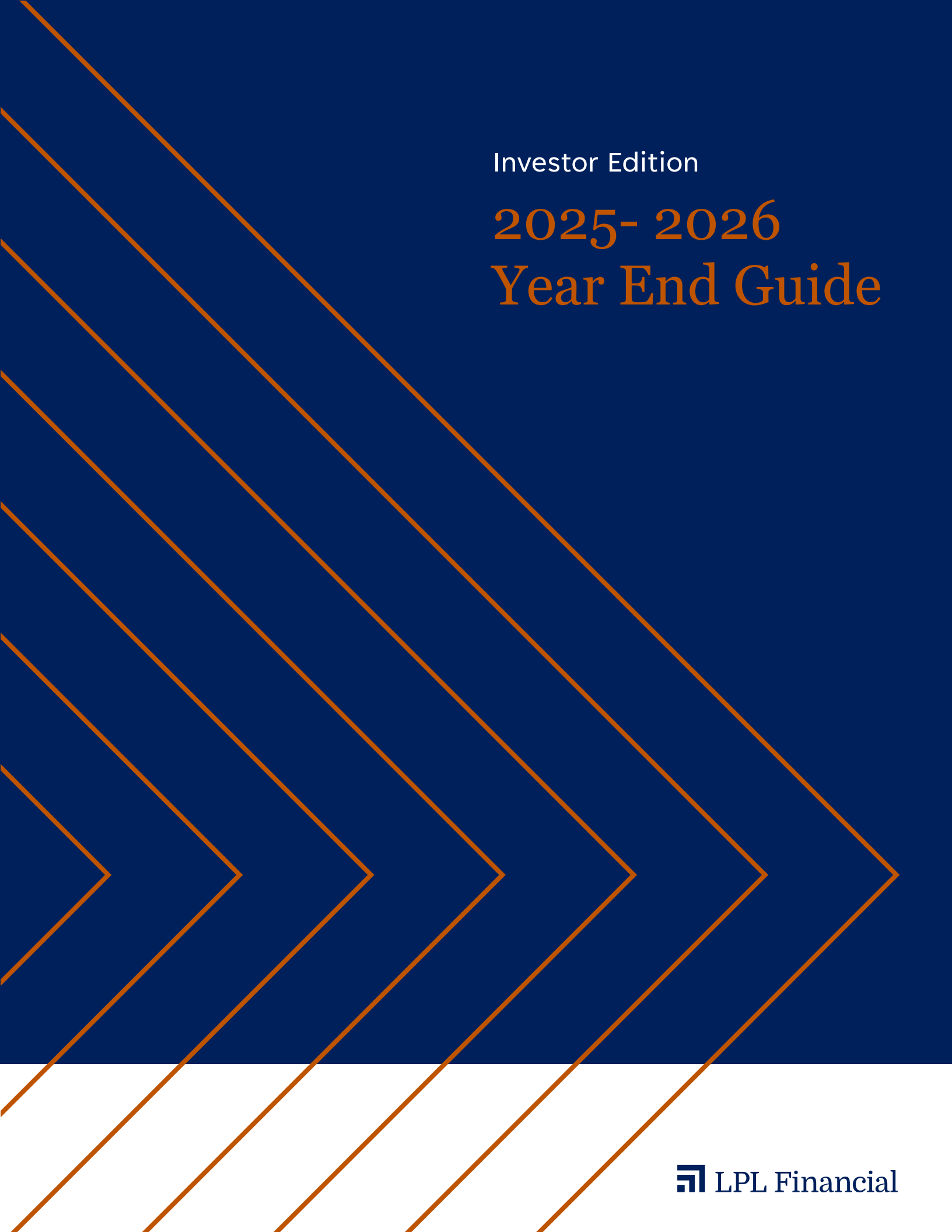




Investor Edition

2025- 2026 Year End Guide

Year-End Checklist for Tax Season

Introduction

To ease some of the burdens of the upcoming tax season, this guide will help you become familiar with important dates, deadlines, challenges, and opportunities that may come up as we approach the end of the year.

To process any of the below requests by December 31, we must receive completed request forms by December 5, 2025. Any requests received after will be processed on a best-efforts basis.

If you have any questions, contact your financial professional to help you.

Required Minimum Distribution

After reaching age 73, the deadline for taking a required minimum distribution (RMD) is December 31 each year. However, if this is your first RMD you have the option to delay it until April 1 of the year following the year you reach age 73.

Your RMD is generally determined by dividing your tax-deferred retirement account balance as of December 31 of the preceding year by a life expectancy factor. Your life expectancy factor corresponds with your age in the IRS Uniform Lifetime Table. However, if your spouse is your sole beneficiary and is more than 10 years younger than you, you will use the IRS Joint Life and Last Survivor Expectancy Table.

LPL Financial as IRA custodian is required to report distributions on IRS form 1099-R. A copy of the 1099-R is sent to the client by January 31st of the year following the distribution and to the IRS. RMD distributions are reportable as age based “normal” distributions by using the code 7 in box 7.

When your IRA holds assets that do not have readily ascertainable market values—such as privately held stock, real estate, or certain annuities—calculating your Required Minimum Distribution (RMD) becomes more complex. Check if the Fair Market Value (FMV) of each asset is clearly stated. If the FMV is unclear or missing, supply any independent appraisals or valuation reports to your

financial professional and consult a Tax Professional. Neither LPL nor the custodian of your IRA is responsible for any loss resulting from the valuation of any such asset.

If you are already meeting your RMD requirements elsewhere and therefore do not need to take a distribution from LPL, the IRS still requires LPL to furnish this information. If you need to take an RMD, you need to contact your financial professional to help you request this distribution.

RMD Service

New Requests for 2026 Processing: LPL has a Required Minimum Distribution Service (RMD Service) that will allow clients who are subject to RMDs to establish a distribution schedule for their RMD that recalculates each year. During the first year you subscribe to the RMD Service, distributions of the calculated RMD amount will be divided to fit the time remaining in the year.

For example, if you choose a monthly frequency with distributions to begin in October, the RMD amount for the year will be divided into three equal monthly installments. Each following year, the RMD Service will automatically calculate your RMD and withdraw it monthly.

If you'd like to establish RMD Service for 2025, the request should be received no later than December 5, 2025, as RMD payment cycles occur on the 10th and the 25th of each month. If you fail to withdraw an RMD, fail to withdraw the full amount of the RMD, or fail to withdraw the RMD by the applicable deadline, the amount not withdrawn is taxed at 25%. LPL isn't responsible for any penalties related to failure in withdrawing RMDs.

Note: *If using systematic liquidations to fund Required Minimum Distributions, please review the systematic trade instructions as the amount or quantity may need to be modified to ensure sufficient funds are available to fund recalculated RMD amounts. Systematic liquidations are independent from RMD Service and will NOT automatically adjust to new RMD values*

Federal and State Voluntary Income Tax Withholding

If you've had a change of address, you must notify your financial professional to ensure withholding amounts can be corrected within the same tax year. It's recommended you review your account transactions regularly with your financial professional to verify withholdings on distributions have been properly applied.

If your address has temporarily changed due to vacationing at a summer home. Ensure any state withholding applied on retirement distributions continues to pay to the correct state. Since your permanent residence address hasn't changed, your financial professional should submit a request to have duplicate statements sent to the temporary address so your 1099-R forms will report correctly.

LPL isn't able to reverse or apply any federal or state withholdings in 2026 on distributions that occurred in 2025 for IRA and qualified retirement plan (QRP) accounts. Federal and state withholdings will be reported in boxes 4 and 14, on IRS Form 1099-R.

Gifting

Charitable giving is one way you can positively impact your current tax position. You may gift mutual funds, stocks, bonds, or government securities from your LPL non-retirement account to an account holder at another firm or financial institution. There is also an option available for qualified charitable distributions (QCDs).

Tax Harvesting: Identify Opportunities

Tax harvesting is defined as selling securities at a loss to offset a capital gains tax liability. Tax gain or loss harvesting is typically used to limit the recognition of short-term capital gains, which are normally taxed at higher federal income tax rates than long-term capital gains. For many investors, tax harvesting is the single most important tool for reducing taxes now and in the future. Consider working with your tax advisor to determine if tax harvesting is a good strategy this year.

Roth Conversions

You may want to contact your financial professional before the end of the year to discuss the details of converting your existing IRAs to a Roth IRA. You're likely aware of the benefits of Roth IRAs: tax-free withdrawals (providing certain conditions are met), no required minimum distributions (RMDs), and tax diversification.

Consult with your financial professional to discuss any tax ramifications, your age and income restrictions in regard to executing a conversion from a Traditional IRA to a Roth IRA. The converted amount is generally subject to income taxation. Due to the Tax Cuts and Jobs Act, a Roth Conversion is irrevocable. This means that Roth IRA conversions can no longer be recharacterized. Once you convert you cannot revert the money back to your Traditional IRA.

Cost Basis on Transferred Securities

If you have any securities which were received from your prior broker by transfer, please review your cost basis information to ensure we have your complete cost basis information on file. Provide any missing or amended cost basis information to your financial advisor.

Note: LPL may receive Cost Basis information from your former firm or financial institution automatically. This may take up to 15 days from the date of transfer to receive cost basis information and, firms are required to send tax lot details only for covered tax lots.

If you hold corporate, municipal, or government bonds (e.g., fixed income securities), please review your fixed income elections. Provide your elections to your financial professional. Updates to fixed income elections may affect tax reporting on your 1099-INT.

Premier Check Writing for Distributions

If you're planning on using Premier Check Writing for a current year distribution, please be aware the distribution is reported for the tax year the check is **cashed** (not the year that check is written). It's strongly recommended you avoid using Premier Check Writing checks on retirement accounts near year-end if the check is intended to be reported in the current tax year because neither you nor LPL can control when a check is cashed.

All Premier Check Writing distributions are processed without any federal or state income tax withholding. You should speak to your financial professional prior to processing a distribution without withholding as under-withholding penalties may apply to those that choose not to withhold taxes.

Other methods you can use to request distributions near year-end are ACH, wire transfer, or manual check created and mailed by LPL.

Return of Excess and Recharacterization Deadline

If you over-contribute or erroneously contribute to your retirement account, there are processes you can use to resolve these mistakes. The IRS deadline for processing prior-year return of excess and recharacterizations is the tax return due date for the tax year of the contribution (including extensions).

If you have excess contributions for 2025, there are several options available. If the 2025 excess contribution occurred between January 1, 2026, and April 15th, 2026, we can accept a letter of instruction or form CM100 asking LPL to change the reporting to a 2025 contribution. By changing the tax year of the contribution to 2025, you can leave the funds in the account as a current year contribution or remove it by October 15, 2025.

In general, if the excess contributions for a year are not withdrawn by the date your return for the year is due (including extensions), you are subject to a 6% tax. You must pay the 6% tax each year on excess amounts that remain in your account at the end of your tax year.

Unfortunately, we cannot recharacterize any prior-year contributions after the deadline. Please discuss this with your financial professional before making any decisions.

Additional 2025 Year-End Deadlines:

Plan Establishment Through Ascensus - For users of the pre-approved plan document service, plan establishment paperwork for the current calendar year must be submitted by December 5, 2025.

IRA Distribution - To process requests by December 31, we must receive completed and in good order request forms by December 5, 2025. Any requests received after will be processed on a best-efforts basis. *Note: Retirement account distributions taken through the LPL Premier Check Writing program are reported for the tax year in which the check is cashed (not the year that check is written).*

In-Kind Distributions of Equities - To withdraw equity positions from a retirement account to be held in direct registration at the transfer agent in an individual name, a distribution request form is required. *Note: The timeframe can range from 2- 6 weeks to re-register securities to an individual name. Have completed request submitted by October 31, 2025.*

Disposition Request for a Worthless Security Position (receipt of deposit) - To request a receipt of deposit for a security that no longer has a transfer agent, a Disposition Request form must be submitted by December 12, 2025.

Backup Withholding due to missing New Account Application/W9 - Submit either an IRS Form W-8/W-9 or an account application by December 31, to satisfy your IRS W-8/W-9 certification requirement and avoid backup withholding on payments. *Note: In 2026, LPL will be unable to reverse backup withholding on transactions that occurred in 2025.*

Trade Settlement and Adjustments - To be reported in 2025 tax forms, trades must trade by December 31, 2025.

Courtesy 1099 - Submit courtesy requests by December 31 for non-reportable accounts that have not been set up yet. Please contact your financial professional if you have any questions.

Qualified Plan Establishment - New 401(k)/profit sharing plan documents must be adopted by December 31 to be effective for the 2025 plan year.

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