



Year-end planning priorities

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As year-end approaches, families may benefit from revisiting key retirement, tax, charitable, and legacy-planning decisions, including Roth conversions, required minimum distributions, charitable gifts, tax-loss-harvesting opportunities, and family wealth transfer strategies that may affect both current and future after-tax outcomes.

Key points

- Year-end provides an opportunity to revisit key retirement, tax, charitable, and legacy planning decisions before the calendar changes.
- Many of the most valuable planning opportunities involve decisions that families can still control this year, including Roth conversions, required minimum distributions, charitable giving strategies, family gifting decisions, and tax-loss-harvesting opportunities.
- Reviewing these decisions before year-end may help families enter the new year with greater clarity around both retirement spending goals and long-term legacy objectives.
- For more information on current tax rules, see the CIO Global Investment Management team's reports, "[2026 Tax fact sheet](#)" (published 15 January 2026) and "[What's new with personal taxes in 2026?](#)" (published 4 February 2026).

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Year-end often prompts discussions about taxes, but effective planning involves far more than simply trying to reduce this year's tax bill.

For many families, the most important planning opportunities arise from decisions that affect not only this year, but also future retirement income, charitable goals, and wealth transfer objectives.

Because so many decisions are interconnected, year-end can be a valuable time to step back and evaluate how individual planning strategies fit within a family's broader financial plan.

Whether a family is still accumulating wealth, preparing for retirement, or focused on passing assets to future generations, the final months of the year provide an opportunity to revisit key decisions before the calendar changes.

With this in mind, the following section highlights several planning opportunities families may want to revisit before the end of the year.

How can families manage taxable income before year-end?

Many planning opportunities begin with a simple question: How much taxable income will the family recognize this year?

Unexpected capital gains, retirement plan distributions, stock compensation, business income, Social Security benefits, or changes in spending needs may result in taxable income that differs from original expectations.

Understanding where a family falls within the income tax brackets can help inform a number of year-end planning decisions, including:

- Roth conversions
- Capital gain realization
- Tax loss harvesting
- Charitable giving strategies
- Retirement account withdrawals

Because so many planning opportunities depend on taxable income, families may benefit from reviewing their projected tax situation before implementing other year-end strategies.

Could this be an attractive year for a partial Roth conversion?

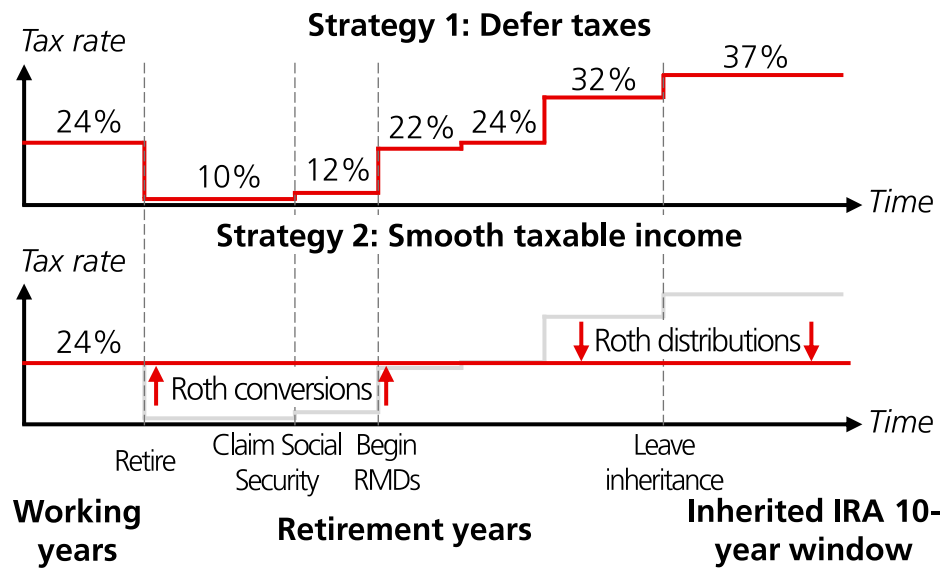
Roth conversions involve moving assets from a tax-deferred retirement account into a Roth account and paying income tax on the taxable amount converted. Although this accelerates taxation, the strategy may increase the pool of assets available for tax-free qualified distributions later in retirement.

Some families may find Roth conversions particularly attractive during years when taxable income is lower than normal. Examples may include:

- Early retirement years
- Years between retirement and Social Security
- Years before required minimum distributions begin
- Years with unusually large tax deductions

In these situations, a series of partial Roth conversions may help spread taxable income across more tax years rather than concentrating it later in retirement. Analyzing Roth conversion scenarios within a family's financial plan can help compare projected marginal federal and state income tax rates over time, both with and without conversions, while also considering the potential effects on Medicare income-related surcharges, taxation of Social Security benefits, and the liquidity available to pay conversion taxes.

Figure 1 - Partial Roth conversions in lower-than-normal tax years may help smooth taxable income over time
Marginal income tax brackets over time for two retirement withdrawal strategies



Note: Hypothetical example, for illustration purposes only. Source: IRS, UBS, as of 2 October 2026.

Rather than asking whether a Roth conversion is appropriate in general, families may want to ask whether this particular year presents an opportunity to recognize income at relatively favorable tax rates.

Families considering a Roth conversion may want to evaluate whether they have sufficient liquidity available to pay the tax bill and should consider how higher taxable income may affect items such as Medicare premiums and other income-based thresholds.

For steps on how to determine whether a family may benefit from implementing a series of partial Roth conversions, see the CIO Global Investment Management team's report, "[Should 401\(k\) millionaires consider a Roth conversion?](#)" (published 10 December 2025).

Should investors harvest capital losses?

Investments held in taxable accounts frequently experience periods of volatility, creating opportunities to realize capital losses.

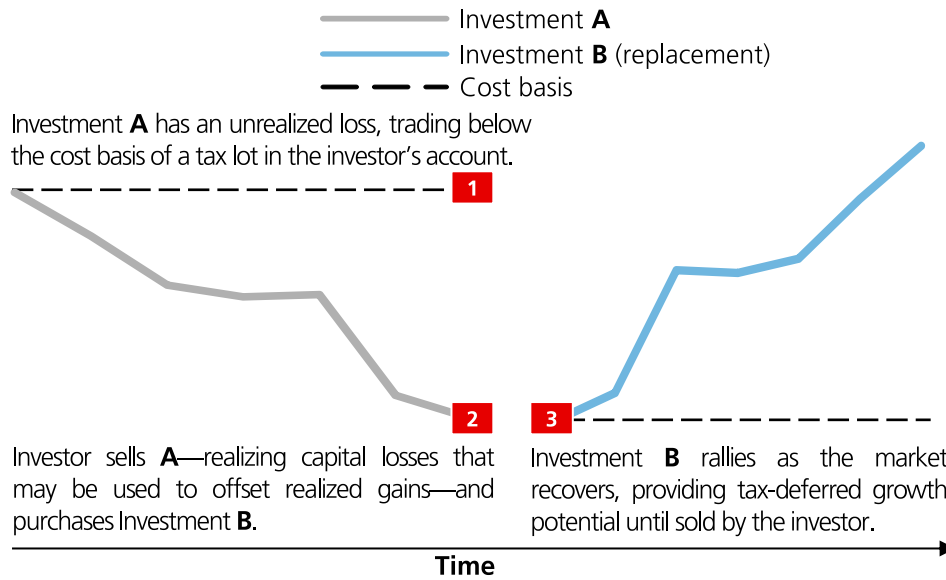
Tax loss harvesting involves realizing investment losses while remaining invested in a manner consistent with long-term investment objectives. Realized losses may offset realized capital gains and, subject to applicable tax rules and the investor's circumstances, may reduce current or future tax liabilities. The potential benefit can be evaluated by estimating after-tax outcomes based on expected tax rates, implementation costs, market exposure considerations, and the timing of future gain realization.

Investors should consider the wash-sale rule when harvesting losses. Under Internal Revenue Code Section 1091, a loss generally is disallowed when substantially identical stock or securities are acquired within the period beginning 30 days before and ending 30 days after the sale.¹

To learn more about tax loss harvesting—including information on how to implement strategies such as "tax swapping" and "doubling down," and how to abide by the wash sale rule—see the CIO research report "[Tax loss harvesting: 3 reasons, 3 tips, and 3 strategies to help improve after-tax returns](#)" (published 11 May 2022). It may also be helpful to refer to the CIO research team's "Exchange-traded funds: ETF tax swaps" report, which is updated regularly to highlight potential replacement securities to consider when implementing a tax-loss-harvesting strategy.

Figure 2 - How tax loss harvesting can help manage taxes

Illustration of the 3-step "tax swapping" process



Source: UBS. For illustration purposes only. A "tax lot" refers to shares that the investor purchased at a certain time and price.

The objective is not to allow taxes to drive investment decisions. Rather, tax loss harvesting can be viewed as a tool that may help improve after-tax outcomes when implemented thoughtfully and coordinated with the overall investment strategy.

As year-end approaches, families may wish to review taxable accounts for:

- Unrealized losses
- Realized capital gains
- Available carry-forward losses
- Concentrated positions
- Future liquidity needs

How should retirees think about RMDs this year?

For many retirees, required minimum distributions (RMDs) represent one of the largest sources of taxable income each year. While individuals subject to RMDs generally need to satisfy those distribution requirements before year-end, the more meaningful planning question may be how those distributions affect the family's broader tax and retirement income strategy.

RMDs can increase taxable income, affect Medicare premiums, and alter a family's marginal tax bracket. As a result, year-end may be an appropriate time to evaluate not only whether RMDs have been satisfied, but also how those distributions fit within the household's overall financial plan. For families with charitable intentions, there may be opportunities to reduce the tax cost of RMDs through qualified charitable distributions (QCDs), which are discussed later in this report.

For retirement account owners who are subject to required minimum distributions (RMDs), 31 December is generally the deadline for an annual RMD, except that a retiree's first RMD may generally be delayed until 1 April of the following year.²

How can families maximize the impact of charitable gifts?

Many families make charitable contributions each year, but year-end presents an opportunity to consider whether those gifts are being implemented as efficiently as possible.

For some families, cash contributions may be appropriate. Others may benefit from donating appreciated securities. Some may wish to explore donor-advised funds or other charitable vehicles.

The most effective strategy often depends on a family's:

- Income level
- Deduction profile
- Philanthropic objectives
- Portfolio composition
- Long-term giving plans

Families who itemize deductions may wish to evaluate whether it makes sense to bunch several years of charitable giving into a single tax year. Others may benefit from spreading charitable gifts across multiple years.

The appropriate strategy will vary from family to family, but year-end provides an opportunity to ensure charitable decisions align with both philanthropic and financial objectives.

For those planning to make charitable gifts this year, it may also be prudent to complete transactions well before year-end to accommodate the applicable processing deadlines.

Should qualified charitable distributions be part of the plan?

Qualified charitable distributions (QCDs) may be a tax-efficient giving strategy for eligible IRA owners age 70½ or older, even for those who do not itemize deductions.³ QCDs allow Traditional IRA owners to make a distribution to charity—up to \$111,000 for the 2026 tax year—and have the distribution count toward their annual RMD but not be included in the IRA owner's federal taxable income. The QCD must go directly from a Traditional IRA to a qualified charity, and must be completed by year-end to qualify for the current tax years. Married individuals must each qualify and use their respective IRAs.

For individuals with substantial balances in tax-deferred retirement accounts, the annual QCD limit may not fully offset the tax cost of RMDs. Nevertheless, QCDs remain a valuable tool for extending the impact of charitable giving and supporting philanthropic legacy goals in a tax-efficient manner.

QCDs generally cannot be directed to donor-advised funds or private foundations. A one-time election may permit an eligible individual to make a QCD to certain split-interest entities, subject to a 2026 limit of \$55,000 and other statutory requirements.³

For more information on QCDs, please see the CIO Global Investment Management team's report, "[Distribution strategies for IRA owners and beneficiaries](#)" (published 18 August 2026).

Should families give during their lifetimes?

While charitable giving focuses on supporting causes that matter most, family gifting strategies focus on transferring wealth to future generations.

For many families, year-end provides a natural opportunity to revisit gifting objectives.

Questions to consider may include:

- Have annual gifts already been made?
- Are there children or grandchildren who could benefit from financial support?
- Should education funding be accelerated?
- Are there family members with medical expenses that may warrant assistance?

- Are there assets expected to appreciate significantly in the future?

Lifetime gifts may support family members today while shifting subsequent appreciation outside the donor's estate. The potential benefits can be evaluated by considering the transferred asset's expected appreciation, applicable transfer tax rules, available exemptions, and the recipient's future tax treatment.

Figure 3 - Lifetime gifting strategies may enhance the after-tax value of intergenerational wealth transfers

A selection of potential gift and estate planning strategies

Strategy	Description & Benefits
Annual gift tax exclusion	Allows gifts up to \$19,000 per spouse per recipient (2026) each year, free of gift tax and without using lifetime exemption.
Medical and education gifts	Payments made directly to providers for tuition or medical expenses, are excluded from gift tax and do not use the lifetime exemption.
Lifetime exemption gifts	Larger gifts that use part of the lifetime exemption, removing future appreciation from the estate.
Tax-efficient irrevocable trusts	Irrevocable trusts (e.g., SLATs, GRATs, ILITs) can be funded with exemption gifts, providing control, asset protection, and potential estate tax benefits.
Transfer of discounted interests	Gifts of minority or non-controlling interests in family entities (LLCs, partnerships, corporations), fractional real estate, or investment holding companies may qualify for valuation discounts, reducing the lifetime exemption being used.
529 plan "superfunding"	Allows up to five years of annual exclusions to be contributed at once per beneficiary without using the lifetime exemption.

Source: UBS. For illustration purposes only.

Importantly, gifting decisions should always be evaluated within the context of the family's broader financial plan. Before making transfers that involve a loss of access or control, families may wish to assess whether those assets will be needed to support future retirement spending goals.

For more information on giving strategies to consider this year, see the CIO Global Investment Management team's report, "[Give to others, not the IRS](#)," published 1 October 2026.

Are assets intended to be spent or inherited?

As retirement account balances grow, another question becomes increasingly important: Will these assets be spent during retirement or ultimately passed to beneficiaries? The answer may influence a wide range of planning decisions.

Families who expect to spend most of their retirement assets may prioritize retirement income planning and tax management. By contrast, families who expect to leave substantial assets to future generations may wish to devote greater attention to tax-efficient legacy planning.

This analysis may affect decisions involving Roth conversions, beneficiary designations, lifetime gifting, charitable gifting, trust structures, and wealth transfer strategies.

For families focused on legacy goals, year-end may provide an opportunity to evaluate whether assets are positioned in the most tax-efficient manner for future beneficiaries.

This discussion often extends beyond how much wealth may ultimately be transferred. It also involves considering which assets should be transferred, when those transfers should occur, and how taxes may affect what future beneficiaries may ultimately receive.

Conclusion and next steps

Year-end planning provides an opportunity to evaluate how current decisions fit within a family's broader retirement, charitable, and legacy-planning goals. Whether the discussion involves Roth conversions, retirement account withdrawals, charitable gifts, tax-loss-harvesting opportunities, family gifting strategies, or legacy planning, thoughtful coordination before year-end may improve long-term after-tax outcomes. This assessment typically involves comparing projected outcomes under alternative planning strategies against a no-action baseline while considering tax assumptions, costs, and liquidity needs.

Here's a checklist of key planning priorities covered in this report:

- Project taxable income and determine where income falls within current tax brackets.
- Evaluate whether the current year may present an attractive opportunity for partial Roth conversions.
- Review taxable accounts for capital gains exposure and tax-loss-harvesting opportunities.
- Confirm that any required minimum distributions (RMDs) have been completed before year-end, subject to the first RMD timing exception.
- Assess whether qualified charitable distributions may help reduce the tax cost of charitable giving and RMDs.
- Review charitable-giving plans, including gifts of appreciated securities, donor-advised funds, and charitable bunching strategies.
- Consider whether annual gifts, education funding, or other wealth-transfer opportunities should be completed before year-end.
- Revisit beneficiary designations, legacy goals, and whether assets may be positioned in a tax-efficient manner for future beneficiaries.
- Meet with a financial advisor and tax advisor before year-end to help coordinate these decisions within the context of the family's broader financial plan.

Endnotes

¹ IRS Publication 550 (2025), "Wash Sales," and IRC Section 1091.

² IRS, "[Retirement plan and IRA required minimum distributions FAQs](#)," updated 29 January 2026.

³ IRC Section 408(d)(8) and IRS Notice 2025-67. QCDs generally are available only to eligible IRA owners age 70½ or older and are subject to an annual indexed limit of \$111,000 for 2026. Deductible IRA contributions made after age 70½ may reduce the amount of a later QCD that can be excluded from income. A one-time election may permit up to \$55,000 in 2026 to be transferred through a QCD to certain charitable gift annuities, charitable remainder unitrusts, or charitable remainder annuity trusts, subject to statutory restrictions, including exclusive funding by the QCD.

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