

2026

GUIDE TO TAX PLANNING



ORGANIZING YOUR FINANCIAL LIFE FOR A BRIGHTER HORIZON



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As we move into 2026, the season for filing your 2025 taxes is here.

Within one year, life can change quickly and impact how you file your taxes. Whether you've recently retired, updated your estate plan, or another financial item, thoughtfully organizing your financial life now will make tax filing easier and more efficient.

Tax laws can be complex and overwhelming. So, our goal is to provide straightforward guidance on what to keep in mind when filing your 2025 taxes and tax changes for 2026. Of course, working with trusted financial and tax advisors can help ensure you take the right steps for your unique financial life. With this paper as your foundation, you can get ahead in your tax filing preparations and make the most of your opportunities so you pursue a brighter financial horizon.

We've broken up this whitepaper into three helpful sections:

Part 1: Your 2025 Tax Documents

Part 2: Updates to the 2026 Tax Landscape

Part 3: Strategies to Help Reduce Your Tax Liability

PART 1: YOUR 2025 TAX DOCUMENTS

Federal taxes are due by April 15 each year. You can get ahead in your planning by organizing your 2025 tax documents now.

ORGANIZE YOUR FINANCIAL DOCUMENTS

Start by collecting all necessary documents that track your financial life: W-2 forms, receipts, and records. Be sure to include expenses that you had during the year. Costs like home improvements, charitable donations, and business spending can affect how much income you report. These each play a role in determining what you'll pay in taxes.

GET CLEAR ABOUT TAX LANGUAGE

Now, let's unwind some often confusing tax language. Understanding fundamental tax concepts empowers you to make informed financial decisions. Four critical terms form the foundation of effective tax planning:



Tax Credits

Reduce your tax bill dollar-for-dollar and may result in a refund.



Tax Deductions

Lower your taxable income, reducing the amount subject to taxes.



Tax Deferrals

Postpone tax obligations to future years when your circumstances may be better.

TAX EXEMPT

Tax-Exempt

Means you won't have to pay federal income tax on certain income or withdrawals, such as qualified Roth IRA distributions or eligible charitable contributions.¹

TIP!

Use the Tax Planning Checklist at the end of this whitepaper to help you organize your financial items for tax filing.

PROTECT YOUR PERSONAL INFORMATION

In today's digital environment, safeguarding your data is critical. High-profile cyberattacks remind us that convenience comes with risk, especially when filing taxes online. You can help ensure you and your family's financial life remains safe by carefully protecting your information.

Steps for safer online tax filing

- Use only secure, trusted browsers for preparing and filing your taxes.
- Verify the authenticity of any tax notices, bills, or income statements you receive.
- Never respond to unsolicited requests for sensitive information like Social Security numbers, bank account details, or other personal data. These often come as calls, texts, and emails.
- Be wary of urgent phone calls demanding immediate payment, which are typically scams.

*The IRS will never ask you to instantly pay them money over the phone, threaten arrest if you don't pay, or ask for sensitive financial details like credit card information. Be wary of any behavior like this. The IRS will always first contact you about taxes by mailing you a letter or notice. You can also check your online IRS account for this communication.²



DID YOU KNOW?

In 2024, personal data breaches were among the top-reported cybercrimes.
Source: <https://www.irs.gov/newsroom/ways-to-tell-if-the-irs-is-reaching-out-or-if-its-a-scammer>

PART 2: UPDATES TO THE 2026 TAX LANDSCAPE

Each year, tax changes can emerge that taxpayers must have on their radar. And with the passage of the 2025 One Big Beautiful Bill Act (OBBBA), new changes to the tax landscape emerged. In this section, we outline various updates to common tax priorities:

1. Tax Brackets
2. Deductions
3. Savings Accounts
4. Retirement Assets
5. Charitable Giving
6. Estate Planning

1. KNOW YOUR 2026 TAX BRACKET

Your income will drive which tax bracket you fall in. For 2026, the seven tax brackets remain the same at 10%, 12%, 22%, 24%, 32%, 35%, and 37%. These are now permanently in place following the OBBBA.³ However, the income thresholds for each bracket have been adjusted for inflation.

Tax Rate	Single	Married Filing Jointly	Head of Household
10%	\$0-\$12,400	\$0-\$24,800	\$0-\$17,700
12%	\$12,400-\$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 or more	\$768,701 or more	\$640,601 or more

Remember! Some income, qualified dividends, and long-term capital gains are taxed at different rates. Talk with your financial advisor on how these items may affect your tax bracket.

2. IDENTIFY POSSIBLE DEDUCTIONS

Taxpayers have two ways to use deductions: You can claim either the standard rate or itemize them.

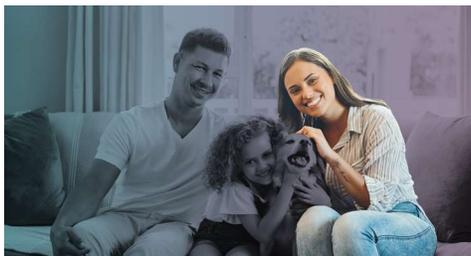
- Standard deduction: You use flat rates to deduct from your income, based on your filing status.
- Itemized deduction: You calculate every item you can deduct from your income for the tax year.

The Tax Cuts and Jobs Act (TCJA) originally took effect in 2018 and increased the standard deduction amounts nearly double from previous tax years. These rates were set to expire at the end of 2025. However, the OBBBA permanently extended most TCJA provisions. The increased standard deduction is now permanent and will continue to be indexed for inflation. This has led the majority of taxpayers to choose the standard deduction over itemizing.⁴

2026 Standard Deduction Amounts



Married Couples Filing Jointly
\$32,200
(up \$2,000 from 2025)



Head of Household
\$24,150
(up \$2,250 from 2025)



Single Taxpayers/Married Filing Jointly
\$16,100
(up \$1,500 from 2025)

Additional Standard Deductions for Taxpayers 65 or older

People who are 65 years and older can claim additional standard deduction amounts. In 2026, married couples:



Filing jointly where at least one spouse is 65 or older
extra \$1,600 per qualifying spouse
(up \$1,550 from 2025)



Single filers and HoH who are 65 or older
extra \$2,000 per qualifying spouse
(up \$1,950 from 2025)⁵

DID YOU KNOW?

The 2025 One Big Beautiful Bill Act gave adults 65 years and older an extra standard deduction. For tax years 2025 – 2028, they can claim a \$6,000 senior deduction for individual filers and \$12,000 for married couples (both people must qualify). This amount is on top of the previously listed additional standard deductions.

Phaseout limits apply to people with modified gross income that is over \$75,000 or \$150,000 for joint filers.

Source: <https://www.irs.gov/newsroom/one-big-beautiful-bill-provisions>

Qualified Business Income Deduction (QBID)⁶

Eligible self-employed workers and business owners have an additional tax perk in the ability to claim the 20% QBID. The goal is to help offset higher marginal tax rates and the required 15.3% self-employment tax. This allows them to keep more of their earnings.

This deduction applies for the following pass-through entities:

- Self-employed individuals
- Sole proprietors
- Limited liability companies
- Partnerships
- S corporations

3. INCREASE YOUR SAVINGS

Health Savings Accounts (HSAs)⁷

HSAs work with high-deductible health plans and offer triple tax advantages. For 2026, individuals with self-only coverage can contribute up to \$4,400, while those with family coverage can contribute up to \$8,750.

To qualify as a high-deductible health plan in 2026, your plan must have:

Type of Taxpayer	Minimum Out-of-Pocket Amount	Maximum Out-of-Pocket Amount
Individuals	\$1,700	\$8,500
Families	\$3,400	\$17,000

Medicare Medical Savings Accounts (MSA)

For people with Medicare MSA plans, they have access to high-deductible Medicare Advantage insurance plans with medical savings accounts. For 2026, the maximum allowable deductible for a Medicare MSA is \$18,100, though most plans offer significantly lower deductibles. These accounts provide flexibility for Medicare beneficiaries who want more control over their healthcare spending.⁸

People with self-only coverage must have the following deductible limits:⁹

Type of Taxpayer	Minimum Deductible Limit	Maximum Deductible Limit
Individuals	\$2,900	\$4,400
Families	\$5,850	\$8,750

4. MAKE THE MOST OF YOUR RETIREMENT ACCOUNTS

Taxes represent one of the largest ongoing expenses for retirees.¹⁰ Strategically using tax-advantaged investments can help you maintain your lifestyle without sacrificing growth potential or retirement income. Of course, your unique financial life will define what strategies work best for you. Be sure to consult with your financial advisor.

Maximize Your Retirement Account Contributions

Retirement accounts offer taxpayers two benefits: 1. a way to save for retirement and 2. tax efficiencies. You can pay into an employer-sponsored retirement plans like 401(k)s or self-employed alternatives like SEP-IRAs or solo 401(k)s. You can make these contributions with pre-tax dollars, reducing your current taxable income. However, early withdrawals before age 59½ typically trigger both ordinary income taxes and a 10% penalty, so plan carefully.¹¹



REAL-LIFE EXAMPLE:

Sarah is 45 years old and earns \$120,000 annually. She contributes the maximum \$24,500 to her 401(k) in 2026. As a result, she reduces her taxable income to \$95,500, potentially dropping her into a lower tax bracket and saving thousands in current-year taxes.

Tax-Loss Harvesting for Investment Declines

Market volatility can create opportunities to reduce taxes. By strategically realizing investment losses, you can offset capital gains and even deduct up to \$3,000 against ordinary income like wages or salary. Unused losses carry forward indefinitely to future tax years.¹²

Important considerations: Tax-loss harvesting requires careful attention to your complete financial picture. The connection between income levels, capital gains, losses, and timing can be complex. What appears to be a tax-saving move could inadvertently trigger unexpected consequences. Always consult a tax professional before implementing these strategies.

5. BE STRATEGIC WITH CHARITABLE GIVING

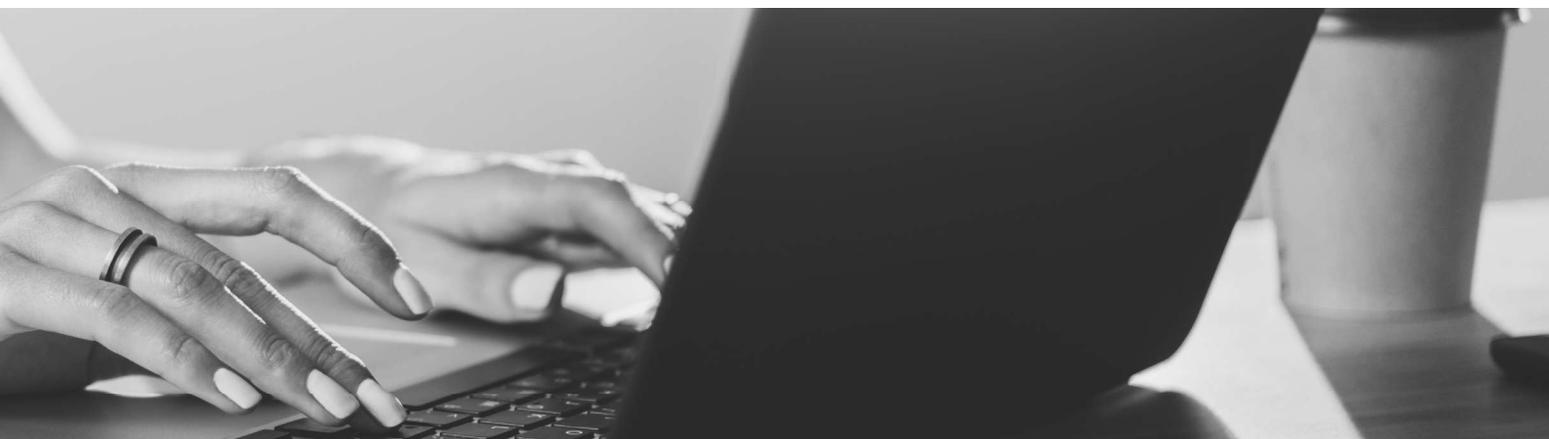
Financially supporting causes you care about is not only a great way to give back — it can also enhance tax-friendly financial strategies. Here are some tips for making the most of your charitable giving every tax year.

Donate Appreciated Securities

Instead of writing checks to charities, consider donating appreciated stocks or mutual funds that you have held for more than one year. When you donate long-term appreciated securities directly to qualified charities, you see benefits in different ways:

- The charity receives an appreciated security that has the potential to continue growing in value.
- You as the donor may be able to deduct the full market value of the security.
- You could gain potential strategies to mitigate capital gains taxes on the appreciation of your investments.

This strategy provides greater tax benefits than selling the securities, paying taxes on the gains, and then donating cash. Research the charity's financial efficiency before making substantial donations. And be sure to work with your financial advisor to help ensure you strategically donate securities.¹³



REAL-LIFE EXAMPLE:

William bought 40 shares of ABC Company at \$75 per share, which was worth \$3,000. Those shares grew to \$125 each, creating a \$5,000 total value. William decides to donate this investment directly to a qualified nonprofit he supports. By doing so, he won't pay capital gains on the stock's growth of \$2,000. Had he decided to cash out that stock himself, he would've paid the capital gains tax with a 20% long-term rate: \$400.

Donate Using Required Minimum Distributions (RMDs)

If you're over age 70½ and take RMDs, you can make Qualified Charitable Distributions (QCDs) directly from your IRA to qualified charities. For 2026, you can make QCDs up to \$111,000 per person.¹⁴ QCDs count toward your RMDs without being included in your taxable income. This strategy is particularly valuable for those who don't need their RMD for living expenses and want to support causes they care about. The funds must transfer directly from your IRA custodian to the charity. Be sure to never take personal possession of the money, or it becomes taxable income.¹⁵

6. ADDRESS ESTATE PLANNING NEEDS

Federal Estate Tax Exemption

The federal estate tax exemption has increased significantly. For 2026, individuals can transfer up to \$15 million (or \$30 million for married couples) to heirs without incurring federal estate tax. This represents an increase of \$1.01 million per individual from 2025 levels. Unlike previous increases, the One Big Beautiful Bill Act made this higher exemption permanent (though Congress could modify it in the future), and it will continue to be indexed for inflation.¹⁶

Annual Gift Tax Exclusion

The annual gift tax exclusion remains at \$19,000 per recipient for 2026. This allows you to give up to \$19,000 to as many individuals as you wish each year without using any of your lifetime estate tax exemption or filing a gift tax return.¹⁷



REAL-LIFE EXAMPLE:

David and Marie, both 68, have an estate valued at \$25 million. Under the new 2026 exemption of \$30 million for married couples, they can now pass their entire estate to their children without any federal estate tax liability. This gives them flexibility to focus on other planning priorities, such as structuring trusts to protect assets for future generations.

PART 3: STRATEGIES TO HELP REDUCE YOUR TAX LIABILITY**REQUIRED MINIMUM DISTRIBUTIONS (RMDs)**

Tax-deferred retirement accounts provide valuable benefits during accumulation, but the IRS eventually requires withdrawals. Beginning at age 73 (for those who turn 73 in 2026), you must start taking RMDs from traditional IRAs, 401(k)s, 403(b)s, SEP IRAs, and 457(b) plans. Roth IRA account owners are not subject to RMDs during their lifetime. If you miss an RMD, you must pay a 25% penalty of the amount you should've withdrawn and is reduced to 10% if you withdraw the full amount within two years.¹⁹

Your RMD is calculated by dividing your prior year-end account balance by a life expectancy factor based on your age:

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

Source: <https://smartasset.com/retirement/how-to-calculate-rmd>

If you turn 73 in 2026, you have until April 1, 2027, to take your first RMD. However, you'll then be required to take a second distribution in 2027 by December 31. Taking both in one year could push you into a higher tax bracket or affect other income-based calculations, so consider taking your first RMD before year-end to spread the tax impact.²⁰

Use IRS Form 5329 to pay any penalty you may owe and include a letter of explanation with your federal tax return if you believe you can request the government to waive the penalty.

SOCIAL SECURITY BENEFIT TAXATION

Receiving Social Security benefits could mean that you owe federal income tax. Depending on your financial situation, you may have to pay taxes on up to 85% of your Social Security benefits.²¹ You can ask the IRS to deduct these taxes directly from your Social Security payments, which could help you avoid paying a bigger bill when filing taxes.²² Managing your taxable income strategically can help minimize taxes on your benefits and preserve more of your retirement income.

DID YOU KNOW?

By 2030, the amount of people collecting Social Security is estimated to be double the total in 1980, with approximately 70.5 million people. The Boomer generation is driving a large portion of this increase.

Source: <https://www.aarp.org/social-security/benefits-current-status-future-stability/>

ROTH IRA CONVERSION STRATEGIES

One way to save on taxes in retirement while boosting savings is to invest into Roth IRAs. These tools offer unique advantages: You pay taxes on contributions or conversions, while potentially benefiting from tax-free growth and qualified withdrawals. This strategy can be particularly valuable if you expect to be in a higher tax bracket in retirement or want to leave tax-free assets to heirs. Your unique financial situation will drive whether Roth IRAs are a fit for your specific goals.²³

The Income Limitation Challenge

Direct Roth IRA contributions are subject to income limits. For 2026, the ability to contribute phases out for:²⁴

Type of Taxpayer	Income Phaseout Range	
	Minimum	Maximum
Single Filers HoH	\$153,000	\$168,000
Married Filed Jointly	\$242,000	\$252,000

If your income is more than these amounts, you can't contribute directly to a Roth IRA. However, the backdoor Roth IRA strategy remains available. With this strategy, you contribute to a traditional IRA (which has no income limits for contributions, only for deductibility), then convert it to a Roth IRA. There are no income restrictions on Roth conversions.²⁵

BACKDOOR ROTH IRA PROCESS

STEP 1:	Open and fund a traditional IRA with nondeductible contributions	STEP 2:	Understand the conversion process and timing considerations	STEP 3:	Convert the traditional IRA to a Roth IRA and pay applicable taxes
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NOTE: You'll owe ordinary income tax on any earnings and previously deducted contributions when you convert. If you have other traditional IRAs with pre-tax dollars, the pro-rata rule applies to determine the taxable portion of your conversion.

2026 IRA Contribution Limits

For 2026, the base IRA contribution limit increases to \$7,500 (or \$8,600 if you're age 50 or older)²⁷ These limits apply to the combined total of traditional and Roth IRA contributions rather than individually.²⁸

REAL-LIFE EXAMPLE:

Jennifer is 52 years old and a high earner. She can't contribute directly to a Roth IRA due to income limits. Instead, she contributes \$7,500 to a traditional IRA (non-deductible), then converts it to a Roth IRA. She owes income tax only on the small amount of earnings between contribution and conversion. Over her remaining working years, she uses this strategy to save \$150,000 in Roth assets with the potential for growth. She can then withdraw them tax-free in retirement.

TAX PREPARATION CHECKLIST FOR 2026 FILING SEASON

Use this checklist to help you prepare for smooth tax filing experience:

DOCUMENTS TO GATHER

- W-2 forms from all employers
- 1099 forms (1099-INT, 1099-DIV, 1099-B, 1099-R, 1099-MISC, 1099-NEC)
- 1099-SSA (Social Security benefits statement)
- 1098 forms (mortgage interest, student loan interest, tuition)
- Business income and expense records
- Receipts for charitable contributions
- Medical expense receipts (if itemizing deductions)
- Property tax statements
- State and local income tax records
- Investment transaction records
- Retirement account contribution records
- HSA or FSA contribution statements
- Prior year tax return

KEY DEADLINES

- January 31: W-2 and 1099 forms should be received
- April 15: Tax filing deadline (or extension request due)
- April 15: IRA contribution deadline for 2025
- October 15: Extended filing deadline (if filed extension)

TAX PLANNING ACTIONS

- Review income changes from previous year
- Confirm you took all required minimum distributions
- Verify retirement account contribution limits
- Document home office expenses (if applicable)

- Review changes to standard deduction vs. itemizing
- Consider tax-loss harvesting opportunities
- Evaluate Roth conversion strategies
- Confirm estimated tax payments made
- Update beneficiary designations
- Review withholding for 2026

PROFESSIONAL SUPPORT

- Schedule appointment with CPA or tax preparer
- Gather questions about changes in your financial situation
- Discuss multiyear tax planning strategies
- Review estate planning documents with advisor

FILING OPTIONS

- Decide between DIY software or professional preparation
- Ensure secure internet connection for e-filing
- Set up direct deposit for refund (if applicable)
- Arrange payment method (if you owe taxes)
- Consider electronic signatures and online tools

RECORDKEEPING

- Create organized file system for tax documents
- Save copy of filed return in secure location
- Keep supporting documents for at least 3 years
- Document charitable donations
- Keep receipts for business expenses throughout year



THE TAKEAWAY

Filing taxes each year is more than a financial duty for yourself and your family. It can be a tool to evaluate your financial situation and potentially optimize your tax savings while exploring opportunities to grow your wealth. Diligent planning and preparation today can help make tomorrow's financial horizons brighter.

The Wealth Guardians, we recognize that navigating tax laws can feel overwhelming. That's why we're committed to helping you build confidence in your financial future. We'll work with you to integrate tax-efficient strategies across your wealth management and strategically unite all the financial pieces. From estate needs to retirement goals, and beyond, we can help you thoughtfully organize, optimize, and come out ahead.

Together, we'll help to demystify the tax landscape and develop your personalized financial plan with a long-term view on your greatest life dreams and retirement goals.

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ADDITIONAL RESOURCES:

IRS Withholding Calculator

<https://www.irs.gov/individuals/irs-withholding-calculator>

IRS Interactive Tax Assistant (ITA)

<https://www.irs.gov/help/ITA>

IRS Estate and Gift Tax FAQs

<https://www.irs.gov/newsroom/estate-and-gift-tax-faqs>

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