

Turning Complexity into Action at Year-End

Effective year-end planning requires families to consider both the technical details and the broader priorities those decisions are meant to support.

The checklist below is designed to help families take a more coordinated view of their planning and guide conversations with tax, legal, investment, fiduciary, and family office advisors before December 31.

01 Consolidate family-wide taxable income. Review projected K-1s, trust income, capital gains, private investment activity, charitable deductions, estimated taxes, and liquidity events across individuals, trusts, entities, and foundations.

02 Consider whether to use additional estate, gift, and GST exemption. Evaluate the current \$15 million generation-skipping transfer (GST) exemption in light of appreciated assets, access needs, governance goals, basis consequences, and strategies such as dynasty trusts, spousal lifetime access trusts (SLATs), grantor retained annuity trusts (GRATs), sales to grantor trusts, or gifts of closely held interests.

03 Revisit prior sunset-driven planning. Review recent gifts, SLATs, GRATs, trust modifications, and entity restructurings to confirm they continue to support the family's objectives, liquidity needs, fiduciary structure, basis planning, and intended beneficiary experience.

04 Balance transfer tax savings with basis, liquidity, and control. Consider whether assets should be gifted, retained for a possible basis step-up, repositioned, or reserved for liquidity—particularly if the family is now closer to the federal exemption threshold.

05 Coordinate annual exclusion gifts and next-generation savings. Use 2026 annual exclusion gifts of up to \$19,000 per recipient, or \$38,000 with gift-splitting, in coordination with trusts, education accounts, GST planning, Crummey notices, and gift tax reporting. Consider whether Trump Accounts for eligible children or grandchildren could also help introduce early conversations about saving, investing, and stewardship.

06 Review trust income tax and distribution planning. Evaluate distributable net income, capital gain allocation, beneficiary tax profiles, charitable deductions, state fiduciary income tax exposure, and whether income should be retained in trust or distributed before year-end.

07 Evaluate state tax and Pass-Through Entity Tax (PTET) elections. Review residency, source income, trust situs, state estate or inheritance tax exposure, and pass-through entity tax elections for operating businesses or investment entities.

08 Connect philanthropy with tax planning and family purpose. Consider donor-advised funds, private foundations, charitable lead or remainder trusts, and gifts of appreciated securities, business interests, real estate, or fund interests. Confirm valuation, substantiation, adjusted gross income (AGI), and timing before year-end.

09 Plan ahead for concentrated positions and liquidity events. Identify upcoming sales, redemptions, tender offers, fund distributions, charitable transfer windows, installment sale opportunities, hedging limitations, and liquidity needs before taxable events occur.

10 Review fiduciary roles and family governance. Confirm that trustees, protectors, advisors, entity managers, distribution committees, beneficiary designations, trust funding, insurance ownership, loans, promissory notes, and shared-use assets remain current and properly documented. Consider whether these structures continue to support tax efficiency, clear communication, family readiness, stewardship, and the family's preferred life.

11 Review Medicare enrollment. Open Enrollment runs every year from October 15 to December 7, allowing beneficiaries to change Medicare plans. Changes take effect January 1 of the following year.

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