

2026 Retirement Plan Limits, Laws, and Tax Prep Strategies





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Today's Agenda

- ❖ Reviewing Important Dates and Deadlines for Your SDIRA
- ❖ Analyzing New Limits and Laws
- ❖ SDIRA Tax Preparation Best Practices





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Jacob Marchini



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Important IRA Dates & Deadlines in 2026



February 2

(since January 31 is a Saturday)

- Fair Market Valuation (FMV) Statement
- Required Minimum Distribution (RMD) Statement
- IRS Form 1099-R



Fair Market Value

- Reports the December 31 balance of an individual's IRA.
- Used for RMD calculation.
- Amount may come from the IRA holder with supporting documentation.
 - Custodians may use alternatives besides an appraisal
 - Some values may be difficult to acquire promptly
 - Partnerships
 - LLCs



Required Minimum Distribution Notice

- Provided to IRA holders who have an RMD due for the year.
 - Required for traditional IRAs, SEP IRAs, SIMPLE IRAs, and Individual 401(k) plans.
- Failure to take the full RMD will incur a 25% penalty on the portion failed to be distributed.
- Your RMD is due by December 31, but the your first RMD can be extended to April 1 of the following year.





March 16 *(since March 15 is a Sunday)*

- Tax deadline for S-corporations and Partnerships (see IRS Publications 4951 & 541).
- SEP and Individual 401(k) Plan establishment and contribution deadline for S-corps and partnerships (see IRS Publication 560).

April 1

Deadline for Traditional IRA, SEP, SIMPLE, and Individual 401(k) Plan participants, who turned 73 in 2025 and delayed the distribution of their first RMD, to take their first RMD.



April 15 AKA Tax Day

This is your deadline to:

- ❖ Submit your individual tax return (Form 1040).
- ❖ Make an IRA contribution (not including extensions).
- ❖ Establish and contribute to SEP or Individual 401(k) Plans for sole proprietors or C-corporations (see Publication 560).
- ❖ Recharacterize a current year contribution, as well as execute a corrective distribution of an ineligible IRA contribution.





April 30

Deadline for IRA custodians and trustees to mail IRS Form 5498-ESA to ESA holders.

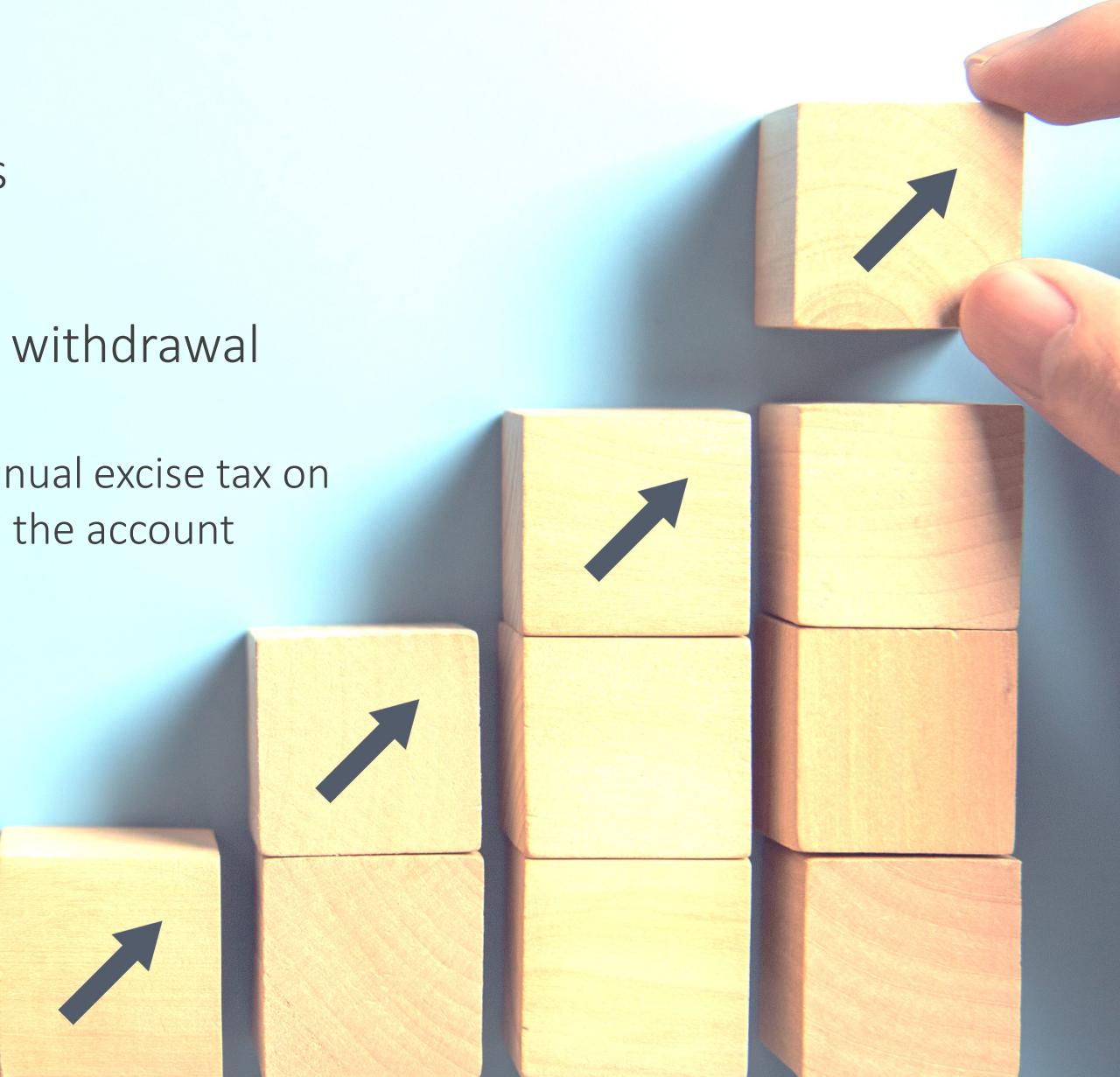
June 1 *(since May 31 is a Sunday)*

- IRS Forms 5498 and 5498-SA must be mailed to IRA holders by June 1.
- While IRS Form 5498-SA covers HSA plans, the 5498 reports IRA contributions, rollovers, Roth IRA conversions, and required minimum distributions (RMDs) to the IRS.



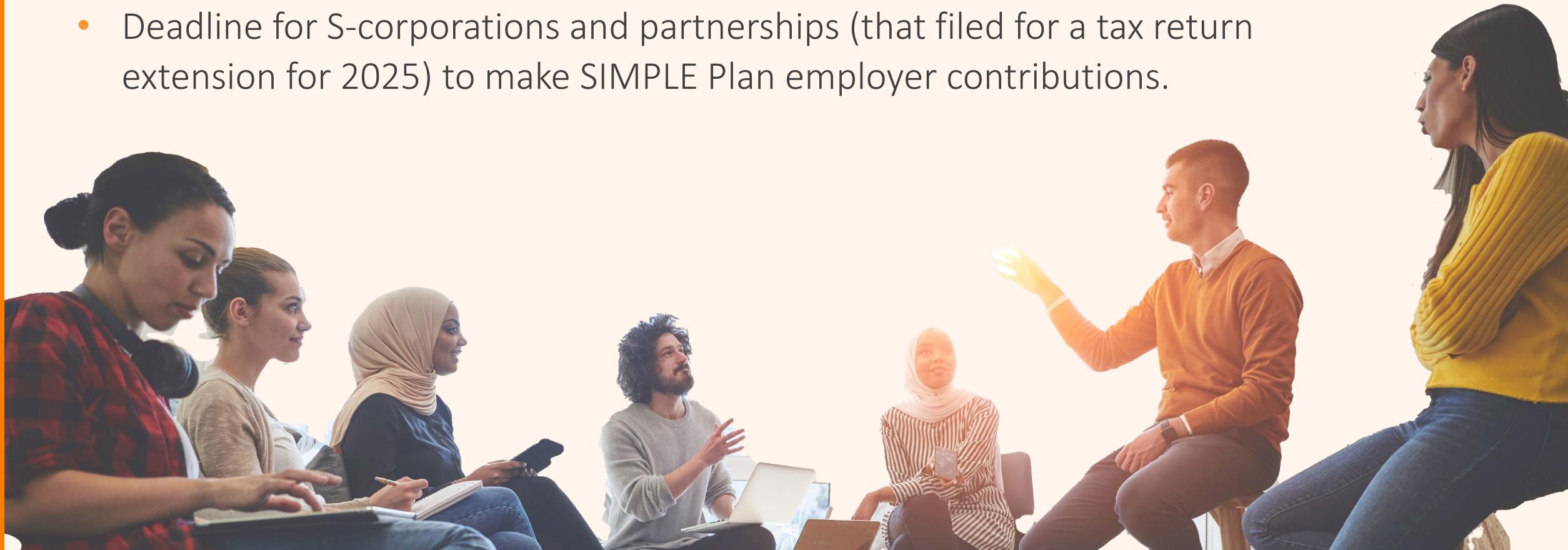
June 1 *(since May 31 is a Sunday)*

- Deadline for ESA holders to remove excess ESA contributions and earnings for 2025.
- To remove excess contributions, request a withdrawal by contacting your financial institution.
 - If not corrected, you incur a continuous 6% annual excise tax on the excess amount for every year it remains in the account



September 15

- Deadline for S-corporations and partnerships (that filed for a tax return extension for 2025) to make contributions.
- The same deadline applies to employers (that filed for a tax return extension) establishing SEP and Individual 401(k) Plans for tax year 2025.
- Deadline for S-corporations and partnerships (that filed for a tax return extension for 2025) to make SIMPLE Plan employer contributions.



October 1

- Deadline for existing businesses to establish a new SIMPLE Plan for tax year 2025.
- Deadline for C-corporations and sole proprietors (who filed for an extension) to make SIMPLE Plan employer contributions for tax year 2025.



October *Continued*

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- Deadline for C-corporations and sole proprietors (who filed for a tax extension) to establish and contribute to SEP and Individual 401(k) Plans for tax year 2025.
- Taxpayers who filed a tax extension, or filed their taxes timely, must remove or recharacterize a 2025 contribution by this date.



November Deadlines

2 (since November 1 is a Sunday)

- 60 days before the following plan year, businesses must provide notices to their employees about the type of contribution they will be making for tax year 2027.
- Owners that have SIMPLE IRA plans must send out the documents required to satisfy the Plan requirements.

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- IRA custodians and trustees must send Fair Market Valuation notifications to all clients by the end of the 2nd week in November to update their asset's FMV (except publicly-traded assets with openly available market prices).





December 31

- Traditional IRA, SEP, SIMPLE and Individual 401(k) Plan participants (who are older than 73) must distribute their RMD by this date.
- Separate accounts/inherited IRAs must be established by this date for each beneficiary of IRA holders who died in 2025.

New Limits and Laws in 2026





Traditional IRA Modified Adjusted Gross Income (MAGI) Limits

Participant Status	2025	2026
Single individuals	\$79,00 – \$89,000	\$81,00 – \$91,000
Married, filing a joint tax return	\$126,000 – \$146,000	\$129,000 – \$149,000
Married, filing separate tax returns	\$0 – \$10,000	\$0 – \$10,000
Spouse of an active participant	\$236,000 – \$246,000	\$242,000 – \$252,000

Roth IRA MAGI Limits

Participant Status	2025	2026
Single individuals	\$150,000 – \$165,000	\$153,000 – \$168,000
Married, filing a joint tax return	\$236,000 – \$246,000	\$242,000 – \$252,000
Married, filing separate tax returns	\$0 – \$10,000	\$0 – \$10,000



Traditional & Roth IRA Contribution Limits

Contribution Categories	2025	2026
Up to age 50	\$7,000	\$7,500
Catch-up contributions age 50+	\$1,000	\$1,100
Total contribution if over the age 50+	\$8,000	\$8,600



Employer-Sponsored Plan Contribution Limits

SIMPLE IRA	2025	2026
Deferrals	\$16,500	\$17,000
Catch-up contributions age 50+	\$3,500	\$4,000
Total contribution if over the age 50+	\$20,000	\$21,000



Employer-Sponsored Plan Contribution Limits

SEP IRA	2025	2026
Less of 25% of compensation or:	\$70,000	\$72,000
Compensation min. to participate	\$750	\$800
Maximum compensation cap	\$350,000	\$360,000



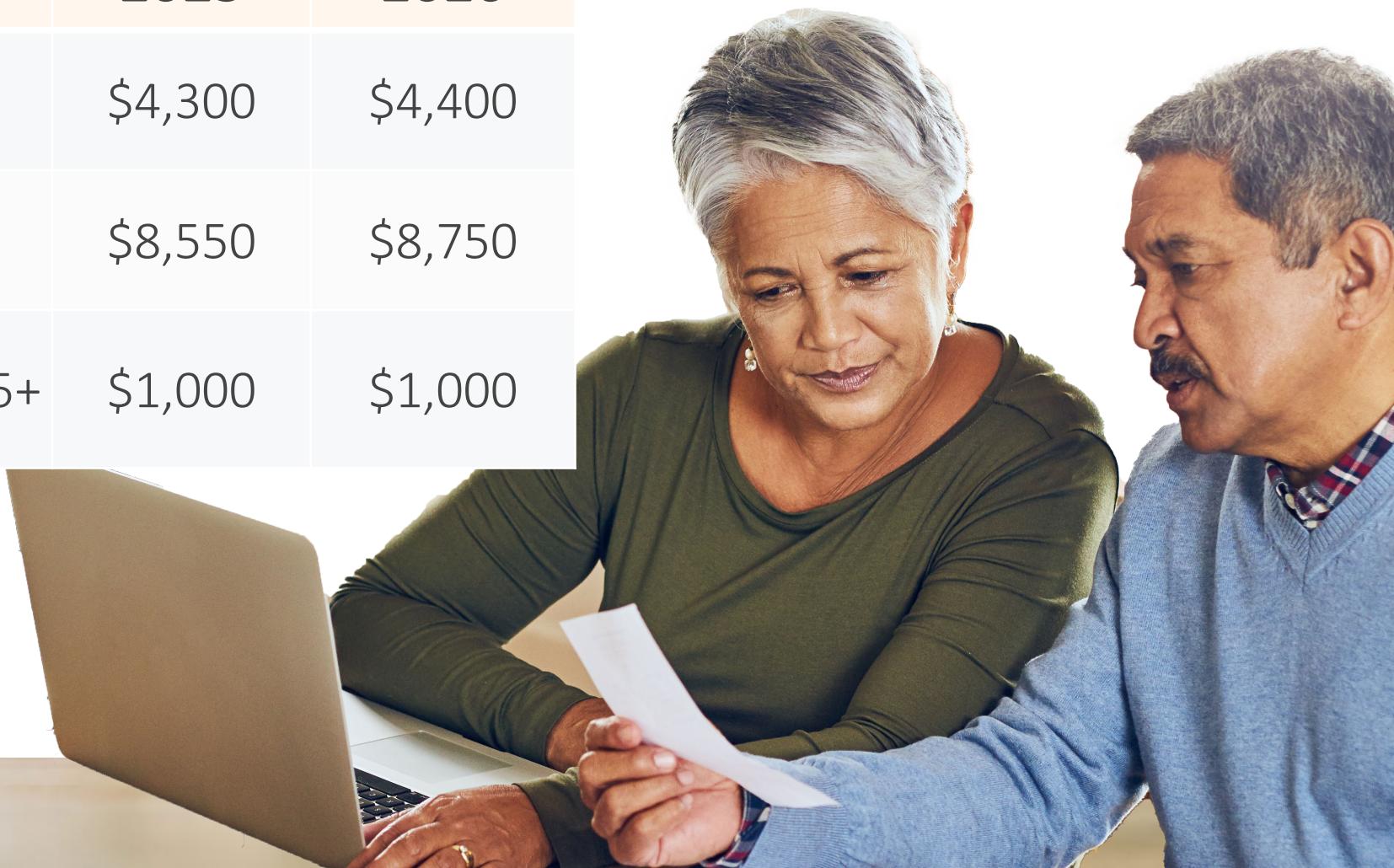


Employer-Sponsored Plan Contribution Limits

Individual 401(k)	2025	2026
Employer + employee contributions	\$70,000	\$72,000
Employee elective deferrals	\$23,500	\$24,500
Catch-up contributions age 50+	\$7,500	\$8,000

Health Savings Account Contribution Limits

HSA	2025	2026
Single Coverage	\$4,300	\$4,400
Family Coverage	\$8,550	\$8,750
Catch-up contributions age 55+	\$1,000	\$1,000



Education Savings Account Contribution Limits

ESA	2025	2026
Limits per year until child is 18	\$2,000	\$2,000





Recent Laws Changes to Be Aware of for 2026



Mandatory Roth Catch-Ups



SEP and SIMPLE Employer Contributions



Education Savings Accounts

Getting Ahead of 2026 Tax Season



Top IRA Tax Mistakes to Avoid

-  Dealing in Prohibited Transactions
-  Hasty Roth Conversions and Rollovers
-  Not Planning for UBIT



Understanding Rules and Consequences

Engaging in disqualified persons or prohibited transactions will disqualify your IRA.

So, the **ENTIRE** value is considered distributed on the first day of the tax year.



Hasty Roth Conversions and Rollovers

Many complete Roth conversions without considering the tax implications and best timeline to complete. Hasty planning or not planning at all can cost you big on tax day.

There are two ways to move money and assets between IRAs: Transfers and Rollovers

- Transfers - Pull Transactions. Unlimited.
- Rollover- Push transactions. Can be direct or indirect. In either case they are limited to one transaction per year among all your IRAs.
 - Generally best to move money via a transfer unless you must use a rollover for some reason



Not Planning for UBTI: Unrelated Business Taxable Income

How does it work?

Unrelated business taxable income (**UBTI**) is money earned by a tax-exempt entity (like your IRA) that's not related to its tax-exempt purpose.

The IRS defines UBTI as “income from a trade or business, regularly carried on, that is not substantially related to the charitable, educational, or other purpose that is the basis of the organization’s exemption.”

To verify if your investments are deemed UBTI, please consult your tax advisor.



A Few More IRA Tax Reminders

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Gift tax exclusions and qualified charitable donations

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College savings plans and spousal IRAs



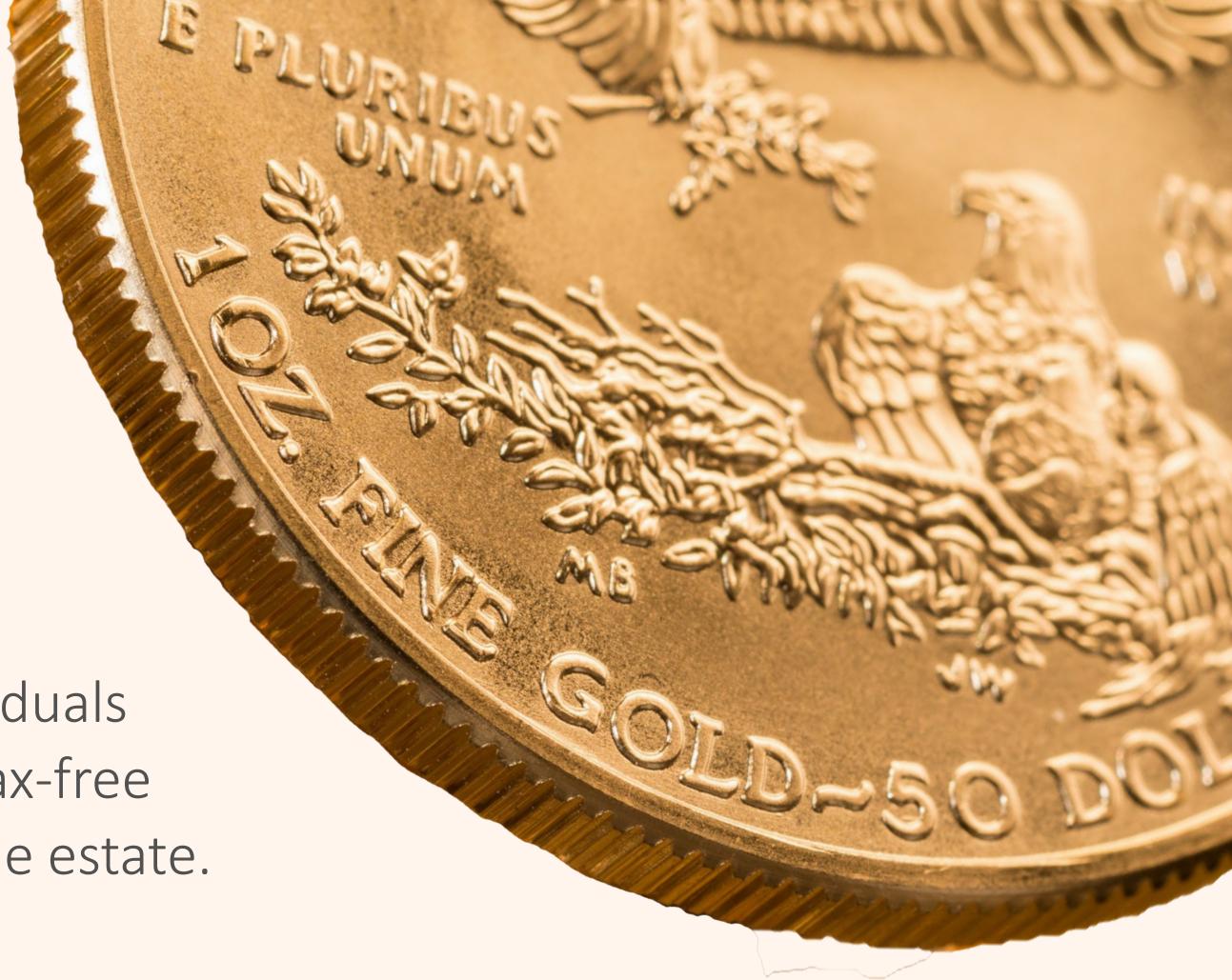
Gift Tax and Charitable Donations



You can gift up to \$19,000 for individuals and \$36,000 for married couples, tax-free for them while reducing your taxable estate.



Donations to qualified charities can provide valuable tax deductions, helping reduce your taxable income.





College Savings Plans and Spousal IRAs



College Savings Plans

Save on taxes while saving for your child's college education. If not utilized fully in the future, you can roll to a Roth IRA and continue investing.



Spousal IRAs

Many have a spouse that is ineligible from opening their own IRA (non-working or other disqualifier), but you can open a spousal IRA and contribute on their behalf.

Let's Wrap Up





What's Next?

Sending you replay & additional resources

Our follow-up email will include video replay, slides, and more education

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The Hierarchy of Protection: Mastering the Commercial Real Estate Capital Stack





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