

2025 YEAR-END PERSONAL FINANCIAL CHECKLIST



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Personal

- ☐ Check the sufficiency of your emergency fund: Do you have funds set aside to cover at least 3 to 6 months of expenses? When thinking about emergency funds remember to consider investments in short-term bonds which are easily accessible in the event of an emergency.
- ☐ Check your Credit Report: You are entitled to a free credit report annually, which can be accessed at www.annualcreditreport.com. This is the federally authorized site to access your credit report from all 3 credit bureaus. BEWARE: if you are just using an internet search for “credit reports” that you do not end up at a 3rd party site which will require you to pay for the report. If you want to see your credit report more than once per year, then your credit cards or bank is a good place to look. Periodic access to your credit report has become a perk offered through many major credit cards and bank accounts, so check if you have a card or account which offers this feature.
- ☐ Online Account Passwords: Many of your online accounts will prompt you to update your passwords periodically. We recommend frequently updating your passwords and security questions for online accounts that carry any of your personal data. It is important for you not to use the same password for multiple accounts. For even better security, consider using password management software.
- ☐ Flexible Spending Account: Be sure you have used, or have plans to use, the remaining balance in your FSA account on qualified medical expenses before year-end, as funds in an FSA account do not carry over to the next year. (this is different than a Health Savings Account or HSA, the funds in an HSA do not need to be used at the end of the year, details about HSAs are below)
- ☐ Communicate to your advisor any relevant life changes that have occurred over the past year. These include birth of child or grandchild, job promotion, or change in your expected retirement age. These changes might impact your financial plan. Additionally, major expenses should be communicated, for example starting or purchasing a business, purchasing a second home, etc.

Investments & Financial Planning

- ☐ Tax loss harvesting: This is something that we focus on throughout the year for our clients' managed accounts. If you have unmanaged accounts review the positions for unrealized losses. If you find any unrealized losses remember that taking the loss will reduce your tax bill next April.
 - If you sell a security at a loss the “wash sale” rule prevents you from re-purchasing the identical security for 30 days if you want to take the loss. But, you can immediately replace the security with a similar (but not identical) security or you can re-purchase the same security you sold after the 30-day wash sale period has elapsed.
- ☐ Review your portfolio allocation: Over the past year has anything significantly changed in your life that might impact your portfolio allocation? For instance, if you have adjusted your retirement date and decided to retire sooner than originally planned, you might want to adjust the risk tolerance in your portfolio to reflect the shorter period of time before retirement. If the answer is yes to any of these, then setting a review meeting with us should be a priority.
- ☐ Charitable Giving: Have you completed your charitable giving for the year? Discuss with your advisor if you can lower your tax bill with additional giving.
 - Instead of taking money from your IRA and other retirement accounts and then gifting money to charity, you can direct that the funds go directly to your favourite charities from your retirement account. This can potentially lower your Adjusted Gross Income which can 1) maximize your charitable income tax savings and, 2) can reduce your Medicare premiums since those premiums are based upon Modified Adjusted Gross Income.
- ☐ Retirement Contributions (see limitations in the chart following the year-end planning tips):
 - Maximize retirement contributions:
 - Check how much you have contributed to your individual retirement accounts; if they are not maxed out develop a plan to do so before April 15th of next year.
 - If you are contributing to a 401(k) plan, did you contribute the maximum amount allowable? If not, consider increasing your contribution in January. If your employer provides a match, did you contribute enough to take full advantage of that match? If not, don't miss out on this “free money” and make sure you contribute at least the amount necessary to get the full employer-matching contribution.
 - Older than 72 years old:
 - Here is a guide for determining what year you should start taking your required minimum distribution (RMD):



Birth Year	Age Required Minimum Distributions Start
1950 or earlier	72
1951 - 1959	73
1960 or later	75

- If you are already taking distributions is the amount you are withdrawing more than the required minimum distribution? Remember, the more you leave in your IRA the longer you benefit from the tax-deferred growth and income inside the IRA.
 - Are your children and grandchildren maximizing their retirement contributions? If not, ask your advisor how you can help them accomplish this goal.
- ☐ Health Savings Account – HSA: If you are eligible to contribute to an HSA (you must be participating in a high deductible insurance plan), make sure you contribute the maximum allowable to your HSA (see limitations in the chart following the year-end planning tips).
- ☐ 529 Plan Contributions: December 31st is the deadline to contribute and if available qualify for a state tax deduction for most 529 plans. (A few exceptions are GA, IN, MI, OK, SC, WI, and IA)
- Limits to avoid triggering the federal gift tax are \$19,000 for single filers and \$38,000 if married filing jointly. If you would like to contribute more in a single year, you can “superfund” the account by contributing up to 5 years’ worth of contributions (\$95,000 per contributor for 2025) at once without it counting against your lifetime gift tax exemption.

Estate Planning

- ☐ Do you have a written Will? If so, have you changed your state of residence since the Will was drafted? (IF YOU HAVE YOUNG CHILDREN YOU NEED TO HAVE A WILL)
- ☐ Have you considered the use of a revocable living trust? Doing so will avoid the delays and costs of a probate estate and will maintain the privacy of your financial affairs.
- ☐ Have you considered the use of an irrevocable trust to remove life insurance proceeds from your estate? Alternatively, consider having the policies on your life owned by someone else (e.g., your spouse) – this is another way to remove the insurance from your estate.
- ☐ Review how all of your assets are titled. If you have a trust, it is likely that most assets should be titled in the name of the trust. Do you have a “transfer on death” or “pay on death” provision for an account? If so, this designation will take precedence over your Will or Trust so make sure that is what you want to happen.



- ☐ Check your beneficiary designation on retirement plan accounts (401(k) plans, IRAs) and on life insurance policies. We often forget to review old designations, and these also take precedence over your Will or Trust so it is important to periodically check the beneficiaries.
- ☐ Create a balance sheet and a record of all accounts, passwords, retirement savings, life insurance policies, and other financial information and review with your spouse, child, or executor regularly.

This checklist is by no means meant to replace meeting with an advisor. As advisors we are here to walk you through these planning areas and others that might apply to your situation. Please do not hesitate to reach out to anyone at Droms Strauss to help.

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Helpful Year-end Numbers

2025 Contribution Limits		
Individual Retirement Accounts	Individual IRA (Roth, Traditional)	\$7,000
	<i>Catch-Up Contribution (Older than 50yrs)</i>	\$1,000
Qualified Plans	Deferral Limit for Plans (401(k) / 403(b) / 457)	\$23,500
	<i>Catch-Up Contribution (Older than 50yrs)</i>	\$7,500
	<i>Maximum Annual Addition for Defined Contribution Plan</i>	\$70,000
	SIMPLE	\$16,500
	<i>Catch-Up Contribution (Older than 50yrs)</i>	\$3,500
	SEP IRA	\$70,000
2025 Federal Estate Tax & Gift Tax		
	Aggregate Federal Estate and Gift Tax Exemption	\$13,990,000
	Top Marginal Federal Estate Tax Rate	40%
	Annual Gift Exemption (per donor)	\$19,000
2025 Health Account Contribution Limits		
	Health Care FSA (pre-tax)	\$3,300
	Health Savings account (Individual / Family Coverage)	\$4,300 / \$8,550
	<i>Catch-Up Contribution (Older than 50yrs)</i>	\$1,000

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