



Annual Financial "To-Do" List

Things You Can Do for Your Future as the Year Unfolds

What financial, business, or life priorities do you need to address for the coming year? Now is an excellent time to think about the investing, saving, or budgeting methods you could employ toward specific objectives, from building your retirement fund to considering an estate strategy. You have plenty of choices.

Remember that this article is for informational purposes only and not a replacement for real-life advice. The tax treatment of assets earmarked for retirement can change, and there is no guarantee that the tax landscape will remain the same in years ahead. A financial or tax professional can provide up-to-date guidance.

Here are a few ideas to consider:

Look at your contributions to your retirement plans and review them for adding more OR allocating savings to another asset.

In 2026, the contribution limit for a Roth IRA or traditional IRA is \$7,500 if you're under age 50. It's \$8,600 for those over 50 making "catch-up" contributions. Your modified adjusted gross income (MAGI) may affect how much you can put into a Roth IRA. With a traditional IRA, you can contribute if you (or your spouse if filing jointly) have taxable compensation. Income limits are one factor in determining if a traditional IRA contribution is tax-deductible.¹

However, if your employer plan offers a Roth option within the 401(k), 403(b), or 457(b), there is no such limit. You can direct your entire employer contribution to the Roth option. This is an attractive choice if you've already amassed significant funds in a traditional (pre-tax) employer plan, and are looking to build assets that will be tax-free when you retire. Roth 401(k)s offer their investors a tax-free and penalty-free withdrawal of earnings. Qualifying distributions must meet a five-year holding requirement and occur after age 59½. Such a withdrawal also qualifies under certain other circumstances, such as the owner's passing. Employer match is pretax and not distributed tax-free during retirement. The original Roth IRA owner is not required to take minimum annual withdrawals.

If you are making large contributions to your employer plan, but finding you don't have the cash you need to address life or you don't have money to contribute to a diverse set of assets to address your future needs, you may need to consider re-directing some of your contributions to another savings vehicle. "Oversaving" to retirement funds stems from the advice given by retirement plan providers assuming that a) your plan is your only savings for retirement, and b) most people aren't saving enough. But if you've been conscientious about saving for years, you may benefit from "saving" to different types of accounts that provide benefits that your employer plan doesn't offer.

Make a charitable gift.

You may be able to claim the deduction on your tax return, provided you follow the Internal Review Service guidelines. The paper trail can be important here. For example, you likely must itemize your return's deductions to take advantage of this, and that means you'd have to benefit from itemizing instead of taking the standard deduction.

If you give cash, you should consider documenting it. A bank record can demonstrate some contributions, payroll deduction records, credit card statements, or written communication from the charity with the date and amount. Incidentally, the IRS does not equate a pledge with a donation. If you pledge \$2,000 to a charity this year but only end up gifting \$500, you may be able to only deduct \$500.²

Consult your tax, legal, or accounting professional before modifying your record-keeping approach or strategy for making charitable gifts.

Open an HSA.

A Health Savings Account (HSA) works like your workplace retirement account. There are also HSA rules and limitations to consider. You are limited to a \$4,400 contribution for 2026 if you are single; and \$8,750 if you have a spouse or family. Those limits jump by a \$1,000 "catch-up" limit for each person in the household over age 55.³

If you spend your HSA funds for non-medical expenses before age 65, you may need to pay ordinary income tax and a 20% penalty. After age 65, you may need to pay ordinary income taxes on HSA funds used for non-medical expenses. HSA contributions are exempt from federal income tax; however, they are not exempt from state taxes in certain states.

Pay attention to true diversification.

Most people think of diversification as what stocks, bonds, or mutual funds they own within their portfolio. But diversification also can mean owning different types of assets to provide a more responsive financial life. When markets are down, owning non-market assets can help to offset those

losses, and provide a “floor” of investment while you wait for markets to return to positive. Different types of assets also provide access to liquidity, protection, and more. Look at your asset mix as much as your asset allocation.

Review your withholding status.

If you’re withholding too much or too little, you won’t really know it until you do your tax return the following year. Instead, consider if you should adjust due to any of the following factors:

- You tend to pay the federal or state government at the end of each year.
- You tend to get a federal tax refund each year.
- You recently married or divorced.
- You have a new job with adjusted earnings.
- You’ve had a child, OR your child has reached an age when they no longer qualify as a dependent for various tax credits.

Consider consulting your tax, human resources, or accounting professional before modifying your withholding status.

Review your beneficiaries.

Marriage, divorce, children, inheritance, and promotions happen. Each one can change your perspective on who should be a beneficiary of your retirement accounts, investment accounts, life insurance and other assets. Your children may have outgrown needing financial support if you pass away, so life insurance beneficiaries may change. Your spouse may have significant retirement assets of their own, so IRA beneficiaries can be reconsidered. It’s a good idea to review beneficiaries every five to seven years, or any time you or a family member experience a significant life event.

It's also wise to perform a beneficiary audit periodically. This compares the beneficiaries listed on accounts and assets with how your will is structured. It's important for your estate documents to incorporate an understanding of how other assets will pass, and to whom.

And, if you don't have estate documents, for heaven's sake, get them done! You need a will, a Power of Attorney, a Healthcare Proxy, and end-of-life directives documented and shared with the individuals you choose to execute these.

Consider the impact of any upcoming major transactions.

Are you preparing to sell real estate this year? Are you starting or selling a business? Will you have commissions or bonuses come your way in 2026? Do you anticipate selling an investment held outside of a tax-deferred account?

It's worthwhile to discuss your major plans with your financial or tax advisor to plan for the impact and explore options on how to address tax implications.

Review your protective plans.

You've likely had raises and promotions, or even changed jobs since you set life insurance and disability insurance policies in place. If you've experienced significant income growth, you may be underinsured, leaving your family at risk. A periodic review of your levels of insurance is wise. And, if your only life and disability insurance is what's offered by your employer, it's wise to explore added coverage. The benefit amounts in policies can sound large, but the income you stand to generate over years of work is often much larger.

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1. IRS.gov, 2025
2. IRS.gov, 2025
3. IRS.gov, 2025