs and defined contribution accounts within 10 years, limiting prior “stretch” planning. Trust language should be reviewed to confirm see-through requirements, conduit or accumulation trust treatment, and whether the plan still produces the intended tax and control outcomes.

If large RMDs are expected, consider strategic withdrawals between retirement and RMD age to fill lower brackets, reduce future Medicare surcharges, and manage future inherited IRA tax exposure. Charitable-minded taxpayers should also coordinate retirement accounts with qualified charitable distributions (QCDs) and beneficiary planning, since retirement assets are often among the most tax-efficient assets to leave to charity.

Investment and portfolio positioning

7. Review your portfolio – not just traditional asset allocation

Portfolio construction should begin with your financial plan, not just a target allocation. Review whether your investments still match your goals, time horizon, risk tolerance, and required return. If your plan is already on track, taking unnecessary risk may not be needed. If circumstances have changed, your allocation may need to change as well.

For concentrated positions or large technology-related gains, discuss a multi-year liquidity and diversification plan with your advisor. Direct indexing, exchange funds, charitable gifts of appreciated

stock, donor advised funds, or charitable remainder trusts may help manage concentration risk while addressing tax and philanthropic goals.

Also review asset location — placing investments in the account types where they are most tax-efficient. Tax-inefficient assets may fit better in tax-deferred accounts; tax-efficient holdings may work well in taxable accounts; and high-growth assets may be best suited for Roth accounts where future gains can compound tax free.

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Giving, estate, and legacy planning

8. Charitable planning opportunities

The ceiling limit for cash donations to public charities has been permanently set to 60% of AGI. Starting in 2026, even if you don't itemize deductions, all taxpayers are able to deduct up to \$1,000 in cash donations (\$2,000 for joint filers) to qualified charitable organizations.

Some planning may be in line for the next couple of years to realize the full tax benefit of your charitable gifts. If nothing else, you may return to more diligent tracking of noncash contributions, such as donations of clothing and household goods to charitable resale shops, since this may help you realize a larger deduction through itemizing if you were previously limited by the effect of the SALT cap.

And with the introduction of a new 0.5% floor for charitable contributions, this may prompt you to consider bunching multi-year charitable giving so that the full value of the contribution can be realized. As mentioned in #1 above, starting in 2026, the OBBBA adds a cap on the amount of all itemized deductions, including the charitable deduction, for individuals in the highest (37%) tax bracket. This can affect whether accelerating deductions truly produces the expected benefit.

For those considering large charitable contributions, consider a gift to a donor-advised fund as a vehicle to manage the timing of charitable contributions. Consider gifting of appreciated assets to charity in order to bypass having to realize the capital gains.

There is still some benefit to considering the Charitable IRA Rollover, which allows an individual age 70½ or older to make a QCD from their IRA directly to a charity (the age for QCDs is still 70½ despite that the beginning RMD age is now 73) and exclude the distribution from gross income (up to \$111,000 per year). Individuals can now make a one-time election to make a QCD of up to \$55,000 to certain split-interest entities, including charitable gift annuities. QCDs may be good strategies for those that file their taxes using the standard deduction.

9. Review estate planning – not just federal estate tax

With the current federal estate exemption at \$15 million per person, or \$30 million for married couples indexed for inflation, some families may assume estate planning is no longer urgent. However, planning still matters for estates that are taxable today, may be taxable in the future, or are unlikely to face federal estate tax but still need thoughtful beneficiary, fiduciary, income tax, and legacy planning.

For families below the exemption amount, estate planning may focus more on income tax planning, basis management, beneficiary alignment, fiduciary selection, incapacity planning, and preparing heirs to receive wealth responsibly. Planning should also include values transfer, not just asset transfer.

For taxable estates, many traditional wealth transfer strategies remain relevant, including lifetime gifting, trusts for children and grandchildren, dynasty planning, and generation-skipping tax (GST) exemption planning. Existing documents should be reviewed to confirm that formula clauses, exemption references, and trust provisions still produce the intended result under current law.

For estates that may become taxable later, flexibility remains important. Limited powers of appointment, trust protectors, flexible beneficiary provisions, disclaimer planning, and Spousal Lifetime Access Trusts (SLATs) may help preserve options as family circumstances and tax laws change.

Remember that a few states have an estate tax calculation that is separate from the federal calculation. You may feel secure at the federal level but make sure you are also reviewing your state estate tax exposure.

Annual exclusion gifts remain a simple use-it-or-lose-it planning opportunity. The 2026 annual exclusion is \$19,000 per donee, and gifting should be coordinated with broader cash flow, estate, and family objectives.

Regardless of estate size, review digital asset planning, including access to digital accounts in the event of death or incapacity.

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Risk management and protection planning

10. Review insurance coverage and risk management

Don't overlook this aspect of your personal financial situation. As life changes, you should review your life insurance coverage for adequacy to meet current and future needs. If your health or lifestyle has changed, a new or modified policy may be needed. Naming a trust as beneficiary of your life insurance policy may protect insurance proceeds for multiple generations.

The long-term care insurance field has changed dramatically in the past decade. There are new tools available, such as hybrid long-term care policies that eliminate the use-it-or-lose-it nature of insurance products by combining long-term care and death benefits to ensure a benefit is provided.

As your personal asset mix changes, you should also make sure you revisit your property and casualty coverage. Make sure everything in your policy is still accurate and that you have the best coverage for the best price, otherwise, make a note to revisit this when the policy is up for renewal.

And along with risk management comes protecting your digital assets. End of year is a good time to reassess your cybersecurity hygiene — consider a digital password management system, protect your home network with a network firewall and antivirus software, freeze your credit, and back up your information regularly. If any of your personal information was compromised by any of the recent data breaches, even if you don't believe that the breach may impact you, now is a good time to follow those recommended procedures given in any post-breach communication from the affected companies to further protect your personal information. Some causes of leaked data are due to poor security practices on the part of the consumer. Now is a good time to change passwords and/or review credit reports or sign up for any free identity theft monitoring.

As the year draws to a close, make sure your planning is in order and hasn't been sidelined. Balance year-end decisions with your long-term goals and use this as a time to review whether you are positioned appropriately to meet those goals.

For more information, [please contact your advisor.](#)

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