THE locum CPA

2026 Year-End Tax Checklist

Before December 31, review these potential tax-saving moves with your adviser.

For W-2 employed physicians + 1099 locum / independent contractors



Stephen Lee
CPA, MST, CPWA®

Your Year-End Checklist

Work through each section that applies to you, then bring your answers to your tax adviser. Plan now, not after tax season starts.

W-2 PHYSICIANS

- [ ] **401(k)/403(b):** Check final-payroll deferrals, employer match, and catch-up eligibility.
- [ ] **Extra retirement plan?** Review a separate 457(b) option and its plan-specific rules.
- [ ] **Compensation:** Review bonus/PTO timing, CME reimbursements, and fringe benefits.
- [ ] **Withholding:** Update Form W-4 for moonlighting, bonuses, or spouse income.
- [ ] **Benefits:** Check FSA use/carryover and HSA eligibility before contributing.

1099 PHYSICIANS / LOCUM TENENS

- [ ] Project full-year taxes using 1099, W-2, spouse income, withholding, and estimates.
- [ ] Reconcile business accounts; document legitimate travel, mileage, CME, and supplies.
- [ ] Review equipment needs and substantiate business use. Avoid unnecessary purchases.
- [ ] Compare Solo 401(k), SEP IRA, SIMPLE, and cash-balance plans; confirm deadlines.
- [ ] **S corporations:** Review reasonable wages, payroll, and retirement contributions.
- [ ] Review PTE tax elections/payments, multistate filings, and estimated-tax exposure.
- [ ] Revisit entity choice and possible §199A/QBI deduction; eligibility is fact-specific.

ALL PHYSICIANS

- [ ] Review IRA/Roth contributions, MAGI limits, and traditional IRA deduction eligibility.
- [ ] Model Roth conversions; consider tax bracket, income limits, and estimated taxes.
- [ ] Consider tax-loss harvesting (wash-sale rules) and strategic charitable gifts.
- [ ] Review 529 funding and HSA eligibility, limits, and contribution deadlines.

2026 Quick Reference

Not all limits apply to every person.

401(k)/403(b) employee deferral **$24,500**	Age 50+ catch-up **$8,000**
Special age 60–63 catch-up **$11,250**	Overall defined-contribution limit **$72,000***
457(b) basic deferral **$24,500**	IRA (traditional + Roth combined) **$7,500**
IRA age 50+ catch-up **$1,100**	SEP IRA **Up to $72,000***
SIMPLE basic deferral **$17,000**	HSA **$4,400** self-only / **$8,750** family
Health FSA salary reduction **$3,400**	Permitted carryover** **Up to $680**

*Subject to compensation, plan formulas, and other rules. **Only if adopted by the plan.

DEADLINE REMINDER

December 31 is important for certain payroll, benefits, and tax-year actions, but not all contributions. IRA, HSA, and employer-plan deadlines may fall later. Confirm plan, state, and filing deadlines.

DISCLAIMER

Educational only. No individualized tax advice. Eligibility depends on age, compensation, MAGI, health coverage, plan terms, entity and state law.

Sources: IRS Notice 2025-67; Rev. Proc. 2025-19; related IRS retirement/benefits guidance.



ABOUT THE AUTHOR

Stephen Lee is an experienced Certified Public Accountant with a passion for helping service professionals strategically minimize their tax liabilities. With a bachelors in accountancy and masters in taxation from the University of Illinois Urbana-Champaign and over 19 years of industry experience, Stephen has a deep understanding of the US and multi state tax codes. Stephen is also a Certified Private Wealth Advisor® from Yale University's School of Management.

Apply for a Complimentary Discovery Call

THE locum CPA