ALTAIR

2025 End of Year Financial Planning Checklist

2025 Year-End Financial Planning Checklist

Completed	Recommendation	Responsible Party	Target Date
Legislative Updates			
☐	Review Impact of One Big Beautiful Bill Act	Altair / Accountant	December 31st
☐	Evaluate Charitable Giving Before New Rules Take Effect	Altair / Accountant	December 31st
☐	Review AGI for SALT Deduction Increase	Altair / Accountant	2025 - 2029
☐	Discuss Current Interest Rates and Evaluate Planning Opportunities	Altair to Advise	Ongoing
☐	Review SECURE Act 2.0 Catch-Up Rules	Altair to Advise	Ongoing
Retirement Planning / Employee Benefits			
☐	Maximize Retirement Plan Contributions (Pre-Tax/Post-Tax/Catch-Up Contributions)	Client	December 31st
☐	Consider In-Service 401(k) Conversions	Altair / Accountant	December 31st
☐	Rebalance 401(k)	Altair to Advise	December 31st
☐	Take Required Minimum Distributions	Altair to Coordinate	December 31st
☐	Make Deferred Compensation Elections	Altair / Client	December 31st
☐	Utilize FSA Money *(Use it or Lose it)*	Client	December 31st
☐	Maximize Year-End Healthcare Benefits	Client	December 31st
Gifting / Education Planning			
☐	Complete Annual Exclusion Gifts *($19,000/$38,000)*	Client/Altair	December 31st
☐	Fund 529 Plans + Reimburse Applicable Expenses	Client/Altair	December 31st
Estate Planning			
☐	Discuss Increased Estate Tax Exemption and Wealth Transfer Strategies	Altair / Attorney	Ongoing
☐	Execute Crummey Notices	Trustee	Ongoing
☐	Review Estate Plan & Fiduciary/Beneficiary Designations	Client	Ongoing

2025 Year-End Financial Planning Checklist

Completed	Recommendation	Responsible Party	Target Date
	Income Tax Planning *(Continued)*		
☐	Consider Roth IRA Conversion	Altair / Client / Accountant	December 31st
☐	Analyze Taxable Accounts for Tax-Loss Harvesting Opportunities	Accountant / Altair	December 31st
☐	Review Current Year Income	Client	December 31st
☐	Adjust Tax Withholding	Accountant / Client	December 31st
☐	Make Charitable Donations/Consider Bunching Itemized Deductions	Altair / Client	December 31st
☐	Consider Making a Qualified Charitable Distribution (QCD) from your IRA	Altair / Client	December 31st
	Other		
☐	Review Group Benefit Elections & Make Updates for Coming Year	Client	Ongoing
☐	Enroll in New Health Insurance Plan Through Healthcare.gov	Client	January 15th, 2026
☐	Request Annual Credit Report	Client	Ongoing
☐	Consider Updating Passwords & Security Questions	Client	Ongoing
☐	Consider Locking Your Credit	Client	Ongoing

Important Milestones

☐	Age 18 / 21	Age of majority – varies depending on state; Age of termination for UTMA/UGMA accounts
☐	Age 26	Adult child may lose parents' health insurance coverage and other benefits under the Affordable Care Act
☐	Age 50	Eligible to make catch-up contributions to some retirement accounts (e.g., IRA, 401(k), 403(b), 457)
☐	Age 55	Eligible to make catch-up contributions to HSA; Eligible for penalty exceptions for certain withdrawals from retirement accounts
☐	Age 59 ½	Eligible to withdraw from IRA account without 10% early distribution penalty
☐	Age 60-63	Eligible to make increased catch-up contributions to certain retirement accounts (e.g., 401(k), 403(b), 457)
☐	Age 62-70	Eligibility begins to apply for Social Security Benefits

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Important Milestones *(Continued)*		
☐	Age 64 & 9 Mos.	Start of Initial Enrollment Period for Medicare
☐	Age 65	Eligible for coverage and enrollment in Medicare; Eligible for non-medical withdrawals from HSA without penalty
☐	Age 70 ½	Eligible to make Qualified Charitable Distributions
☐	Age 73	Must begin Required Minimum Distributions, if born before 1960
☐	Age 75	Must begin Required Minimum Distributions, if born in 1960 or later
Key Upcoming Dates		
☐	1/15/2026	4th Quarter 2025 Estimated Tax Payment Due *(extensions available for certain taxpayers affected by natural disasters)*

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Federal Estate Tax & Gift Tax	2025	2026
Combined Federal Estate and Gift Tax Exemption	$13,990,000	$15,000,000
Federal Estate Tax Rate	40% Top Marginal Rate	40% Top Marginal Rate
Annual Gift Exemption	$19,000 Per Person	$19,000 Per Person
Individual Retirement Accounts	**2025**	**2026**
Individual IRA (Roth, Traditional)	$7,000	$7,500
Catch-Up Contribution (Age 50+)	*$1,000*	$1,100
Annual Qualified Plan Limits	**2025**	**2026**
Maximum Compensation Used to Determine Contribution	$350,000	$360,000
Deferral Limits for Plans		
401k / 403b / 457	$23,500	$24,500
Catch-Up Contribution (Age 50+)	*$7,500*	*$8,000*
Catch-Up Contribution (Age 60-63)	*$11,250*	*$11,250*
SIMPLE	$16,500	$17,000
Catch-Up Contribution (Age 50+)	*$3,500*	*$4,000*
SEP IRA	$70,000[1]	$72,000[1]
Maximum Annual Addition for Defined Contribution Plan[2]	$70,000	$72,000
Maximum Annual Benefit for Defined Benefit Plan[2]	$280,000	$290,000
Federal Tax Rates	**2025**	**2026**
Maximum Individual Income Tax Rate	37.0%	37.0%
Maximum Rate for Qualified Capital Gains & Dividends	20.0%	20.0%
Standard Deduction – MFJ[3]	$31,500	$32,200
Standard Deduction - Single/MFS[3]	$15,750	$16,100
Standard Deduction - Head of Household[3]	$23,625	$24,150
Other	**2025**	**2026**
Health Care FSA Contributions (pre-tax limit)	$3,300	$3,400
Dependent Care FSA Contributions (pre-tax limit)	$5,000	$7,500
HSA Contributions (Individual/Family coverage)	$4,300/$8,550	$4,400/$8,750
Catch-Up Contribution (Age 55+)	*$1,000*	*$1,000*

[1]Contributions cannot exceed the lesser of 25% of employees' compensation or $70,000 for 2025 ($72,000 for 2026)
[2]Not including catch-up contributions
[3]Additional standard deduction and bonus deduction may apply for those ages 65+ (bonus deduction is subject to AGI thresholds)

2025 Year-End Financial Planning Checklist

Legislative Updates

1. **Review Impact of One Big Beautiful Bill Act:** In July 2025, President Trump enacted the One Big Beautiful Bill Act (OBBBA), a sweeping piece of legislation that reshapes the tax landscape. The OBBBA makes permanent the lower tax brackets originally introduced under the 2017 Tax Cuts and Jobs Act and incorporates new provisions that will affect a broad range of taxpayers. Among its key features, the law permanently extends the higher standard deduction and introduces an additional “bonus” deduction of $6,000 for individuals aged 65 and older, applicable for tax years 2025 through 2028. OBBBA scales back numerous tax credits and deductions, most notably implementing significant reforms to green energy incentives, including credits for electric vehicles and residential energy improvements. Additionally, it introduces a new savings vehicle, the “Trump Account,” which provides a $1,000 government-funded bonus for children born within the next four years. Other notable changes include an increase to the SALT deduction and adjustments impacting charitable contributions, as detailed below. Given the breadth and complexity of these reforms, we strongly recommend reviewing these changes with your Altair team and your tax adviser to understand how they may affect your individual situation.
2. **Review Charitable Giving Before 2026:** Beginning in 2026, charitable contributions will be subject to a new threshold: 0.5% of Adjusted Gross Income (AGI). For example, a taxpayer with an AGI of $500,000 will have a floor of $2,500, meaning gifts must exceed this amount to qualify for a deduction. Additionally, taxpayers in the 37% bracket will see their itemized deductions capped at a 35% benefit. To maximize tax efficiency, consider accelerating charitable giving into 2025. Strategies such as funding a Donor-Advised Fund (DAF) allow you to secure the full deduction under current rules while preserving flexibility to distribute funds to charities in future years. This approach ensures you achieve your philanthropic goals while optimizing tax benefits. We recommend reviewing this strategy with your Altair engagement team and your tax adviser to determine the best course of action for your situation.
3. **Review AGI for Potential SALT Deduction Increase:** The OBBBA introduces substantial revisions to state and local tax (SALT) deductions, retroactively affecting individual and joint filers. Beginning in 2025, taxpayers may deduct up to $40,000 in state and local taxes, including state income, property, sales, and certain excise taxes. However, this benefit is subject to a phaseout for higher-income taxpayers. Taxpayers whose AGI is over $500,000 will see a 30% decrease in the deduction for every dollar above $500,000, up to $599,999. At a $600,000 AGI and above, the allowable deduction is capped at $10,000. To maximize the potential benefit, taxpayers should review their AGI and consider strategies to accelerate or defer income where appropriate. We recommend consulting with your Altair engagement team and your tax adviser to evaluate the most effective approach for your circumstances.
4. **Discuss Current Interest Rates and Evaluate Planning Opportunities:** Interest rates remained stable through the first eight months of 2025, with the Federal Reserve implementing its first rate cuts in September and again in October. For the past several years, elevated rates have enhanced the appeal of wealth transfer strategies such as Charitable Remainder Trusts (CRTs) and Qualified Personal Residence Trusts (QPRTs). As rates are expected to decline,

now is an opportune time to evaluate strategies that are most advantageous in a higher interest rate environment before conditions shift. Additionally, this is an ideal moment to review outstanding high-interest debt and prepare for potential refinancing as rates continue to move lower. Individuals and families may eventually consider paying down debt where appropriate, accelerate gifting strategies, and consider the exchanging of low-value assets with those that have strong potential for future appreciation. Before implementing any of these strategies, it is essential to consult with your Altair team, attorney, and tax advisers.

5. **Review the SECURE Act 2.0 Catch-Up Rules:** Beginning January 1, 2026, catch-up contributions to employer-sponsored retirement plans for employees earning more than $150,000 in the prior year (indexed for inflation) must be made using Roth (after-tax) dollars. While these contributions do not provide an immediate tax deduction, they will grow tax-free within the account and remain tax-free upon withdrawal. Employees whose plans do not offer a Roth option may be unable to make catch-up contributions under this rule. This provision, established by SECURE Act 2.0, was originally scheduled to take effect in 2024; however, the IRS granted a two-year extension to allow employers time to implement necessary changes. All employers must comply by December 31, 2026.

Retirement Planning / Employee Benefits

6. **Maximize Employer Retirement Plan Contributions:** If you participate in a 401(k) or other employer-sponsored retirement plan, it's important to maximize your contributions before year-end to take full advantage of tax-deferred savings opportunities. For 2025, the standard deferral limit is $23,500. Individuals aged 50 and older may contribute an additional $7,500 as a catch-up provision, bringing their total to $30,500. Those between ages 60 and 63 benefit from an enhanced catch-up contribution of $11,250, allowing for a maximum of $34,750. Certain plans also permit after-tax contributions, which can reach the IRS limit of $70,000, or $77,500 when catch-up contributions are included. For SEP IRAs and Traditional or Roth IRAs, contributions may be made up until the April 15 tax filing deadline.
7. **Consider In-Service Roth Conversions Within Your 401(k) Plan:** An in-service Roth conversion within your employer-sponsored 401(k) can be an impactful strategy, enabling you to convert pre-tax funds into a designated Roth account within the same plan. Although the conversion triggers taxable income, future qualified withdrawals are entirely tax-free. There are no income restrictions for in-plan Roth conversions, and the 10% early withdrawal penalty does not apply since the assets remain in the plan. Before proceeding, confirm that your employer's 401(k) allows in-plan conversions and consult with your tax advisor to fully understand the implications.
8. **Rebalance 401(k):** Periodically rebalancing your 401(k), or other employer retirement accounts, ensures your account is in line with your target asset allocation.
9. **Take Required Minimum Distributions (RMDs):** Individuals already subject to required minimum distributions (RMDs) must take their distribution by December 31 to avoid a substantial 25% penalty. Those turning 73 in 2025 may defer their first RMD until April 1, 2026; however, doing so does not eliminate the obligation to take the 2026 RMD by December 31 of that same

year. Each distribution is taxed as ordinary income in the year it is received. If you hold multiple IRA accounts, you may satisfy your RMD from a single account, provided the amount is calculated based on the aggregate balance of all IRAs. Roth IRAs are exempt from RMD requirements, except in the case of inherited accounts.

10. **Make Deferred Compensation Elections:** If applicable, decide before December 31 whether to defer a portion of your 2026 compensation. Income deferral can be a powerful strategy, enabling your assets to grow through compounding without the drag of annual taxation. As with any investment decision, it is essential to balance the advantages of deferral against your liquidity needs, time horizon, and lifestyle considerations. In addition, you will need to make a distribution election. Keep in mind that selecting a payout period of 10 years or longer may offer certain state tax benefits, making this an important factor in your planning.
11. **Utilize FSA Money:** If you have a Flexible Spending Account (FSA), be mindful of the year-end deadline to use your funds. Most plans require you to spend your balance by December 31, though some allow an extension until March 15 of the following year. Because FSAs operate under a “use-it-or-lose-it” rule, any remaining dollars will be forfeited after the deadline. These funds can be applied toward eligible expenses not covered by your health plan, such as co-pays, deductibles, dental and vision care, or dependent day care. You can also use FSA dollars for everyday health-related items like sunscreen and first aid kits. For 2025, contribution limits are $3,300 for healthcare FSAs and $5,000 for dependent care FSAs. As the year draws to a close, it’s also an ideal time to review your current usage and adjust next year’s allocation to better align with your needs.
12. **Maximize Year-End Health Benefits**: If you’ve already met your healthcare deductible and out-of-pocket maximum for the year, now may be an ideal time to schedule any medical procedures you’ve been postponing. Once your deductible is satisfied, your insurance provider covers a greater share of costs, making treatments significantly more affordable. Keep in mind that most health plans reset deductibles to zero on January 1, so acting before year-end can help you maximize your benefits.

Gifting / Education Planning

13. **Complete Annual Exclusion Gifts:** In 2025, you may gift up to $19,000 per individual, or $38,000 per couple, without incurring gift tax. This annual exclusion offers an effective way to transfer wealth while reducing your taxable estate. Keep in mind that contributions to 529 college savings plans qualify as gifts, as do payments to an irrevocable life insurance trust for premium funding. However, certain direct payments, such as medical expenses paid directly to a healthcare provider and tuition paid directly to an educational institution, are exempt from the annual exclusion and do not count toward your gifting limit.
14. **Fund 529 Plans:** If you plan to contribute to a 529 account this year, ensure your contribution is made by December 31 to take advantage of the annual gift-tax exclusion and to qualify for any state tax deductions on your 2025 return. It is important to note that contributions to 529 plans are considered gifts, whereas payments made directly to an educational institution for tuition are not treated as gifts and carry no contribution limits. If you intend to pay college expenses directly

and later reimburse yourself from a 529 plan, be sure to complete the reimbursement within the same calendar year in which the expenses were incurred. In addition to annual contributions, taxpayers may elect to "superfund" a 529 plan, allowing individuals or married couples filing jointly to contribute up to $95,000 ($190,000 MFJ) per beneficiary- five years of annual gift-tax exclusions- without incurring gift tax or using any lifetime exemption.

Estate Planning

15. **Discuss Potential Changes to Estate Tax Exemption and Wealth Transfer Strategies**: In 2025, the passage of the OBBBA made the increased federal estate exemption amount permanent, marking a significant shift in estate planning discussions. Beginning in 2026, the lifetime estate exemption will increase to $15,000,000 per individual ($30,000,000 for married couples), with annual adjustments for inflation. This permanent increase reduces the urgency to move assets out of the estate; however, it remains essential to continue to monitor exemption levels and explore strategic gifting opportunities. When evaluating long-term estate planning strategies, it is important to balance the benefits of gifting assets during life with the advantages of retaining them until death. We recommend consulting with your Altair engagement team and your estate planning attorney to evaluate options and help ensure your estate plan continues to align with your long-term objectives.
16. **Execute Crummey Notices:** Confirm with your estate planning attorney or trustees that beneficiaries are being provided with written notice (Crummey Notice) of their withdrawal power each year a gift is made to an irrevocable life insurance trust or other trust that contains Crummey powers. It is important to store these notices in the event the IRS challenges past gifting. Failure to provide this documentation could compromise the tax status of assets held in the trust.
17. **Review Estate Plan & Fiduciary/Beneficiary Designations:** The end of the year is a good time to review your overall estate plan and fiduciary designations to make sure they are still in line with your wishes. Additionally, you should verify/update your beneficiary designations on your retirement accounts and life insurance policies.

Income Tax Planning

18. **Consider Roth IRA Conversion:** Currently anyone, regardless of income, is eligible to convert a traditional IRA to a Roth IRA. The Roth IRA carries significant income tax advantages for both you and your beneficiaries. Please consult with your accountant to discuss potential taxes that could be owed on a Roth conversion and consult Altair to determine whether a Roth conversion makes sense for you.
19. **Analyze Taxable Accounts for Tax-Loss Harvesting Opportunities:** Even in years with strong stock market returns, it makes sense to review your portfolio to see if there may be opportunities in your portfolio to sell a position and realize a tax loss. These losses can be used to offset capital gains and up to $3,000 of ordinary income each year. Additional losses can be carried forward to future tax years. When using this strategy, make sure you do not violate the

"wash sale" tax rules. Your Altair engagement team can advise you on whether it makes sense to execute this strategy now.

20. **Review Current Year Income:** Typically, it makes sense to accelerate deductions into the current year and defer income into a future year when possible. Consult with your tax adviser.
21. **Adjust Tax Withholding:** Review your W-4 and update your withholding if necessary.
22. **Make Charitable Donations/Consider Bunching Itemized Deductions:** All charitable contributions must be made prior to December 31st to be taken as a deduction on this year's tax return. Charitably inclined individuals who are unable to itemize may benefit from bunching two or more years of donations into a single year (possibly though a Donor Advised Fund). This will increase the likelihood of being able to itemize deductions in alternate years. Taxpayers can deduct cash donations up to 60% of adjusted gross income (AGI) in 2025 when made directly to a public charity and stock donations up to 30% of AGI. (Cash contributions to a Donor Advised Fund can be deducted up to 60% of AGI).
23. **Consider Making a Qualified Charitable Distribution (QCD) from your IRA:** Charitably inclined individuals over age 70.5 should consider whether a Qualified Charitable Distribution (QCD) makes sense. A QCD is a non-taxable distribution from your IRA directly to a qualified charity, which typically counts towards your RMD. When making a QCD election, the amount you distribute will not be included in your adjusted gross income. The total of all QCDs is limited to $108,000 per person ($216,000 per couple) in 2025 and you cannot make the distribution from SEP or SIMPLE plans if an employer contribution is made for that year. A QCD cannot be made to a Donor Advised Fund.

Other

24. **Review Group Benefit Elections & Make Updates for the Coming Year:** Open enrollment is underway at many employers. Please take time to review your employee benefit elections (group health, dental, life, disability, FSA, HSA) to ensure you have selected the right plan with the right coverage amount and a deductible that you are comfortable paying.
25. **Enroll in New Health Insurance Plan Through Healthcare.gov:** The 2026 open enrollment period for marketplace health insurance plans runs from Saturday, November 1st to Thursday, January 15th, 2026. If you fail to act by the end of that period, you will not be able to get 2026 coverage unless you qualify for a special enrollment period. To have coverage start on January 1st, you must enroll by December 15th, 2025. If you enroll by the final deadline of January 15th, 2026, your coverage will begin on February 1st, 2026.
26. **Request Annual Credit Report:** We recommend that you review a full credit report annually to make sure there are no errors. You are allowed one free copy of your credit report each year from each credit bureau. To request, go to www.annualcreditreport.com or call 877-322-8228. If you have not done so already, consider signing up for a credit monitoring service.
27. **Consider Updating Passwords & Security Questions:** We recommend you regularly update your passwords and security questions to prevent fraud and cybersecurity attacks. Additionally, to assist family members if you become incapacitated or pass away, create a list of usernames and passwords for all your digital assets and store this in a secure place.

28. **Consider Locking Your Credit:** We recommend reviewing whether locking your credit makes sense for you. Locking your credit provides for an extra layer of protection against fraud. If you have been the victim of a data breach, or if you want proactive security, consider locking your credit.

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