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Be Prepared for Tax Season

Tax season has a way of sneaking up on people. One minute it's January and everyone is easing into the year, and the next minute your inbox is full of tax forms, "important documents," and well-meaning reminders to file early. Every year, I see smart people feel rushed, confused, or worried they're missing something. Most of the time, they're not. The next few months are less about urgency and more about sequencing. Knowing what shows up when, what can wait, and what actually deserves your attention makes this whole process far calmer than it's made out to be.

When to Expect Documents

The first thing to understand is the natural rhythm of tax documents. January is usually when retirement account paperwork arrives. If you took distributions from an IRA, Roth IRA, or other retirement account last year, you should expect a 1099-R sometime in January. These are generally clean and rarely change later, so they're usually safe to log, upload, and move on. Social Security statements also tend to arrive around this time, along with any pension-related forms. For people whose income is mostly W-2s, Social Security, and retirement distributions, things often feel straightforward early in the season.

Brokerage accounts are where patience really pays off. If you have a taxable brokerage account, especially one that holds mutual funds or ETFs, your consolidated 1099 typically shows up later and often in stages. It might arrive in February, then get revised in

early March, and occasionally corrected again later in the month. This happens because funds finalize capital gains, reclassify income, or adjust distributions after the calendar year ends. It's not a red flag. It's just how the system works.

That leads to one of the most important pieces of advice I give every year. If you have a brokerage account, don't rush to file your tax return. Filing early might feel productive, but it often creates more work. The most common tax headache I see is an amended return that could have been avoided simply by waiting. The better approach is to gather documents as they arrive, send everything to your CPA or upload it into TurboTax, and plan to file in late March. There's no advantage to being early, and plenty of downside if a corrected 1099 shows up after you've already filed.

Notating Charitable Contributions

One important note for retirees who used charitable strategies last year. If you made charitable gifts directly from your IRA using a qualified charitable distribution, you will still receive a 1099-R for the full amount distributed from the account. That's expected. The key is making sure the portion that went to charity is properly reflected on your tax return. The IRS doesn't automatically know that part of the distribution went to charity, so it must be notated correctly on your 1040, whether you're filing through software or working with a CPA. Done properly, the income is excluded from taxable income, which is the whole benefit of the strategy. Done

incorrectly, it can look like you took a fully taxable distribution. This is a small detail that matters a lot.

Important Contribution Deadlines

While we're waiting on documents, there are a few deadlines worth keeping in mind. One of the most important is the April tax deadline for prior-year IRA and Roth IRA contributions. You can still make contributions for the prior tax year up until that date, which gives some flexibility if you didn't max things out during the year. For 2025 contribution limits, the maximum is \$7,000 if you're under age 50 and \$8,000 if you're age 50 or older, thanks to the catch-up provision. That limit applies across traditional and Roth IRAs combined, not separately. Which account type makes sense depends on income, tax brackets, and longterm planning goals, so this is an area where coordination matters more than simply filling the bucket.

Another planning opportunity that deserves more attention is the new super catch-up for 401(k) plans. If you're between ages 60 and 63, the allowable catch-up contribution is higher than the standard over-50 catch-up. This creates a short window where retirement savings can be accelerated meaningfully just before retirement. Not every employer plan has implemented this smoothly yet, so it's worth double-checking payroll elections and plan limits if you're in that age range. This is one of those rules that quietly benefits people who know it exists.

Making Yearly Adjustments

Early in the year is also a good time to reflect on what last year's tax return revealed. If you owed more than expected, or received a surprisingly large refund, that's useful information. Adjusting withholding or estimated tax payments now can prevent the same surprise next year. This is also the right season to think ahead about charitable giving, Roth conversion strategies, and income timing. None of these require immediate action in January or February, but having a plan early creates flexibility later.

Once tax season ends, my favorite part of the process begins. In May, after returns are filed and everyone has come up for air, I like reviewing tax returns together. This isn't about rehashing paperwork. It's about understanding what actually drove the tax outcome and identifying opportunities going forward. A tax return is one of the best planning tools we have when we use it as feedback rather than a formality.

The big takeaway over the next few months is simple. Let the process unfold. Expect documents in waves. Don't rush to file if you have brokerage accounts. Pay attention to contribution deadlines and special catch-up rules. And when in doubt, ask before acting. Taxes reward patience far more than speed. If something feels unclear or stressful, that's usually a sign it deserves a conversation, not a reaction.

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