MIDYEAR GUIDE TO TAX PLANNING

TIPS AND TOOLS FOR 2026

RIVERSIDE
WEALTH ADVISORS

INTRODUCTION

Tax planning in 2026 goes beyond simply meeting filing requirements—it's an opportunity to take proactive steps that may help reduce future tax burdens and adapt to changing legislation. Whether you're adjusting to updated retirement rules, planning charitable contributions, or navigating shifting tax brackets, this guide is designed to help you stay organized and better prepared for the filing season in 2027.

KEY TOPICS INCLUDE:

- **Midyear Tax Law Updates:**
  Key changes to standard deductions, tax brackets, and contribution limits, along with insights into planning considerations that may affect your 2026 tax picture and future financial considerations.
- **Midyear Organization & Preparation:**
  A practical midyear checklist to help you organize income documents, track deductions, and review estimated tax payments before year-end.
- **Retirement Planning Checkpoints:**
  Important considerations for those approaching or taking RMDs, including updates from the SECURE Act 2.0 and evolving retirement account rules.
- **Investment and Income Strategies:**
  Planning opportunities such as tax-loss harvesting, Roth conversions, and managing income levels that may affect Medicare premiums (IRMAA).
- **Charitable Giving Insights:**
  Tax-aware giving strategies using appreciated assets, Donor-Advised Funds (DAFs), Qualified Charitable Distributions (QCDs), and beneficiary planning.
- **Estate Planning Awareness:**
  Timely reminders to revisit estate documents and consider current exemption limits ahead of expected changes in 2027.
- **Practical Tools & Reminders:**
  Helpful tables, tax reference data, and IRS resources to support informed decisions throughout the remainder of the year.

NEW TAX LAW UPDATES

FEDERAL STANDARD DEDUCTION AND TAX BRACKETS

The standard deduction for 2026 was finalized in late 2025 and reflects adjustments for inflation. Below are the standard deduction amounts based on your filing status.

STANDARD DEDUCTION TABLE[1]

FILING STATUS	STANDARD DEDUCTION (2025)	STANDARD DEDUCTION (2026)
Married Filing Jointly	$31,500	$32,200
Married Filing Separately	$15,750	$16,100
Single	$15,750	$16,100
Head of Household	$23,625	$24,150

2026 TAX BRACKETS

MARGINAL TAX RATE	SINGLE FILERS	MARRIED FILING JOINTLY	HEAD OF HOUSEHOLD
10%	$0 – $12,400	$0 – $24,800	$0 – $17,700
12%	$12,401 – $50,400	$24,801 – $100,800	$17,701 – $67,450
22%	$50,401 – $105,700	$100,801 – $211,400	$67,451 – $105,700
24%	$105,701 – $201,775	$211,401 – $403,550	$105,701 – $201,775
32%	$201,776 – $256,225	$403,551 – $512,450	$201,776 – $256,200
35%	$256,226 – $640,600	$512,451 – $768,700	$256,201 – $640,600
37%	$640,601 and higher	$768,701 and higher	$640,601 and higher

Note: Federal tax brackets apply to taxable income after deductions, not total gross income.

HOT TIP

Consider whether itemizing deductions may offer greater tax benefits than the standard deduction, especially if you've had higher medical expenses, charitable contributions, or other deductible costs this year.

CONTRIBUTION LIMITS FOR RETIREMENT ACCOUNTS

Contribution limits for certain retirement accounts have increased for 2026, offering additional opportunities to build tax-advantaged savings.

2026 RETIREMENT ACCOUNT CONTRIBUTION LIMITS[2]

ACCOUNT TYPE	2025 CONTRIBUTION LIMIT	2026 CONTRIBUTION LIMIT	2026 CATCH-UP CONTRIBUTION (AGE 50+)
401(k)	$23,500	$24,500	$8,000 (Age 60-63 - $11,250)
Roth IRA / Traditional IRA	$7,000	$7,500	$1,100
Health Savings Account[3]	$4,300 (self) $8,550 (family)	$4,400 (self) $8,750 (family)	$1,000 (for those 55 and older)

HOT TIP

Review your contribution rate midyear to confirm you are on track to maximize available retirement savings opportunities without unintentionally missing employer matching contributions.

ORGANIZING & PREPARING FOR MIDYEAR TAX REVIEW

Midyear is the perfect checkpoint to get ahead of tax season. Rather than waiting until December or April, you can make strategic decisions now by organizing financial records and reviewing your tax situation with your advisor.

MIDYEAR DOCUMENT CHECKLIST

🧾 Income Reports

- **Paystubs, Invoices, & YTD Income Records** – Review wages, self-employment income, and investment income estimates to confirm your current tax picture.
- **Pension & Annuity Payments** – Retirees should review year-to-date distributions and tax withholding amounts.
- **IRA/401(k) Withdrawals** – Track distributions, especially RMDs.
- **Social Security Benefits** – Confirm year-to-date benefit payments and review any federal tax withholding.

🗂️ Deductible Expenses

- **Charitable Contributions** – Track cash and non-cash donations, including appreciated assets.
- **Medical Costs** – Monitor out-of-pocket expenses, particularly if approaching deduction thresholds.
- **Education Expenses** – Review tuition payments, student loan interest, and any available school or loan servicer records. Forms 1098-T and 1098-E are generally received after year-end.
- **Property Taxes & Interest** – Keep YTD records of mortgage interest and property tax payments.

💼 Retirement Contributions & RMDs

- **IRA, 401(k), HSA Contributions** – Review year-to-date totals and remaining contribution opportunities.
- **Catch-Up Contributions (50+)** – Take advantage of additional contributions if eligible.
- **For RMDs taken in 2026**, the amount is generally calculated using your **December 31, 2025** account balance and the applicable life expectancy factor from the IRS Uniform Lifetime Table, or another IRS table depending on your situation.[4]

🔍 Investment Statements

- **Capital Gains/Losses** – Review brokerage summaries for realized gains and losses.
- **Cost Basis** – Maintain accurate records for any asset sales.
- **Crypto Activity** – Download transaction summaries from applicable platforms.

📅 Estimated Tax Payments

- **Q1 & Q2 Payments** – Confirm federal/state amounts made.
- **Withholding Review** – Ensure current levels will cover 2026 tax.

🏠 Life Event Tracking

- **Major Changes** – Note events such as moves, marriage or divorce, births, or retirement.
- **Filing Status/Address** – Review how changes may impact deductions, credits, or filing status.

HOT TIP Create a digital folder on your computer or in cloud storage to organize tax documents as you receive them throughout the year.

RETIREMENT TAX STRATEGIES

KEY REMINDERS FOR 2026

By midyear 2026, retirees should review how their RMD strategy is progressing and consider whether any adjustments may be needed before year-end.

- **RMD Age Threshold:** If you turn 73 in 2026, you are generally required to begin taking RMDs this year. Your first RMD may be delayed until April 1st of next year, but delaying that first RMD generally means taking two RMDs the following year.
- **RMD Roth 401(k) Exception:** Roth 401(k) accounts are no longer subject to RMDs, similar to Roth IRAs. This may allow continued tax-free growth without required withdrawals.
- **Advance Planning for Age 75 Rule:** The RMD starting age is scheduled to increase to 75 in 2033, which may be an important consideration for long-term withdrawal strategies, especially for individuals in their 60s.

REQUIRED MINIMUM DISTRIBUTION TABLE (GENERAL UNIFORM LIFETIME TABLE REFERENCE)

AGE	DISTRIBUTION PERIOD	AGE	DISTRIBUTION PERIOD
73	26.5	87	14.4
74	25.5	88	13.7
75	24.6	89	12.9
76	23.7	90	12.2
77	22.9	91	11.5
78	22.0	92	10.8
79	21.1	93	10.1
80	20.2	94	9.5
81	19.4	95	8.9
82	18.5	96	8.4
83	17.7	97	7.8
84	16.8	98	7.3
85	16.0	99	6.8
86	15.2	100	6.4

Note: This table is a general reference. Different rules may apply to inherited IRAs, spouse beneficiaries, certain workplace plans, and accounts with a spouse more than 10 years younger as sole beneficiary.

HOT TIP

If you are not yet subject to RMDs but expect to be within the next 2–3 years, this may be a good time to evaluate Roth conversion strategies. Midyear 2026 can be an effective opportunity to estimate year-end income, consider converting pre-tax assets within a targeted tax bracket, and potentially reduce future RMD obligations.

TAX-LOSS HARVESTING

Tax-loss harvesting involves selling investments at a loss to help offset capital gains and manage overall tax exposure. This strategy may be particularly relevant during periods of market volatility.

HOT TIP

Consider working with a financial professional to evaluate whether tax-loss harvesting aligns with your overall investment strategy and helps avoid unintended tax consequences.

ROTH CONVERSION STRATEGIES

The **backdoor Roth IRA** strategy may be considered by individuals who exceed the income limits for direct Roth IRA contributions. This approach involves contributing to a Traditional IRA and then converting those funds to a Roth IRA.

How it works: First, contribute to a Traditional IRA. Then, convert those funds to a Roth IRA. Taxes may be owed on some or all of the converted amount. If you have existing pre-tax IRA, SEP IRA, or SIMPLE IRA balances, the pro-rata rule may cause part of the conversion to be taxable. Future qualified Roth IRA withdrawals may be tax-free.

Note: Determining when or if you should convert to a Roth IRA is an individual decision based on factors such as your financial situation, age, tax bracket, current assets, and alternate sources of retirement income. Your unique circumstances help determine what's appropriate for you. If converting a traditional IRA to a Roth IRA, you will owe ordinary income taxes on any previously deducted traditional IRA contributions and on all earnings.

HOT TIP

2026 may be a useful year to evaluate Roth conversions, especially if you expect future tax rates, RMDs, or Medicare premium surcharges to increase your long-term tax burden.

MEDICARE AND INCOME RELATED SURCHARGE PLANNING (IRMAA)

Your 2026 income may impact your Medicare premiums in 2028 because Medicare income-related surcharges generally use a two-year income lookback.[5]

HOT TIP

Review your Modified Adjusted Gross Income (MAGI) before taking large IRA withdrawals, completing Roth conversions, realizing capital gains, or making other income-increasing decisions.

STRATEGIES FOR CHARITABLE GIVING

Charitable giving can be a meaningful way to align your values with your financial plan—especially in a year like 2026, when changes in tax provisions and income levels may impact deductions and Medicare premiums.

DONATE APPRECIATED ASSETS

Donating appreciated stocks, mutual funds, or ETFs held for more than one year may allow you to deduct fair market value if you itemize deductions, while potentially avoiding capital gains tax on the appreciation. This approach may be particularly relevant for retirees who do not need income from a sale and are looking to reduce taxable exposure while supporting causes they care about.

DONOR-ADVISED FUNDS (DAFs)

DAFs allow you to make a charitable contribution in 2026, potentially claim a deduction in that year if you itemize, and recommend grants to charities over time. This approach may be useful for those looking to exceed the standard deduction threshold in a higher-income year or following a major financial event, such as the sale of real estate or investments.

HOT TIP

Donating appreciated assets directly to a charity or a Donor-Advised Fund may offer tax advantages, such as potentially avoiding capital gains tax and receiving a deduction based on fair market value, provided the asset has been held for more than one year. This approach may allow you to support charitable causes in a more tax-aware manner.

QUALIFIED CHARITABLE DISTRIBUTIONS

If you are age 70½ or older, you may transfer up to $111,000 per year (indexed for inflation) directly from your IRA to a qualified charity. This strategy can count toward satisfying all or part of your RMD while excluding the donated amount from taxable income, which may help manage adjusted gross income and Medicare premium thresholds.

QCD KEY FACTS[6]

FEATURE	DETAILS
Age Requirement	70½ years or older
Maximum Annual Distribution	$111,000 per individual
Tax Impact	Excluded from taxable income and can count toward RMDs (if applicable)
Eligible Accounts	IRAs, including Traditional IRAs. Roth IRAs can technically be used, but QCDs are generally most beneficial from taxable pre-tax IRAs. Employer retirement plans generally are not eligible.

Note: QCDs cannot be made to donor-advised funds, private foundations, or supporting organizations.

HOT TIP

Consider making your QCD earlier in the year so it can count toward your RMD (if applicable). Be sure to coordinate with your IRA custodian to process the distribution as a direct transfer and help avoid potential errors.

DESIGNATE A CHARITY AS A BENEFICIARY

As part of your long-term estate planning, you may name a charity as the beneficiary of your IRA or other retirement accounts. These assets can pass to the charitable organization **without being subject to income tax,** and this approach may help reduce overall taxable exposure within your estate. This strategy may be considered alongside Roth conversions or other legacy-focused planning techniques.

HOT TIP

Designating a charity as the beneficiary of your IRA may offer tax advantages, as the charity can receive the full value without being subject to income tax. This approach may help reduce overall taxable exposure within your estate.

TAX PLANNING FOR YOUR ESTATE

The federal estate and gift tax exemption remains historically high in 2026 with a basic exclusion amount of $15 million per individual.[5] This means it could be an smart time to revisit existing estate strategies.

Even with the higher federal exemption in place, 2026 remains an important time to review gifting strategies, beneficiary designations, asset titling, state estate tax exposure, and overall estate planning goals.

WHAT YOU CAN DO MIDYEAR:

- Review your estate plan and gifting strategy with a financial professional
- Evaluate whether lifetime gifting strategies, trust structures, or beneficiary updates remain appropriate under current federal and state estate tax rules
- For larger or more complex estates, consider whether advanced planning techniques such as spousal trusts, charitable remainder trusts (CRTs), or grantor-retained annuity trusts (GRATs) may fit within a broader estate strategy.

HOT TIP

Review your estate plan periodically to ensure it reflects current exemption levels and your overall wealth transfer goals. Even without significant changes to your net worth, evolving tax laws or family circumstances may warrant updates to your trusts, beneficiaries, or gifting strategies.

RETIREMENT INCOME AND ROTH CONVERSION PLANNING

CONSIDER A ROTH IRA CONVERSION

Converting pre-tax retirement assets to a Roth IRA may be considered if you expect your future tax rate to be higher, want to reduce future RMDs, or want to build more tax-free retirement assets. While taxes are generally owed on the converted amount, future qualified withdrawals from a Roth IRA may be tax-free. This strategy may be relevant for individuals who anticipate being in a higher tax bracket during retirement.

ROTH IRA CONVERSION KEY POINTS[7]

FACTOR	CONSIDERATION
Current Tax Impact	You may owe taxes on the amount converted. Consider spreading conversions over multiple years to help manage your tax bracket and overall tax exposure.
Future Tax Considerations	Once converted, qualified withdrawals from the Roth IRA may be tax-free, depending on applicable tax rules and individual circumstances.
Timing	Consider converting during years of lower income, as this may help manage the overall tax impact.
Income Thresholds	There are no income limits for Roth IRA conversions, unlike direct Roth IRA contributions.

HOT TIP

Consider working with a financial professional to develop a multi-year Roth conversion strategy that aligns with your retirement income goals while taking potential tax implications into account.

USE TAX-DEFERRED ACCOUNTS WISELY

Consider contributing to tax-deferred accounts such as 401(k)s and Traditional IRAs, as these contributions may lower taxable income in the year they are made. Investments in these accounts can grow tax-deferred until withdrawal. Keep in mind that required minimum distributions (RMDs) may apply in the future, which could impact taxable income in later years.

HOT TIP

If you are approaching RMD age, consider planning withdrawals strategically to help manage tax impact. You may also evaluate converting portions of your 401(k) or IRA to a Roth IRA over time as part of a broader income and tax planning strategy.

CONCLUSION

Taking a proactive approach to tax planning midyear can play an important role in managing your overall financial picture. By evaluating your income, deductions, and key strategies now, you allow time to consider adjustments before year-end. Staying current on tax law changes—and working with a financial professional—can support a more informed approach and help align your 2026 tax strategy with your broader financial goals.

At Riverside Wealth Advisors, we work with clients to address the complexities of tax planning and incorporate tax-aware strategies into a broader financial plan.

Contact us at (844) 843-9855 to discuss how these strategies may fit into your overall financial approach.

This guide is for informational purposes only and should not be treated as individualized tax, legal, or investment advice. Please consult your advisor and tax professional before implementing any strategy.

OTHER HELPFUL TOOLS

- "IRS Withholding Calculator"
  https://www.irs.gov/individuals/irs-withholding-calculator
- "IRS releases tax inflation adjustments for tax year 2026"
  https://www.irs.gov/newsroom/irs-releases-tax-inflation-adjustments-for-tax-year-2026-including-amendments-from-the-one-big-beautiful-bill
- "Estate and Gift Tax FAQs"
  https://www.irs.gov/newsroom/estate-and-gift-tax-faqs

SOURCES

1. https://www.irs.gov/newsroom/irs-releases-tax-inflation-adjustments-for-tax-year-2026-including-amendments-from-the-one-big-beautiful-bill
2. https://www.irs.gov/newsroom/401k-limit-increases-to-24500-for-2026-ira-limit-increases-to-7500
3. https://www.irs.gov/pub/irs-drop/rp-25-19.pdf
4. https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-required-minimum-distributions-rmds
5. https://www.medicare.gov/publications/11579-medicare-costs.pdf
6. https://www.irs.gov/newsroom/important-charitable-giving-reminders-for-taxpayers
7. https://www.irs.gov/retirement-plans/roth-iras

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