Last calls before *December 31*.

Most tax planning happens during the year. But a handful of decisions can only be made — or only matter — in the last 60 days. Here's the list we run through with clients in Q4.

1 TAX-LOSS HARVESTING

Sell positions trading below cost basis to offset realized gains. Reinvest in a similar (but not identical) position.

- **First, offset capital gains** dollar for dollar.
- **Then, offset up to $3,000 of ordinary income.** Excess losses carry forward indefinitely.
- **Watch the wash sale rule:** can't buy a "substantially identical" security within 30 days before or after the sale.
- **Don't let the tax tail wag the dog** — only harvest if it fits the plan.

2 ROTH CONVERSIONS

Move pre-tax dollars to Roth, paying tax today at a (hopefully) lower rate than you'd pay later.

- **Best window:** after retirement, before Social Security and RMDs start.
- **Convert through the top of a known bracket** — usually 22% or 24%.
- **Pay the tax from non-retirement accounts** when possible. Otherwise the conversion shrinks.
- **Watch IRMAA** — Medicare premium surcharges are based on AGI from 2 years prior.
- **5-year rule:** converted dollars need to age 5 years before penalty-free withdrawal.

3 CHARITABLE GIVING

Three smarter ways than writing a check from your checking account.

QCD — QUALIFIED CHARITABLE DISTRIBUTION

70½+ only. Up to $111,000 per person (2026) directly from your IRA to charity. Counts toward RMD. Never enters AGI.

DAF — DONOR-ADVISED FUND

Front-load several years of giving into one high-income year. Deduct now, grant to charity later.

APPRECIATED STOCK

Give the stock, not cash. Avoid the capital gains, get the full fair-market deduction.

BUNCHING

Combine two or three years of giving into one to clear the standard deduction in that year.

4 RMDS AND CONTRIBUTIONS

- **If 73 or older:** verify the RMD has been taken by December 31.
- **If 70½+ and charitable:** consider QCD before December 31.
- **Max your 401(k):** last payroll-period contribution must clear by December 31.
- **HSA, IRA:** deadline is April 15 of next year — but easy to forget. Note it now.
- **Estimated taxes:** if you owe Q4 quarterly, due January 15.

5 OTHER Q4 DECISIONS

- **Gifting strategy.** $19,000 per recipient annual gift exclusion resets January 1. Use it or lose it.
- **FSA spend-down.** Schedule appointments, glasses, eligible purchases before deadline.
- **529 contributions.** Must be made by December 31 for the current year's Ohio deduction.
- **Capital gains realization.** If you're in the 0% LTCG bracket, harvest *gains*, not just losses.

> **A NOTE FROM MPM**
>
> We run year-end scenarios in October so we have time to act. If you've had a big income year — a sale, bonus, inheritance, or business windfall — tell us as soon as you know. The earlier we see it, the more we can shape.

Sources: IRS Publication 550 (Investment Income & Expenses); IRS Publications 590-A & 590-B (IRAs); Internal Revenue Code §§ 408A (Roth IRAs), 1211–1212 (capital loss limits), 170 (charitable contributions). Confirm current figures with IRS.gov or tax counsel.