FIDUCIENT Advisors A Wealthspire Company

2026 Financial Planning Guide

Your Finances. Your Future. Your Well-Being.

FIDUCIENT Advisors A Wealthspire Company

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Assessing Your Financial Wellness

Assessing Your Financial Wellness

The new year provides a great opportunity to assess areas which may require updates. As you navigate through this guide, please use the scorecard below to evaluate your overall "financial wellness."

	Up-to-Date *No Action Needed*	**Review** *Action May Be Needed*	**Revise** *Action Needed*	**N/A** *Not Applicable*
Tax Planning	○	○	○	○
Charitable Planning	○	○	○	○
Investment Planning	○	○	○	○
Retirement Planning	○	○	○	○
Executive Compensation Benefits	○	○	○	○
Social Security & Medicare	○	○	○	○
Estate Planning*	○	○	○	○
Beneficiary Designations*	○	○	○	○
Insurance Planning*	○	○	○	○
Cybersecurity & Fraud Protection	○	○	○	○

** Be sure to review upon major life events such as marriage, divorce, birth/adoption of a child, etc.*

Key Updates for 2026

Quick Takes for the New Year (2026)

The 2017 Tax Cuts Extended via OBBBA	Many of the personal tax provisions from the 2017 Tax Cuts and Jobs Act ("TCJA") had been scheduled to expire at the end of 2025, though such provisions were ultimately extended (after lengthy negotiations) by the One Big Beautiful Bill ("OBBB"), which was signed into law in July 2025. The legislation provides much needed clarity to taxpayers.
Additional Opportunities for Gifting	The federal estate tax exclusion and lifetime gift tax exemption increased dramatically from 2025 to 2026, from $13.99 million per person to $15 million per person.[1] Individuals who had previously exhausted their lifetime gifting exemption may now find capacity to remove additional assets from their taxable estate. The annual gift tax exclusion remains at $19,000 per donee (gift recipient) for 2026.[1]
"Super Catch-up" Contributions for 401(k) / 403(b) / 457	As a reminder, SECURE Act 2.0 included a new provision allowing older individuals (age 60-63) to make a "super" catch-up contribution up to $11,250 to their 401(k)/403(b)/457 retirement plan. Individuals must be age 60-63 by the end of the calendar year; otherwise, the age-50+ catch-up limit is $8,000.[2]
"Rothification" of Catch-up Contributions For High Earners	As a result of SECURE Act 2.0, high earners (those who made more than $150,000 of FICA wages in 2025) who are age 50+ will be required to make catch-up contributions to their employer-sponsored plans to a Roth (after-tax) account. IRAs are not impacted by this new provision.[3]

[1] *Source: IRS – "IRS releases tax inflation adjustments for tax year 2026, including amendments from the One Big Beautiful Bill" (October 9, 2025)*
[2] *Source: Charles Schwab – "401k Catch-Up Contributions: 2025 and 2026" (December 5, 2025)*
[3] *Source: Franklin Templeton – "SECURE 2.0 update: Mandatory Roth catch-up contributions arrive in 2026" (December 10, 2025)*

Quick Takes for the New Year (2026)

Charitable Deduction Floor & Cap

Beginning in 2026, taxpayers who itemize charitable deductions can only claim a deduction for the portion of qualified contributions which exceeds 0.5% of adjusted gross income (AGI). In addition, the new tax legislation caps the tax benefit for itemized charitable gifts at 35% for individuals in the 37% federal income tax bracket; as a result, taxpayers in the highest federal bracket are now subject to a “capped” benefit for their charitable gifts.[1]

Notable Changes for the Alternative Minimum Tax (AMT)

The Tax Cuts and Jobs Act (TCJA) made favorable changes to the Alternative Minimum Tax (AMT), which reduced the number of taxpayers subject to AMT from 5 million in 2017 to only 200,000 in 2018. One Big Beautiful Bill (OBBB) lowers the AMT phaseout income threshold ($1mm for joint filers; $500k for other taxpayers) and accelerates the rate at which the AMT exemption phases out (50 cents per dollar over the threshold, from 25 cents previously). As a result of the OBBB changes, more taxpayers are likely to be subject to AMT as of 2026.[2]

$40,000 Deduction for State and Local Tax (with a caveat)

OBBB increased the state-and-local-tax (‘SALT’) deduction limit from $10,000 to $40,000 as of 2025. However, the deduction decreases when Modified Adjusted Gross Income (MAGI) exceeds $500,000, with the deduction dropping to $10,000 for taxpayers with MAGI greater than $600,000. The SALT cap is scheduled to revert to $10,000 in 2030.[3]

New Deduction for Seniors (2025-2028)

OBBB created an additional deduction for seniors who are at least age 65. The $6,000 deduction is available to itemizers and non-itemizers (and would double to $12,000 for a married couple, provided that each individual is age 65+). However, income limits apply for this deduction, as the deduction phases out for single taxpayers with Modified Adjusted Gross Income (MAGI) between $75k-175k and for married taxpayers with MAGI between $150k-250k.[4]

[1] *Source: Fidelity – “3 Big Changes to Charitable Giving” (October 17, 2025)*
[2] *Source: KLR – “AMT Changes Under the Big Beautiful Bill Act: What to Expect in 2026” (August 25, 2025)*
[3] *Source: CNBC – “Trump raised the SALT deduction limit to $40,000 for 2025 — here’s how to maximize it” (September 5, 2025)*
[4] *Source: Morningstar – “3 Big Changes for Retirement Planning in 2026” (December 8, 2025, by Christine Benz)*

SECTION 1

Tax Planning

2026 Federal Tax Provisions

Federal Income Tax Brackets [1]

Marginal Tax Rate	Single Filers	Married Filing Jointly	Head of Household	Trusts and Estates
10%	0 – 12,400	0 – 24,800	0 – 17,700	0 – 3,300
12%	12,400 – 50,400	24,801 – 100,800	17,701 – 67,450	
22%	50,401 – 105,700	100,801 – 211,400	67,451 – 105,700	
24%	105,701 – 201,775	211,401 – 403,550	105,701 – 201,750	3,301 – 11,700
32%	201,776 – 256,225	403,551 – 512,450	201,751 – 256,200	
35%	256,226 – 640,600	512,451 – 768,700	256,201 – 640,600	11,701 – 16,000
37%	640,601+	768,701+	640,601+	16,001+

Alternative Minimum Tax (AMT) [2]

	AMT Exemption	AMT Exemption Phaseout
Single and Head of Household	90,100	500,000
Married Filing Jointly	140,200	1,000,000

The AMT exemption is reduced by $0.50 for each dollar that a taxpayer's Alternative Minimum Taxable Income (AMTI) exceeds the phase-out threshold.

Long-Term Capital Gains Tax Rates [2]

Taxable Income:

Rate		Taxable Income	Filing Status
0%	<	49,450	Single
		66,200	Head of Household
		98,900	Married Filing Jointly
		3,300	Trusts & Estates
15%	*between*	49,450 – 545,500	Single
		66,200 – 579,600	Head of Household
		98,900 – 613,700	Married Filing Jointly
		3,300 – 16,250	Trusts & Estates
20%	>	545,500	Single
		579,600	Head of Household
		613,700	Married Filing Jointly
		16,250	Trusts & Estates

[1] *Source: Forbes – "IRS Announces 2026 Tax Brackets, Standard Deductions and Other Inflation Adjustments" (October 20, 2025)*
[2] *Source: Tax Foundation - "2026 Tax Brackets" (October 9, 2025)*

2026 Federal Tax Provisions

Standard Deduction vs. Itemized Deductions [1]

Taxpayers may take the greater of the standard deduction or total itemized deductions.

Standard Deduction

- $16,100 Single
- $24,150 Head of Household
- $32,200 Married Filing Jointly

Itemized Deductions

- Medical expenses greater than 7.5% of adjusted gross income are deductible
- SALT Deduction (ranging from $10,000 - $40,000, depending on AGI) for *the sum of*: 1) property taxes *and* 2) *greater of* state and local income taxes *or* sales taxes
- Home mortgage interest on mortgages up to $750,000 (*Note: Mortgages before December 5, 2017, up to $ 1million grandfathered)*
- Charitable contributions (subject to AGI limits based on contributed property and charity)

[1] Source: Forbes – "IRS Announces 2026 Tax Brackets, Standard Deductions and Other Inflation Adjustments" (October 20, 2025)
[2] Source: IRS – "Find Out if Net Investment Income Tax Applies to You"

"Must Know" Healthcare Taxes [2]

Net Investment Income Tax (NIIT):

3.8%

On the *lesser of* net investment income *or* Modified AGI above threshold:
$ 200,000 for Single/Head of Household
$ 250,000 for Married Filing Jointly
$ 125,000 for Married Filing Separately

Note: These threshold amounts are not indexed for inflation.

Investment income includes, but is not limited to:

- Interest
- Dividends
- Capital Gains
- Rental/Royalty Income
- Taxable Portion of Non-Qualified Annuity Payments
- Business Income from Financial Trading
- Passive Activities

Medicare Surtax:

0.9%

On *earned* income above:
$ 200,000 for Single
$ 250,000 for Married Filing Jointly
$ 125,000 for Married Filing Separately

Note: These threshold amounts are not indexed for inflation.

Monitor and Manage Your Taxable Income

Planning Tip
Consider how your current tax picture compares to prior years, as year-over-year variability may provide valuable planning opportunities.

Higher-than-Normal Taxable Income

- Accelerate itemized deductions (in particular, charitable deductions)
- Defer certain income items (e.g., bonus payout, sale of a business, stock option exercises)
- Manage realized capital gains; harvest tax losses, where available
- Maximize contributions to retirement accounts

Lower-than-Normal Taxable Income

- Defer itemized deductions (in particular, charitable deductions)
- Accelerate certain income items (e.g., bonus payout, sale of a business, stock option exercises, etc.)
- Realize capital gains, up to a certain threshold
- Consider a Roth conversion

“Charitable Bunching”
Taxpayers who are charitably inclined and who have higher-than-normal income in a given year might consider bunching multiple years’ worth of charitable gifts into a single tax year to produce a higher itemized deduction total. Pairing this planning strategy with a donor-advised fund or a private foundation can be particularly effective.

Optimize Your Portfolio for Tax-Efficiency

Planning Tip

- The taxation of portfolio income varies by asset class. Taxable bond and REIT income is taxed unfavorably at ordinary income rates, while equity dividends are typically taxed favorably at lower qualified dividend rates.
- An investor who has a combination of taxable and tax-deferred investment accounts can optimize a portfolio's allocation to help minimize tax drag, thereby enhancing long-term after-tax returns.

More Tax-Efficient	**Municipal Bonds**	Income is federally tax-exempt and may be state tax-exempt
	Equities, Low-Turnover	Qualified dividends with limited capital gains
	Equities, High-Turnover	Qualified dividends but may produce higher capital gains
	REITs	Non-qualified dividends with capital gains
	Taxable Bonds, Low Yields *(TIPS, Global Bonds, Core US Bonds)*	Lower yields but taxed as ordinary income
Less Tax-Efficient	**Taxable Bonds, High Yields** *(High Yield & Dynamic Bonds)*	Higher yields and taxed as ordinary income

Asset classes/investments such as broad real assets, hedge funds, etc. may be harder to quantify for tax efficiency.

The Importance of Asset Location

Thoughtfully allocating your portfolio can help enhance after-tax returns.

Allocate higher-growth strategies to Roth retirement accounts (if available)

- Allocate primarily to global equities and other high-growth strategies
- Additional consideration should be given to actively managed, higher-turnover equity strategies

Allocate tax-inefficient asset classes to Traditional retirement accounts (Traditional IRA / 401(k) / 403(b))

- Focus on asset classes which produce income taxed as ordinary income
- Tier 1: High Yield Bonds, Dynamic Bonds
- Tier 2: U.S. Core (Taxable) Bonds, REITs
- Tier 3: Global Bonds, TIPS

"Round out" the portfolio allocation

- Determine whether to allocate to tax-exempt (municipal) bonds based on federal tax bracket
- Allocate to global equities which produce income typically taxed at favorable qualified dividend rates
- Additional consideration may be given to lower-turnover strategies

Concentrated Stock / Low-Basis Investments

Investors with significant wealth tied up in a low-basis investment often have to grapple with what options to diversify might be available, given potential tax considerations.

Hold	Continuing to hold the position at its current weight will avoid triggering capital gains taxes (if otherwise sold), though it leaves the investor's portfolio exposed to greater volatility.
Sell	Selling reduces single-stock risk but may result in significant capital gains taxes. The investor may choose to sell portions over time to gradually reduce exposure.
Gift	Gifting the position to charity reduces single-stock risk, but the investor must ultimately be charitably inclined. Investor may choose between gifting directly to charity, to a donor-advised fund, and/or to a private foundation.
Hedge	Hedging could entail an option-based overlay around the position (such as a collar strategy) to protect the position's value; hedging generally entails additional costs for the manager implementing and managing the strategy.
Optimize	Optimizing around the stock may involve a tax-loss harvesting strategy to track broader market exposure while generating tax losses to be applied against future sales (e.g., '130/30' strategy, 351 exchange); also entails additional costs.

Questions to Ask a Fiducient Advisor

Are my itemized deductions providing significant tax savings?

A thorough analysis of a tax return should include an evaluation of itemized deductions (if applicable).

For example, charitably inclined individuals who itemize deductions might benefit from a "bunching" strategy – giving a higher proportion of charitables in a single tax year to produce a sizable itemized deduction, while opting for the standard deduction in subsequent years. This strategy can be effective when paired with a donor-advised fund or private foundation.

Is my portfolio allocated for tax-efficiency?

An individual with assets spread among taxable and tax-deferred investment accounts has the ability to optimize the portfolio allocation to help minimize tax drag.

Investments may produce qualified dividends, non-qualified dividends, and/or capital gains. Careful consideration should be given as to which investments are held among certain investment accounts.

How might my tax picture change after retirement?

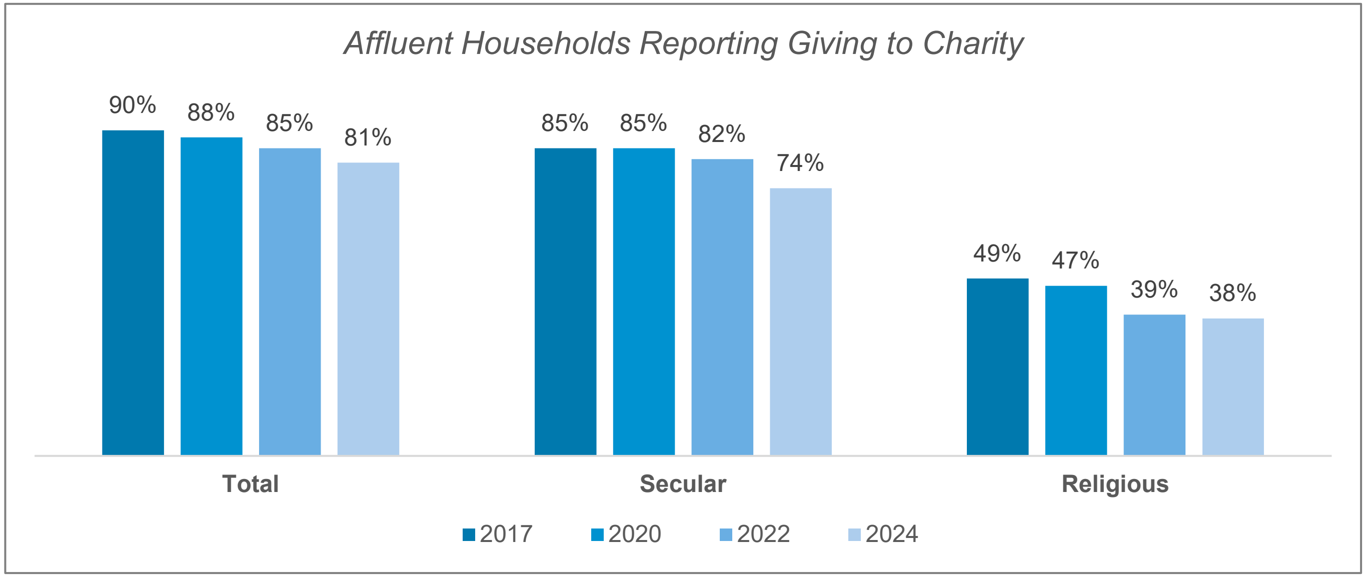
In the years leading up to retirement, a tax advisor should be consulted for comparison of pre- and post-retirement income, in anticipation of any notable changes.

Individuals who may find themselves in a much lower income tax bracket after retirement might consider accelerating charitable gifts while still actively employed, as doing so would allow the charitable gifts to provide a greater tax savings.

Charitable Planning

Trends in Philanthropy

Charitable Giving Remains Strong, but Evolving



Generous giving continues
In 2024, 81% of affluent households donated to charity, giving an average of $33,219 — over 10 times the general population's level.

Volunteering rebounds
After a pandemic dip, 43% of affluent individuals volunteered in 2024, contributing an average of 120 hours across two organizations.

Volunteers give more
Those who volunteer donate two and a half times more than non-volunteers, reinforcing the strong link between giving and service.

Shifting participation trends
While overall generosity remains high, the share of affluent households giving has declined from 91% in 2015, reflecting broader philanthropic shifts.

Source: The 2025 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households," Lilly Family School of Philanthropy, data as of September 30, 2025.

Charitable Giving Trends

Mission-Giving Trends

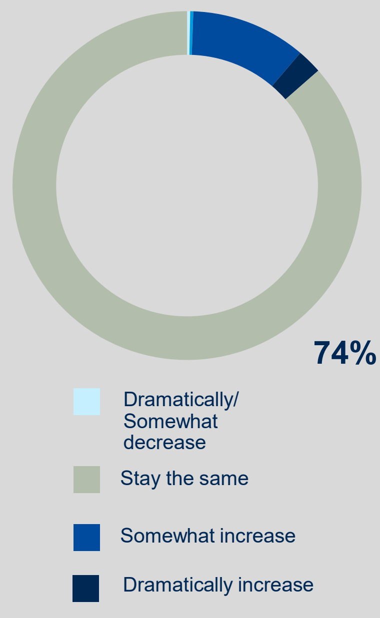
Volunteering Amplifies Giving
- 43% of affluent individuals volunteered in 2024, a notable increase from 6% of households in 2022, with higher rates among Black/African Americans (52%) and women (47%).

Focus on Impact Beyond Giving
- Participation in impact investing dipped to 7% in 2024 from 9% in 2022, with 70% viewing it as additive to charitable giving; meanwhile, 79% practice conscious consumerism, often (28% for investing) targeting climate change. Demographic groups like younger individuals and minorities are more likely to focus these efforts on climate issues.

Mission-Driven Motivations
- A majority (58%) of affluent donors are motivated by belief in an organization's mission, while 40% give when they believe their gift can make a difference.

Knowledge Shapes Philanthropy
- Half (50%) of affluent donors self-identify as novices in charitable giving, 46% as knowledgeable and 4% as experts, with experts far more likely to monitor impact (62%) and use giving vehicles (63%). On average, novices gave $4,466, knowledgeable donors $12,070 and experts $28,350, excluding ultra-affluent households.

Survey on Impact of Affluent Giving if Estate Tax Disappears



Strategic Trends

Substantial Donation Amounts
- Affluent donors contributed an average of $33,219 to charity in 2024, more than 11 times the general population's average of $3,116 from 2020. This underscores their outsized impact on nonprofit funding and the potential for strategic financial planning to maximize contributions.

Tax Resilience in Giving
- 77% of affluent households would maintain their giving levels if income tax deductions were eliminated, and 74% if estate taxes were removed. This indicates motivations extend beyond fiscal incentives, though 68% would stay the same if a universal deduction was made permanent.

Strategic Use of Vehicles
- Only 18% of affluent giving comes from vehicles like donor-advised funds or foundations, but adoption rises with net worth—reaching 48% for households between $5mm and $20mm. This is often driven by tax and legacy considerations, with 24% overall having or planning at least one vehicle.

Evolving Lifespan and Perpetuity Decisions
- More foundations are opting to limit their lifespan (9% in 2015 to 13% in 2025) or periodically reevaluate their approach to perpetuity (20% to 26%), though those committed to operating indefinitely remain steady at about 30%.

Source: The 2025 Bank of America Study of Philanthropy: Charitable Giving by Affluent Households," Lilly Family School of Philanthropy, data as of September 30, 2025.

Charitable Giving Options

	Donor-Advised Funds[2]	Private Foundations	Charitable Lead & Remainder Trusts	Check, Cash or Credit
Organizations supported	IRS-qualified public charities	Many organizations and individuals, as long as the grant is made for a charitable purpose	IRS-qualified public charities and generally, private foundations	Public charities
Growth potential	☑	☑	☑	☒
Donations of non-cash items	☑	☑	☑	☒
Income tax deduction[1]	60% for cash 30% for appreciated assets[3]	30% for cash 20% for appreciated assets[4]	Depends on the type of charity supported by the trust and the type of trust	60% to qualifying charities
Tax on investment income	None	1.39% of net investment income	Depends on the nature of the trust	N/A
Option to support charities anonymously	☑	☒	☑	☒
Ability to name successors	☑	☑	☑	☒
Consider this when you want…	A turn-key giving solution with low costs and the potential to grow tax-free over time	To operate a charitable organization; potentially employ a staff; hire investment managers; actively manage grant-making; sponsor charitable events	A trust that can generate income for, and eventually pass on a remainder interest to, heirs and charities	To make one-off donations and manage your own donation receipts at tax time

Options are presented for illustrative purposes.
[1] Percentage of adjusted gross income (AGI).
[2] At a 501(c)(3) public charity.
[3] Appreciated assets held over a year are generally deductible at fair market value (this applies to both publicly and non-publicly traded assets).
[4] Appreciated, publicly traded assets held for over a year are generally deductible at fair market value, while non-publicly traded assets are generally deductible only at basis

Questions to Ask a Fiducient Advisor

Where should I start?

Before you begin your journey into philanthropy, it can be helpful to pause and reflect on the motivations and personal values you want your giving to represent.

One way to do this is by reviewing your previous volunteer work and donation experiences to uncover recurring values and themes.

This strategy can make your contributions more meaningful to you and often supports a lasting commitment to philanthropic efforts.

What type of assets should I consider gifting?

While writing a check or swiping a card may feel simplest, consider more strategic options.

Donating long-term appreciated securities from a taxable account—or making a Qualified Charitable Distribution (QCD) directly from your IRA—can allow you to give more to charity while potentially improving your tax outcome for you and your family.

Which charitable giving vehicle is right for me?

Direct gifts to charities are common, but a range of giving vehicles can help you better achieve your philanthropic goals.

While tax benefits matter, weigh them against the complexity and administrative effort each option requires.

Popular choices include donor-advised funds, charitable trusts, and private foundations. Investing time to choose the right strategy can make your charitable giving more effective and efficient.

SECTION 2

Retirement Planning

How Much Will You Need for Retirement?

Longevity

Age 83
Age 85

- Average life expectancy for age-65 biological males and females[1]
- How does your current health and family health history influence your expectations for longevity?

Healthcare Costs

$172,500

- Estimated total healthcare costs in retirement for an age-65 individual[2]
- Have you factored in additional savings for future healthcare costs? Have you thought about Medicare coverage options?

Savings

> 80%

- Monte Carlo simulation target probability of having enough money at age-65 to last 30+ years
- Have you reviewed a retirement simulation to gauge the sufficiency of your savings?

Income Needs

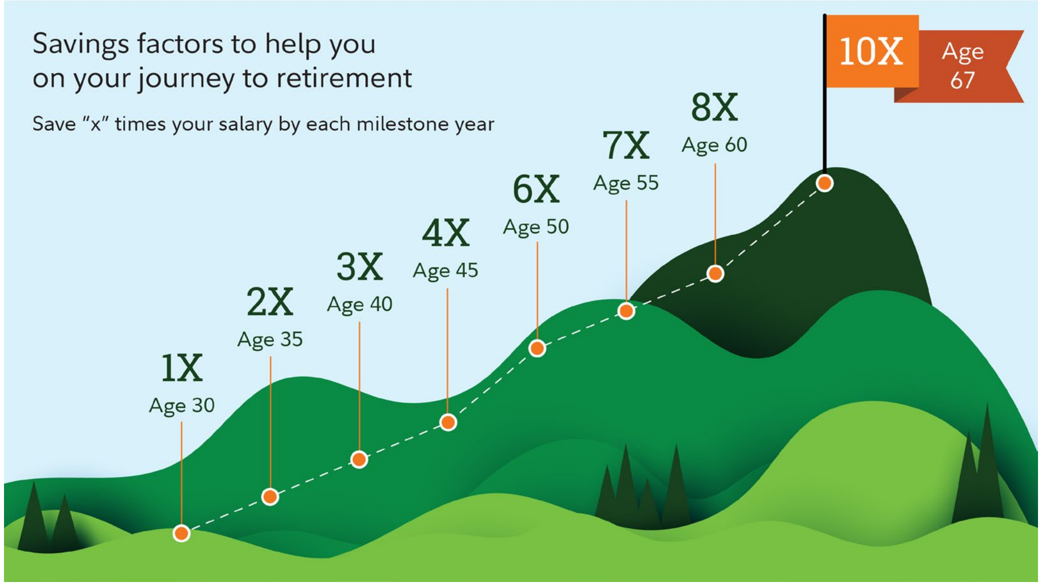
75% - 85%

- Recommended income replacement ratio for estimating future retirement expenses[3]
- Do you have a current budget? Do you have an estimate for what you might need in retirement?

[1] Source: NCHS Data Brief, No. 492 (March 2024)
[2] Source: Fidelity Investments – "2025 Retiree Health Care Cost Estimate" (July 2025)
[3] Source: T. Rowe Price – "How a Monte Carlo analysis could help improve your retirement plan" (August 2025)

Are You "On Track" for Retirement?

Retirement Savings Checkpoint



General Rules of Thumb:

- Savings Rate: Research suggests it's a good idea to try to save at least 15% of your income annually, including any employer contribution.
- Retirement Spending: A sustainable withdrawal rate is estimated to be no more than 4% to 5% yearly, with adjustments for inflation.
- What if you're behind? If you're under age 40, the simple answer is to save more and invest for growth through a diversified investment mix.

Avoid These Common Retirement Mistakes

- Saving too little and/or starting too late
- Retiring too early
- Assuming maximizing 401(k)/403(b) contributions will fully provide for future retirement income needs
- Underestimating lifestyle
- Underestimating longevity and future healthcare expenses
- Assuming too much risk to "catch up" for a savings shortfall
- Holding too large of an allocation to a few securities and/or company stock
- Filing for early (reduced) Social Security benefits despite expected longevity

[1] Source: Fidelity – "How much do I need to retire?" (February 2025). Fidelity assumed age-based asset allocations consistent with the equity glide path of a typical target date retirement fund, a 15% savings rate, a 1.5% constant real wage growth, a retirement age of 67 and a planning age through 93. The replacement annual income target is defined as 45% of pre-retirement annual income and assumes no pension income. This target is based on Consumer Expenditure Survey (BLS), Statistics of Income Tax Stat, IRS tax brackets and Social Security Benefit Calculators. Fidelity developed the salary multipliers through multiple market simulations based on historical market data, assuming poor market conditions to support a 90% confidence level of success.

Choosing a Prudent Spending Rate

The “4% Spending Rule” is a well-publicized general guide; however, an individual should ultimately tailor the withdrawal rate to time horizon, investment allocation and desired confidence level.

	Conservative	Moderately Conservative	Moderate	Moderately Aggressive
90% Confidence Level				
30 Years	4.1%	4.0%	3.8%	3.5%
25 Years	4.7%	4.5%	4.4%	4.0%
20 Years	5.6%	5.4%	5.3%	4.7%
15 Years	7.1%	6.9%	6.7%	6.1%
10 Years	10.3%	10.0%	9.6%	9.0%
75% Confidence Level				
30 Years	4.4%	4.5%	4.5%	4.3%
25 Years	5.0%	5.1%	5.1%	4.9%
20 Years	5.9%	6.0%	6.0%	5.7%
15 Years	7.5%	7.5%	7.5%	7.2%
10 Years	10.7%	10.6%	10.6%	10.2%

Source: Charles Schwab – “The 4% Rule: How Much Can You Spend in Retirement?” (April 15, 2025); Schwab Center for Financial Research.

Conservative (Cash: 30%, Bonds: 50%, Large-Cap Stocks: 15%, Mid/Small-Cap Stocks: 0%, and International Stocks: 5%)
Moderately Conservative (Cash: 10%, Bonds: 50%, Large-Cap Stocks: 25%, Mid/Small-Cap Stocks: 5%, and International Stocks: 10%)
Moderate (Cash: 5%, Bonds: 35%, Large-Cap Stocks: 35%, Mid/Small-Cap Stocks: 10%, and International Stocks: 15%)
Moderately Aggressive (Cash: 5%, Bonds: 15%, Large-Cap Stocks: 45%, Mid/Small-Cap Stocks: 15%, and International Stocks: 20%)

This table uses Charles Schwab Investment Management’s (CSIM) 2025 10-year long-term return estimates and volatility for large-cap stocks, mid/small-cap stocks, international stocks, bonds and cash investments. CSIM updates its return estimates annually, and withdrawal rates are updated accordingly. The example is hypothetical and provided for illustrative purposes only. It is not intended to represent a specific investment product and the example does not reflect the effects of taxes or fees.
Past performance is no guarantee of future results.

Saving for Retirement

Saving beyond your 401(k)/403(b) plan is essential for most Americans' retirement needs. Utilizing a Traditional or Roth IRA in addition to 401(k)/403(b) plan savings is a great way to give investors the opportunity for additional tax-free growth for retirement.

Types of Savings Accounts	**Taxable**	**Pre-Tax**	**After-Tax**
Account Examples	**Individual/ Joint/ Trust accounts**	**Pre-Tax 401k/403b Plan, Traditional IRAs (funded with deductible contributions)**	**Roth 401k/403b Plan, Roth IRAs**
Taxable Income	Interest, dividends and capital gains	Account withdrawals	Earnings/Withdrawals not taxable
Tax Deductions	Contributions not tax-deductible	Contributions tax-deductible	Contributions not tax-deductible
Contribution Limits	None	Yes, specific to type of account	Yes, specific to type of account

Ways to potentially maximize retirement savings beyond your 401(k) Plan:

After maximizing contributions to Retirement Plans (401(k), 403(b)) and deferring at least your company's match, investors can look to take advantage of the following:

1. Maximize after-tax assets in your portfolio:
   - Maximize contributions to after-tax accounts
   - Consider Backdoor Roth IRA contributions (if allowable)
   - Consider Roth IRA conversion
2. Consider establishing a Spousal IRA
3. If self-employed, maximize retirement savings by contributing to a Solo 401(k), SEP-IRA or Defined Benefit Plan

Seek to Maximize Your Savings: Traditional vs. Roth?

Review objectives and marginal income tax bracket to evaluate whether to contribute to a Traditional retirement account, a Roth retirement account or a combination of both.

	Traditional IRA	Traditional 401(k)/403(b)	Roth IRA	Roth 401(k)/403(b)
Tax Benefits	Tax-deferred growth		Tax-free growth and tax-free qualified withdrawals	
Tax Deduction	Contributions may be tax-deductible depending on AGI	Yes, for current year contributions	No, funded with after-tax contributions	
Taxation of Withdrawals	Taxed as ordinary income		Qualified withdrawals are tax-free	
Early Withdrawal Penalties	With limited exceptions, withdrawals prior to age 59½ result in a 10% penalty (in addition to the distribution being treated as ordinary income)		Contributions can be withdrawn penalty-free while earnings are taxable and may be subject to a 10% penalty	The earnings portion of a non-qualified distribution will be taxable and may be subject to a 10% penalty
Income Limits for Contributions	No, but deductibility is subject to income limits	None	Yes	None
Age Limits for Contributions	As of 2022, none	None	As of 2022, none	None
Eligibility to Contribute	Must have earned income	Actively employed	Must have earned income	Actively employed
Deadline to Contribute	April 15 of the following tax year	December 31	April 15 of the following tax year	December 31

Tax Diversification: Individuals may consider utilizing a combination of both Traditional and Roth retirement plan accounts as a ‘tax hedge’ given uncertainty over future income tax rates.

Source: T. Rowe Price – “Roth IRA vs. Traditional IRA” (November 2025)

Retirement Contribution Limits

Retirement Benefit Limits[1,2,3]

	2025	2026
Contribution Limits for 401(k)/403(b) Plans	23,500	24,500
Age 50+ Catch-up (not age 60-63)	7,500	8,000
Age 60-63 “Super Catch-up”	11,250	11,250
Contribution Limits for SIMPLE IRA Plans	16,500	17,000
Age 50+ Catch-up (not age 60-63)	3,500	4,000
Age 60-63 “Super Catch-up”	5,250	5,250
Contribution Limits for IRAs	7,000	7,500
Age 50+ Catch-up	1,000	1,100
Contribution Limits for Defined Benefit Plans	280,000	290,000
Contribution Limits for SEP-IRA and Solo 401(k) Plan	70,000	72,000

Modified Adjusted Gross Income (MAGI) Limitations for IRA Contributions[3,4]

	2025	2026
Traditional IRA:		
Single, Head of Household	79,000 – 89,000	81,000 – 91,000
Married Filing Jointly	126,000 – 146,000	129,000 – 149,000
Roth IRA:		
Single, Head of Household	150,000 – 165,000	153,000 – 168,000
Married Filing Jointly	236,000 – 246,000	242,000 – 252,000
Married Filing Separately	0 – 10,000	0 – 10,000

Beware of the 5-Year Rule for Roth IRAs[5]:

- **Purpose:** Determines when earnings can be withdrawn tax- and penalty-free.
- **Clock Start**: January 1 of the tax year for which you made your first Roth IRA contribution (or conversion).
- **Requirements:** Satisfy 5-Year Rule & age 59½ or older, disabled, deceased, or using up to $10,000 for a first-time home purchase.
- **Conversions**: Each Roth conversion has its own separate 5-year clock for avoiding the 10% penalty on converted amounts.

[1] Source: IRS – “IRA contribution limits” (November 2025)
[2] Source: IRS – “Defined benefit plan benefit limits (November 2025)
[3] Source: Mercer – “2026 Retirement Plan Contribution Limits and Catch-Up Rules” (November 2025)
[4] Source: Fidelity – “2025 and 2026 tax brackets and federal income tax rates” (November 2025)
[5] Source: Fidelity – “What to know about the Roth IRA 5-year aging rule” (November 2025)

Questions to Ask a Fiducient Advisor

Do I have enough savings to retire?

Before deciding to retire, an evaluation should be completed comparing current savings to future income needs.

Reviewing a Monte Carlo simulation can be a helpful exercise to gauge the sufficiency of current retirement savings, while also estimating what might be left for beneficiaries.

Does my portfolio allocation reflect my longer-term goals and needs?

Given the potential for a retirement which could last 30+ years, it is imperative to have a portfolio allocation which is anchored to longer-term goals, risk tolerance and time horizon.

Some retirees may think retirement signals a time to "de-risk" the portfolio, but one cannot overlook the importance of continuing to grow portfolio assets during the retirement years.

How long might my savings last relative to my income needs?

Periodically revisiting a retirement plan can be helpful to alleviate any concerns of running out of money.

Your goals and needs may change over time; your retirement plan should have the flexibility to adjust accordingly.

Stock Compensation Planning

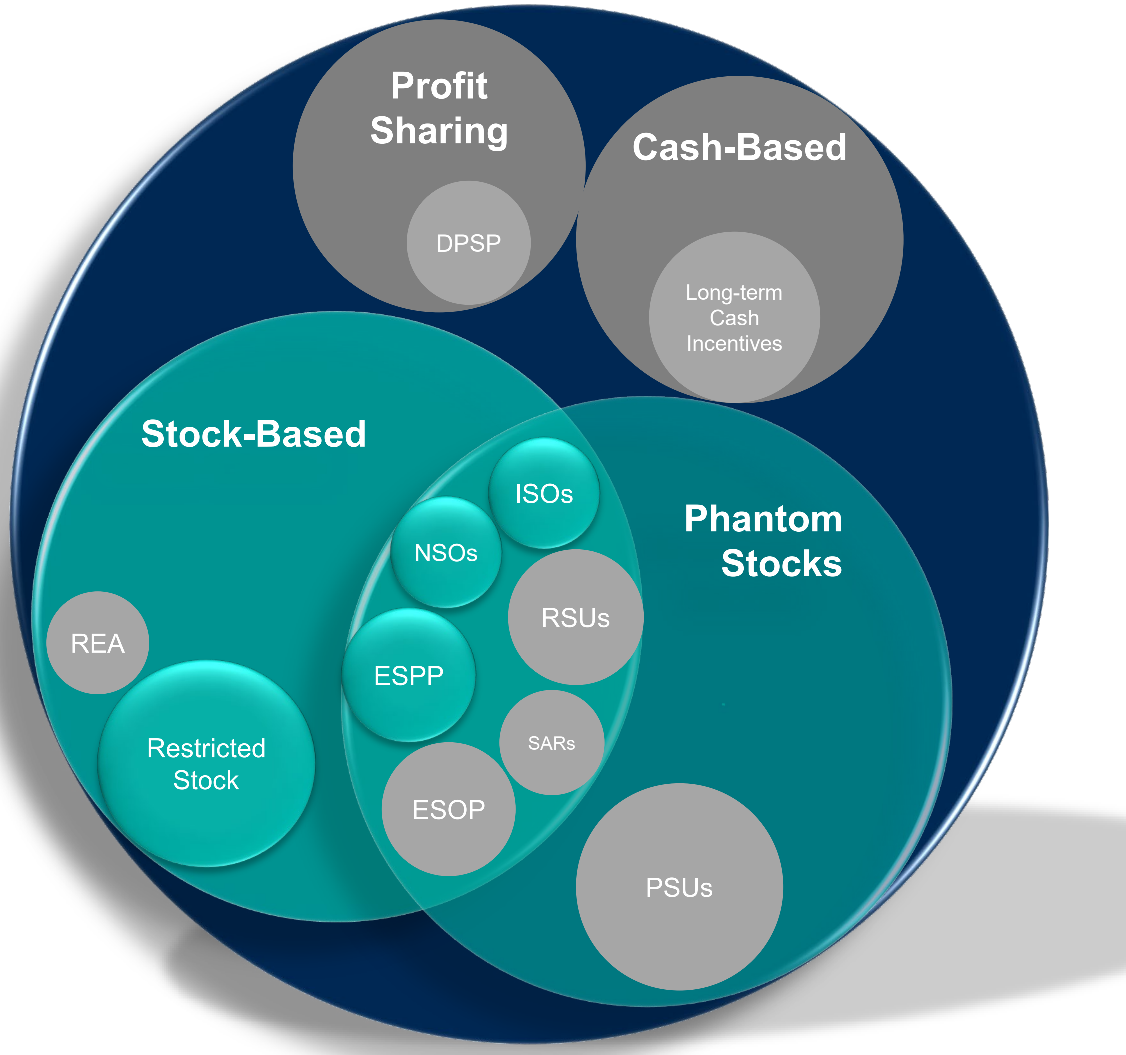
Why Should I Pay Attention to My Stock Compensation?

Stock compensation, if managed correctly, can potentially help in achieving long-term financial success.

On average, equity compensation comprises **59%** of an executive's total compensation.[1]

Most publicly traded companies offer their senior executives long-term incentive awards that rely heavily on equity-based components such as restricted stock[2] (**88%**), performance stock (**71%**) and stock options (**40%**).

Companies evaluating long-term performance using a single metric fell from **38%** in 2020 to **20%** in 2025, while the use of 3+ metrics has increased from **20%** in 2020 to **37%** in 2025[3]. Using multiple metrics helps de-risk equity compensation programs by reducing the chance that payouts are overly dependent on a single factor that could be distorted by volatility or macroeconomic events and helps ensure executives align with investors on company performance.



[1] *Source: Harvard Business Review, "Compensation Packages That Actually Drive Performance." January - February 2025*
[2] *Source: J.P. Morgan, "Executive Equity Compensation", April 2024*
[3] *Source: FW Cook 2025 Top 250 Report, "Executive Long-Term Incentive Practices", November 11, 2025*

Unique Considerations to the Most Common Stock Compensation

Use it or Lose It ---- Beware of Expiration!

Restricted Stock

- Restricted Stock Awards (RSA) v. Restricted Stock Units (RSU)
- Understand Taxation Timing
- (RSA) – Should you make an 83(b) election?

Employee Stock Purchase Plan

50%

- 50% of S&P 500 companies offer ESPP
- Typically Provides a Discount to Market Price
- Windows to Buy & Windows to Sell (Pre-Planning Is Essential)

Phantom Stock

- No Actual Transfer of Stock Takes Place
- Value Usually Tied to Company Stock Price or Certain Key Benchmarks
- Vesting Schedule Considerations are Important

Incentive / Non-Qualified Stock

- Bargain Element / 'No Free Lunch'
- Cashless Exercise: *Do I Need Outside Cash to Buy Stock?*
- Understand our Taxation Timeline

[1] *J.P. Morgan, "Employee Stock Purchase Plan – ESPP", March 11, 2025*

Questions to Ask a Fiducient Advisor

How Do I Create a Plan to Manage My Stock Compensation?

Understanding your cash flow is critical in identifying when you can initiate transactions.

Analyzing the distinctive characteristics of your employer’s plan mitigates missing deadlines or leaving money on the table.

Features such as a lookback period on an ESPP and the type of vesting schedule for your options (graduated or cliff) provide opportunities to help maximize value.

How Much Exposure to My Company Stock is Too Much?

Before you can determine a diversification plan, identifying the proper proportion of company stock for your portfolio is a crucial exercise.

With the right allocation size determined, you can create a pacing model to either move to or maintain that size over time, accounting for future cash flows and tax liabilities.

When Should I Get My Tax Adviser Involved in Option Planning?

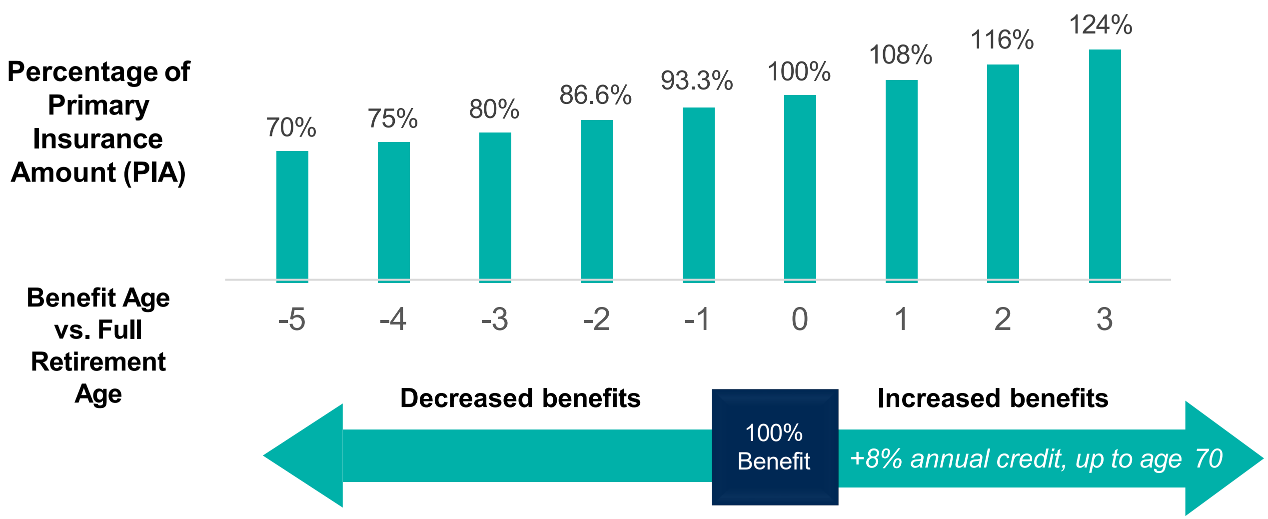
Immediately! There are many unique tax considerations associated with stock compensation that your tax adviser can advise on.

Implementing the optimal strategic time to incur tax (it’s when, not if) should be the result of an intentional process rather than an afterthought.

Social Security & Medicare

Choosing When to Begin Social Security Benefits

Claiming Age Makes a Difference



You can apply for retirement benefits or spousal benefits directly online at https://www.ssa.gov/benefits/forms/

Check your Social Security statement for a current estimate of your benefits at https://www.ssa.gov/myaccount/retire-calc.html.

Key Considerations

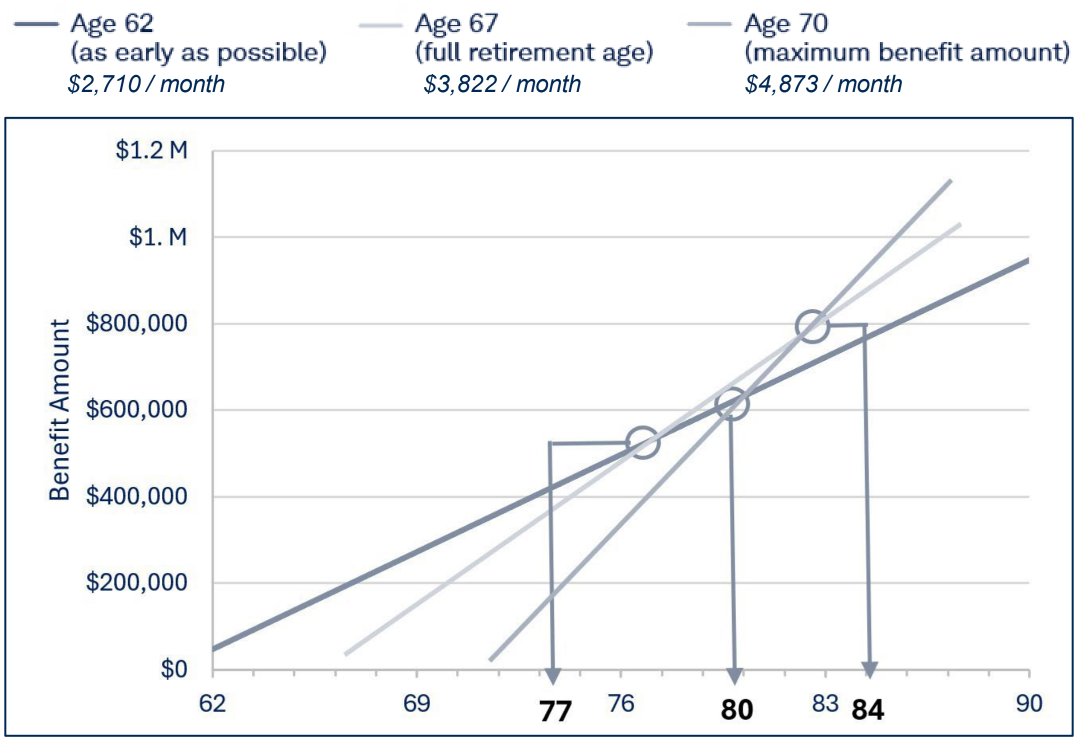
- You may start receiving your Social Security retirement benefits as early as age 62 or as late as age 70.
- Benefits are permanently reduced if you begin before your “full retirement age (FRA).” FRA can be ages 65-67 depending on when you were born.
- Conversely, monthly benefits will increase if you start after FRA, with delayed retirement credits up to age 70 (+8% *per year*).
- Given that FRA is age 67 for anyone born in 1960 or later, delayed credits can only be accrued up to three years.

6 Key Factors

- Life expectancy (single or joint)
- Income needs
- Health Insurance
- Spousal benefits
- Changes in employment
- Family benefits

[1] *Source: Charles Schwab: “Guide on Taking Social Security: 62 vs. 67 vs. 70” (March 4, 2025)*
[2] *Source: CNBC: "Social Security beneficiaries will soon receive 2026 benefit notices. Here are the changes to watch for" (November 2, 2025)*

Evaluating a "Breakeven Age" with a Hypothetical Illustrative Scenario



Key Takeaways:

- **Deferred Benefit:** If the individual believes, based on current health and family health history, that there is a strong chance of living well beyond age 84, then he/she may benefit from delaying benefits until age 70.
- **Normal Retirement:** If the individual instead believes that age 84 is unlikely but living past age 77 is probable, then he/she should consider collecting benefits at full retirement age.
- **Early Retirement:** If the individual believes reaching age 77 to be very unlikely, then he/she should consider collecting benefits early.

Conclusions:

- **Age 77:** The cumulative benefit of collecting at age 67 would surpass the cumulative benefit of collecting at age 62
- **Age 80:** The cumulative benefit of collecting at age 70 would surpass the cumulative benefit of collecting at age 62
- **Age 84:** The cumulative benefit of collecting at age 70 would surpass the cumulative benefit of collecting at age 67

Hypothetical cumulative benefits assume the retiree was age 62 in 2024, age 67 in 2029, and age 70 in 2032 and began collecting a monthly benefit in January of each year. This example is hypothetical and provided for illustrative purposes only. Monthly benefit at any age varies widely by individual based on their earning history.

Source: Charles Schwab: "Guide on Taking Social Security: 62 vs. 67 vs. 70" (March 14, 2025)

Social Security: Common Misconceptions

Social Security is going broke	Without any changes, the Social Security trust fund is estimated to be depleted by 2035; however, Social Security is a pay-as-you-go system and, as such, will continue to collect revenue from payroll taxes. Even if Congress were to enact no changes (which seems rather unlikely), based on incoming payroll tax collections, Social Security would still be able to pay an estimated 83% of scheduled benefits.[1]
Social Security will replace most of a retiree's income needs	The program was never intended to be the sole source of income for retirees. The general rule of thumb is Social Security will replace around 37% of pre-retirement income for an individual who retired at age 65 with average lifetime earnings, though the replacement ratio is far lower for individuals with high lifetime earnings.[2]
My Social Security payment will be the same forever	Social Security payments will change annually, depending on a number of different factors. For example, in 2026, Social Security beneficiaries will receive a +2.8% cost-of-living adjustment to their payments (an average of $56 per month increase to benefits).[3]
Earned income is not allowed while collecting Social Security benefits	Individuals can continue to work after receiving Social Security benefits. If an individual collects benefits before full retirement age (FRA) and has income which exceeds the earnings limit, then a portion of benefits will be reduced; however, any benefits which were reduced due to the earnings limit will later be credited back. [There is no earnings limit upon reaching FRA.]

[1] Source: AARP – "Social Security Report Projects Trust Fund Shortfall in 2035" (May 7, 2024)
[2] Source: The Motley Fool – "Social Security Replaces Less of Your Income Now Than It Did Before. Here's Why." (February 18, 2024)
[3] Source: CNBC: "Social Security beneficiaries will soon receive 2026 benefit notices. Here are the changes to watch for" (November 21, 2025)

Medicare Basics

- **Part A (Hospital Insurance)**
  - Free for people 65+ who paid payroll tax for ~10 years
  - Covers care in hospitals, skilled nursing facilities, hospice and home healthcare

- **Part B (Medical Insurance)** *****Big Premium Changes in 2026*****
  - Helps cover physician services, outpatient care, home healthcare, therapy services, ambulance services, preventive services and durable medical equipment

- **Part C (Medicare Advantage)**
  - The private health insurance alternative to ‘Original Medicare’ (Parts A & B), which might also include Part D coverage
  - If enrolling in Medicare Advantage, you must still enroll in Parts A & B and pay the Part B premium; will need to sign up and pay for the chosen Medicare Advantage plan

- **Part D (Prescription Drug Coverage)**
  - Helps cover the cost of prescription drugs
  - The coverage gap has now been eliminated (donut-hole provision). Out-of-pocket costs are now capped at $2,000 for deductibles, copays and/or coinsurance (cumulative).[2]
  - Many plans are merging or ending. Review your Annual Notice of Change (ANOC) carefully to see if your plan has been affected. Updates must be made during open enrollment.[2]

2026 Updates - Medicare Increased Premium Rates for Part B:

- Medicare Part B premiums are expected to increase by around 9.7% in 2026, depending on modified adjusted gross income.[3]

Source: AARP - Understanding Medicare’s Options: Parts A, B, C and D” (October 9, 2024)
[2] Source: NerdWallet – “5 Big Changes to Medicare Part D for 2025 (And What to Do About Them)” (October 14, 2024)
[3] Source: CNBC: "Social Security beneficiaries will soon receive 2026 benefit notices. Here are the changes to watch for" (November 21, 2025)

Medicare: Important Dates to Remember

Medicare benefits generally do not require annual enrollment. Key dates for enrollment and changes are highlighted below.

Date	Notes
Initial Enrollment Period	Seven-month period: initial enrollment period begins three months prior to the month turning age 65 and ends three months after the month turning age 65 Individuals who do not sign up during the IEP may be subject to a late enrollment penalty
General Enrollment Period	January 1 – March 31 Those missing the Initial Enrollment Period can sign up during this period; coverage will subsequently start July
Medicare Advantage Open Enrollment	January 1 – March 31 (only for individuals who already have a MA plan) If enrolled in a Medicare Advantage plan, enrollee can: • Switch to a different Medicare Advantage plan • Drop Medicare Advantage plan and return to Original Medicare • Sign up for Medicare Part D (if returning to Original Medicare)
Annual Open Enrollment Period	October 15 – December 7 Individuals can join, switch or drop a plan for coverage beginning January 1
Special Enrollment Period	Individuals with certain qualifying life events (losing health coverage, moving, getting married, having a baby or adopting a child) may be eligible to sign up during a Special Enrollment Period
January 1	New coverage begins; monthly premium adjustments go into effect

Source: Medicare.gov
Source: Aetna Medicare – "Unpacking Medicare: What you need to know about Medicare enrollment periods (and when you can change your plan)"

Questions to Ask a Fiducient Advisor

When should I start taking Social Security?

It is hard to predict an optimal age to begin collecting Social Security benefits, because it is dependent on so many different factors.

Understanding that every individual's situation is unique, weighing the pros and cons of early versus normal versus delayed benefits is an important consideration as part of an integrated retirement plan.

How can I check my estimated Social Security benefits?

You can go to the Social Security website to review your most recent estimated Social Security monthly benefits.

How do I apply for retirement or spousal Social Security benefits?

This information can also be found on the Social Security website, under the 'Benefits' section.

What Medicare plan makes the most sense for me?

This is another very important question which is top-of-mind for many retirees.

Understanding your health history and specific medical and drug coverage needs are important components to identify a plan best suited to you.

SECTION 3

Estate Planning

Why is Estate Planning Important?

Provide protection for you during your lifetime
- Durable power of attorney, living will and healthcare proxy

Distribute wealth in accordance with *your* wishes
- Without a will, assets are distributed according to state law and may not align with your intentions

Select responsible individuals to carry out your wishes
- Guardian for minor children, trustee (manages assets within trust), executor (handles the settlement of an estate)

Minimize transfer taxes and expenses
- Proper use of trusts and titling of assets can help mitigate tax implications and estate administration expenses

Philanthropic legacy
- Incorporate charitable causes within your estate plan

Protect family wealth
- Asset protection trusts and pre-nuptial agreements may help protect assets from litigation liability, creditors and divorce

Prepare the next generation
- Facilitate dialogue and understanding within the family and stewardship for the future

Guide to Estate Planning

Level One (Must Haves)	Level Two (Considerations)	Level Three (Advanced)

Level One (Must Haves)

Planning for the transfer of assets with minimized tax and transfer cost. Review upon life events (marriage, divorce, birth, adoption, etc.)

- Will
- Living Trust
- Healthcare Power of Attorney
- Financial / Property Power of Attorney
- Proper titling of accounts and asset ownership
- Beneficiary designations for IRAs, Life insurance and Annuities

Level Two (Considerations)

Further enhance the direction of assets, minimize Estate Taxes or increase Asset Protection

- Spousal Lifetime Access Trust (SLAT)
- Grantor Retained Annuity Trusts (GRAT)
- Charitable Trusts, Private Foundation or Donor-Advised Fund
- Irrevocable Life Insurance Trust (ILIT)
- Qualified Personal Residence Trust (QPRT)
- Intra-Family Loans
- Special Needs Trusts

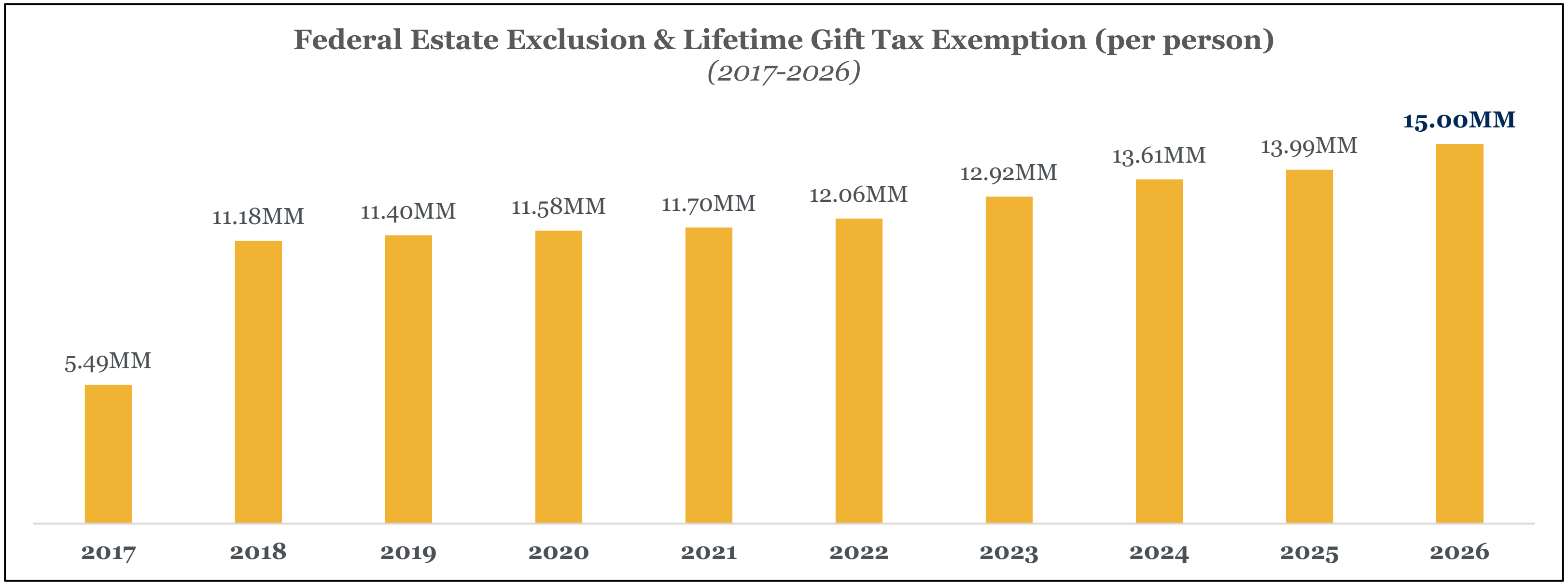
Level Three (Advanced)

For Complex Estate Tax Issues or Liability Concerns

- Domestic and Offshore Asset Protection Trusts
- Self-Cancelling Notes
- Family Limited Partnerships and Family LLCs

Take Advantage of Favorable Exemption Amounts

The One Big Beautiful Bill (OBBB) provided much-needed certainty as it relates to estate planning, with the legislation making the federal estate and gift tax exemption permanent and indexed annually for inflation. For 2026, the exemption increases to $15 million per person (up to $30 million for married couples).



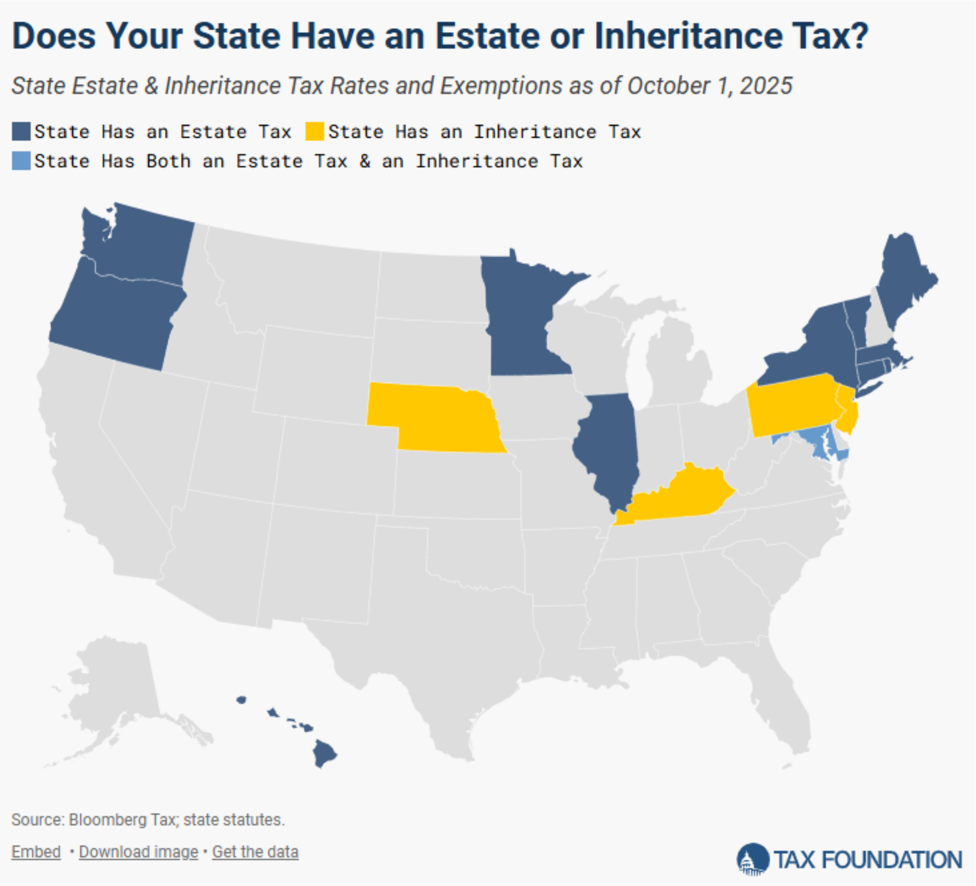
Individuals/Couples who had previously exhausted the lifetime gift tax exemption may have additional room for gifting assets, in light of the increase (+1.01MM per person) for 2026.

Keep in mind that 12 states and the District of Columbia impose estate taxes, while five states impose an inheritance tax. Individuals should review such taxes for their resident state and assess what additional planning might be prudent.[2]

[1] *Source: Kiplinger – "What's the New 2026 Estate Tax Exemption Amount?" (October 18, 2025, by Kate Schubel)*
[2] *Source: Tax Foundation – "Estate and Inheritance Taxes by State, 2025" (October 28, 2025)*

Estate & Inheritance Taxes, by State

Proper estate planning should incorporate state-specific considerations, as 12 states and D.C. have an estate tax while five states have an inheritance tax (Maryland is the only state with both).



State	Estate Tax Exemption	Estate Tax Rate
Connecticut	$ 15,000,000	12%
Hawaii	$ 5,490,000	10%-20%
Illinois	$ 4,000,000	0.8%-16%
Maine	$ 7,000,000	8%-12%
Maryland	$ 5,000,000	0.8%-16%
Massachusetts	$ 2,000,000	0.8%-16%
Minnesota	$ 3,000,000	13%-16%
New York	$ 7,160,000	3.06%-16%
Oregon	$ 1,000,000	10%-16%
Rhode Island	$ 1,802,431	0.8%-16%
Vermont	$ 5,000,000	16%
Washington	$ 3,000,000	10%-35%
Washington D.C.	$ 4,873,200	11.2%-16%

State	Inheritance Tax Exemption	Inheritance Tax Rate
Kentucky	$ 1,000	0%-16%
Maryland	$ 1,000	0%-10%
Nebraska	$ 100,000	0%-15%
New Jersey	$ 25,000	0%-16%
Pennsylvania	No exemption	0%-15%

Source: Tax Foundation – "Estate and Inheritance Taxes by State, 2025" (October 28, 2025) Exemptions and Rates as of October 1, 2025.

Advanced Estate Planning

Spousal Lifetime Access Trust (SLAT)

- Married couples with assets exceeding the 2026 estate exclusion ($15MM per person) can use this strategy to help maximize their gift tax exemption while keeping indirect access to trust assets via their spouse.

Charitable Remainder Trust (CRT)

- A CRT can be appealing for individuals seeking both income *and* charitable impact. It provides lifetime (or term) income and supports charity afterward (trust remainder), potentially reducing income taxes during life or at death, based on its structure.

Qualified Personal Residence (QPRT)

- A Qualified Personal Residence Trust (QPRT) can help individuals transfer a family home to the next generation while minimizing gift and estate taxes. The owner transfers the home to a trust but retains use for a set term; afterward, the home passes to the trust's beneficiaries.

Grantor Retained Annuity (GRAT)

- A GRAT enables a grantor to "freeze" estate value by transferring assets to a trust in return for annual payments based on rates published monthly by the IRS. If the assets appreciate beyond these annuity payments, the excess passes to beneficiaries without additional estate taxes.

Questions to Ask a Fiducient Advisor

Are my current documents in alignment with my wishes?

Estate planning is very specific to a family's needs goals, needs and level of wealth.

We can review your current documents, summarize your plan and reconnect/connect you with an estate planning professional if adjustments are needed.

What can I do to reduce my taxable estate?

Being mindful of what assets you need to live on for the remainder of your life and other factors, we can recommend wealth transfer strategies that may help enhance tax savings and benefit your family.

Is my family prepared to manage my assets when I'm gone?

Legal documents are not the only component of a successful estate plan. A team of professionals who is familiar with both you and your beneficiaries is key to protecting and preserving wealth.

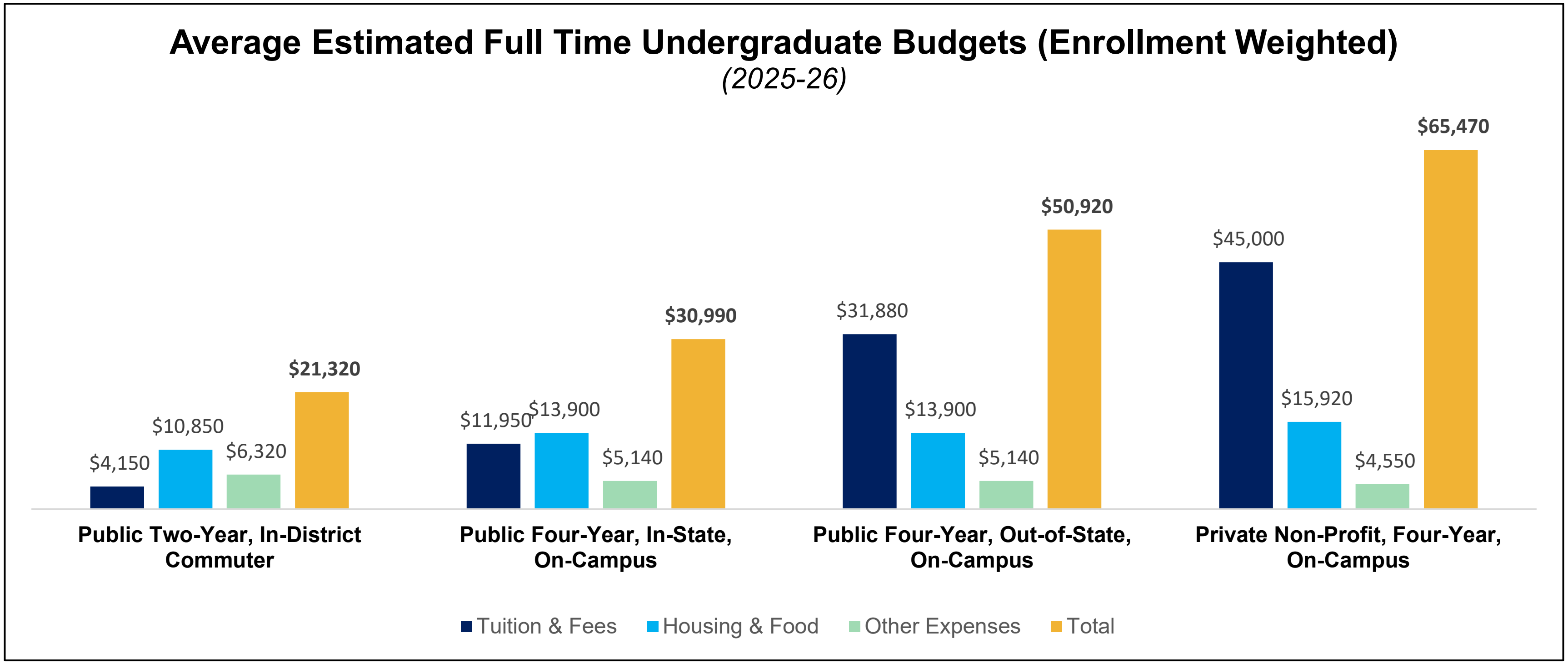
We can facilitate conversations and educate the next generation about managing family wealth.

Education Planning

The Rising Cost of a College Education

The cost of college tuition and fees – for four-year public and private colleges and for two-year colleges – has outpaced inflation for the past several decades.

It is impossible to predict the future cost of college though it is reasonable to expect that such costs will continue to increase, making the need for a 529 account more important.

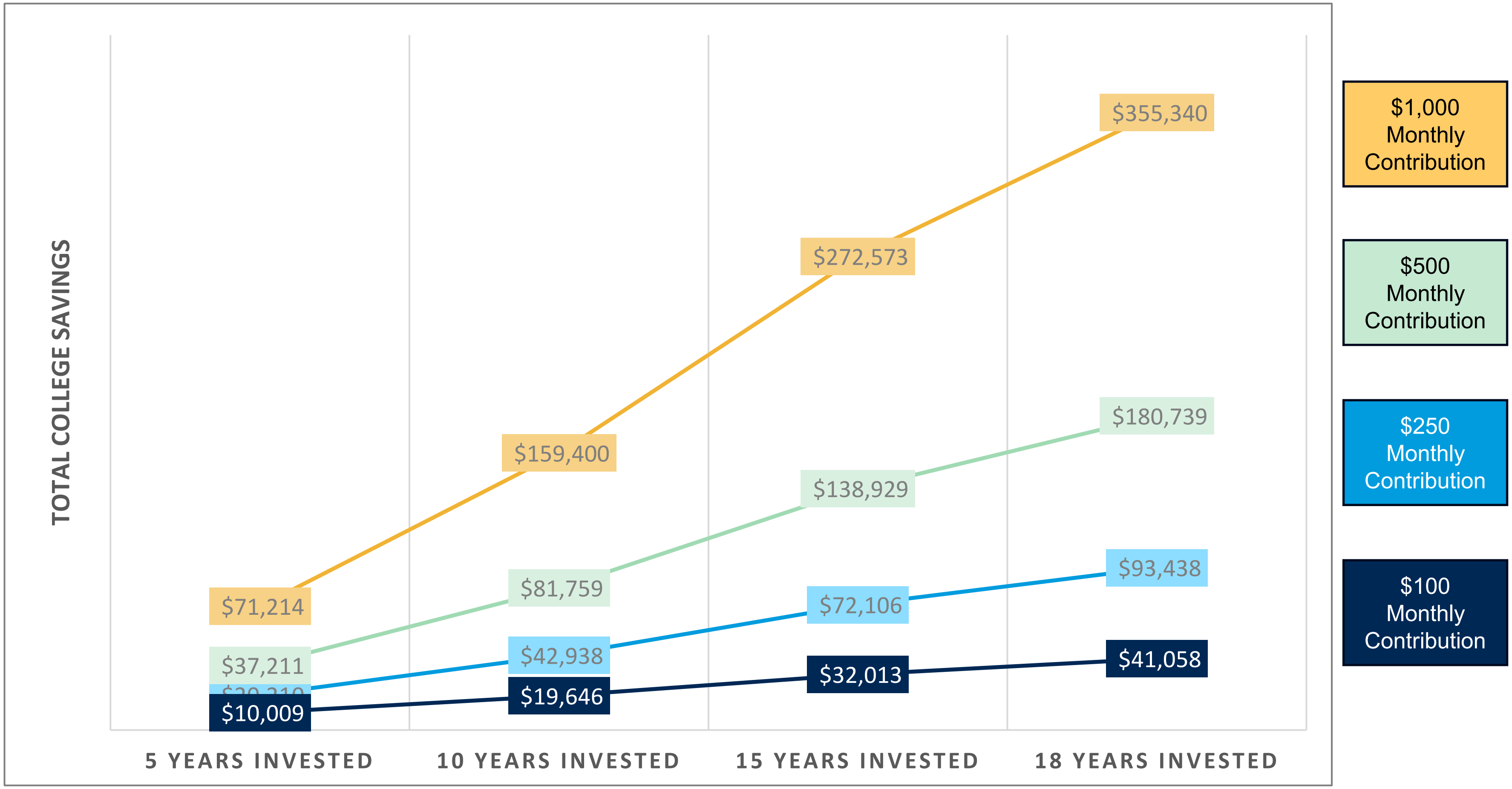


NOTE: Expense categories are based on institutional budgets for students as reported in the College Board's Annual Survey of Colleges. Figures for tuition and fees and housing and food mirror those reported in Table CP-1. Data for books and supplies, transportation, and other expenses are projected and reflect the average amounts allotted in determining the total cost of attendance and do not necessarily reflect actual student expenditures. Books and supplies may include course materials such as hardcopy textbooks, online textbooks, textbook rentals, and other supplies such as a personal computer.

Source: The College Board - "Trends in College Pricing" (November 2025)

Make Time Your Ally: The Earlier, The Better

Saving consistently over time can better prepare for future education expenses



* For illustrative purposes only. This hypothetical example illustrates the accumulation potential with a $2,500 initial investment and a monthly contribution plan at a 5% projected average annual return. The above example is based on projections and does not reflect an actual investment. If fees were included, the returns would be lower. Actual results may differ considerably from the illustration above. These results are hypothetical and do not represent results earned by clients of Fiducient Advisors.

Source: Bright Start - “How Much Will College Cost?” (2025)

Key Benefits of 529 Plans

Flexibility and Control

- Owned by the individual who opens the account, not the beneficiary. The beneficiary can be changed at any time.
- The new beneficiary must be a family member (sibling, step-sibling, spouse or cousin are eligible).[1]
- Investment allocations can be changed up to twice per year for previously invested funds. New deposits can be changed at any time.[2]

Tax Benefits

- Tax-free investing and withdrawals for qualified education expenses will increase to $20,000 (doubling from $10,000), starting in 2026, per child per year for K-12 expenses.[5]
- May be eligible for a state income tax deduction depending on state of residence.
- For unused 529 funds, account owners can roll over up to a lifetime limit of $35,000 tax-free and penalty-free into a Roth IRA in the beneficiary's name.[3]

Favorable Financial Aid Treatment

- The value of an account owned by a dependent student or parent is considered a parental asset on the Free Application for Federal Student Aid (FAFSA.).
- 529 Plans owned by grandparents or anyone else besides a dependent student or one of their parents will have no impact on the student's FAFSA for the 2025-26 school year and beyond.[4]

Who Can Contribute?

- Accepts third-party contributions, regardless of who owns the account.
- While parents are the most likely to contribute to an account, anyone (including grandparents, aunts, uncles and friends) can contribute. [1]

[1] Saving for College - "What is a 529 Plan?" (Updated October 14, 2025)
[2] Saving for College - "How Many 529 Plan Investment Changes can you Make a Year?" (Updated October 12, 2021)
[3] Saving for College – "529 to Roth IRA: Rollover Rules, Conversion Guide, and FAQs" (June 9, 2025)
[4] Saving for College - "How do 529 Plans Affect Financial Aid?" (Updated October 14, 2025)
[5] My529.org – "Federal changes to qualified education expenses" (as of July 4, 2025)

Questions to Ask a Fiducient Advisor

What is a 529 savings plan?

529 savings plans are flexible, tax-advantaged accounts designed specifically for education savings.

Earnings on contributions grow federal income tax-deferred, and qualified withdrawals taken to pay for qualified higher education expenses such as tuition, fees, books, computer expenses or room-and-board are free from federal income taxes.

Am I on track? How do I estimate higher education costs?

Given the high cost of a college education, saving early and often should be a priority for parents.

Periodically reviewing the cost of a four-year college education against current savings can be a helpful exercise to determine whether you are on track.

What can I do with the money left in the account?

The 529 account beneficiary can be changed to an eligible family member to use for their qualified education expenses.

The account beneficiary could roll over unused funds to a Roth IRA, subject to annual contribution limits and to a $35,000 lifetime limit.

Alternatively, you could take a non-qualified withdrawal, however taxes plus a 10% federal tax penalty would apply.

SECTION 4

Risk Management (Insurance)

Effective Strategies for Managing Personal Risk

A thoughtful risk management (insurance) plan requires periodic evaluations to reassess objectives and sufficiency of coverages

Life Insurance

Provides financial protection for beneficiaries through the replacement of income, the payoff of debt and the support of long-term goals, such as education or retirement, for beneficiaries after the insured's passing.

Property & Casualty

Essential financial preservation tool that safeguards assets and creates financial stability by covering losses from property damage, liability claims or unforeseen events.

Umbrella Insurance

Excess liability coverage to extend protection beyond standard homeowners and auto insurance policies to protect net worth against significant claims or lawsuits.

Health Insurance

Provides financial coverage for medical expenses, reducing the burden of healthcare costs and helps ensure access to necessary treatments, preventative care and emergency services.

Disability Insurance

Helps to protect long-term goals during periods of incapacity caused by illness or injury by providing income replacement to individuals unable to work.

Long-Term Care

Helps to cover the cost of extended care services include nursing home or in-home assistance, protecting assets and helping ensure financial stability in later years.

Key Uses of Life Insurance

Personal use of life insurance focuses on protecting individuals and families, helping to ensure financial security and peace of mind.

Business use of life insurance addresses the differentiated needs of companies, offering solutions for risk management, continuity and long-term planning.

These two distinct approaches highlight the versatility of life insurance in supporting both personal and professional goals.

Personal Uses

- Income Protection
- Retirement Planning
- Debt Elimination
- Estate Planning
- Education Costs
- Wealth Transfer
- Charitable Planning
- Multigenerational Planning

Business Uses

- Buy / Sell Agreement
- Key Person
- Succession Planning
- Asset Protection
- Employee Benefits
- Debt Elimination
- Retirement Planning
- Estate Equalization

Identifying Gaps in Your Personal Risk Coverage

Identifying gaps in your personal insurance coverage is essential to protect yourself and your family from unforeseen financial risks. A thorough review helps ensure adequate coverage for health, life, property and liability needs. Addressing gaps proactively safeguards your assets, minimizes unexpected costs and provides peace of mind during emergencies or life changes.

Consideration	Key Question
Financial Security	How do you plan to secure your family's financial future?
Large Expenses	Have you considered how your family would cover future expenses, such as higher education?
Personal Liability	Are your liability limits adequate and properly structured?
Overlooked Risks	Are coverages needed for unexpected events like floods and earthquakes addressed?
Valuable Articles	Are your high-value items adequately protected at their current valuations?
Multiple Properties	Are properties coordinated under a single, comprehensive insurance program?
Replacement Values	Are your home's replacement costs accurately calculated and insured?
Special Ownership	Are trusts, LLCs or unique ownership structures incorporated into your coverage?
Business Exposure	Have you effectively addressed succession planning for your personal business?
Vehicle & Watercraft	Are all modes of transportation, including recreation vehicles, covered?
Periodic Review	Do you regularly reassess and update your insurance program?
Competent Advisors	Is your team of investment professionals knowledgeable, well-resourced and proactive?

Picking the Right Health Insurance Plan Matters

Types of Plans	Description
Health Maintenance Organization (HMO)	Typically, less expensive annual premiums, lower-to-no deductible, out-of-network doctors are not covered, and many plans require primary care physician to provide a referral to see a specialist
Preferred Point Provider (PPO)	Premiums tend to be higher, higher deductible, out-of-network doctors/hospitals may be covered, and specialists can generally be seen without a referral from a primary care physician
High-Deductible Health Plan (HDHP)	Lowest monthly premiums of the main plans, higher annual deductibles and out-of-pocket maximum limits and ability to contribute to a Health Savings Account

Medical Savings Plans

- ***Health Savings Account (HSA)*** [1]
  - Available only to individuals covered by a qualified High-Deductible Health Plan (HDHP)
  - Contributions limited to $4,400 self / $8,750 family; additional $1,000 limit for age-55+ catch-up contributions
  - Contributions are tax-deductible
  - Earnings grow tax-free and distributions for qualified medical expenses are tax-free
  - Unused balances roll over to the next year
- ***Flexible Savings Plan (FSA)*** [2]
  - Available to individuals with benefits package from employer
  - Pre-tax payroll deduction; contributions limited to $3,400
  - Unused annual balances are forfeited, unless employer offers rollover

[1] Source: Fidelity – "HSA contribution limits and eligibility rules for 2025 and 2026 (August 26, 2025)
[2] Source: IRS.gov – IRS: Tax Inflation Adjustments For Tax Year 2026 (October 9, 2025)

Advanced Planning Considerations – PPLI

Private Placement Life Insurance (PPLI) is a variable universal life insurance policy designed for accredited investors and qualified purchasers seeking tax-efficient investment and wealth transfer solutions. It enables investment in private equity, hedge funds, and other managed strategies within a life insurance wrapper, offering significant tax advantages and estate planning flexibility.

What Are The Benefits?

Tax-Deferred Growth – Investments inside the policy grow free of federal income tax.

Tax-Efficient Liquidity – Policyowners may access cash flow through withdrawals and loans, often with favorable tax treatment.

Income Tax-Free Death Benefit – Beneficiaries receive the death benefit income tax-free. With proper estate plan structuring it may also avoid federal and state transfer taxes.

Investment Flexibility – Access to investments such as private equity, hedge funds or managed accounts typically not available in standard policies.

What Are The Use Cases?

Ideal For – Ultra-high-net-worth individuals, families and trusts that are seeking to minimize estate taxes, optimize the transfer of wealth and access sophisticated investment opportunities in a tax-efficient manner.

Typical Profile – Accredited investors or Qualified Purchasers often with a minimum investment amount of $3 - $5 million and a long-term time horizon.

Customization – PPLI policies can be tailored to meet specific goals, whether the priority is maximizing lifetime distributions (non-MEC structure) or focusing on legacy and estate transfer (MEC structure).

Considerations

Health Requirements – PPLI policies require medical underwriting and are not available to all investors.

Costs – Fees and expenses can be material, especially during the early years of the policy.

Structures – Policy structure (MEC vs. non-MEC) affects the tax treatment of policy withdrawals and loans.

Ownership – Policies that are owned by certain trusts or entities may enhance estate tax benefits but add considerably complexity.

Providers – Carrier selection and investment menu vary, making due diligence essential.

Questions to Ask a Fiducient Advisor

How do I know if I have enough life insurance to cover my family's financial needs if something happens to me?

Life insurance is essential to protect your loved ones' financial well being in your absence.

Your advisor can help you calculate the appropriate amount based on your income, outstanding debts, and long-term goals, such as replacing income for a surviving spouse or funding a child's college education.

Am I adequately protected against unexpected health events or long-term care needs?

A major health crisis or need for long-term care can significantly impact your finances.

It is prudent to periodically review your health insurance policy's out-of-pocket maximums and to discuss whether disability, long-term care insurance or a supplemental Medicare policy is appropriate for your situation.

Based on my financial plan are there more advanced estate planning methods I should consider?

As your financial plan and long-term objectives evolve, it is worthwhile to revisit your estate planning needs.

If advanced planning methods are determined to be necessary, your advisor can facilitate introductions to trusted insurance and estate planning professionals.

Cybersecurity & Fraud Protection

Important Steps for Cybersecurity

PREVENT

1. **Strong Passwords:** Use a combination of numbers, symbols and letters to form a long, complex password. Use unique passwords for each online login and regularly change all passwords.
2. **Multi-Factor Authentication:** If available, enable two-factor authentication for email, social media, financial accounts, etc. This functionality sends a one-time code to a mobile device to verify access, thus preventing unauthorized parties from accessing your account without the code.
3. **Secure Wi-Fi Network:** Avoid unsecure access to public Wi-Fi networks, such as in coffee shops, airports, hotels, etc. A virtual private network (VPN) creates a personal, private network across public networks.
4. **Cautiousness with targeted telephone calls:** Avoid divulging any banking or personal information to a caller over the phone and do not give in to pressure to take immediate action. The IRS and law enforcement agencies will not call you. Beware of the question "can you hear me" which leads to the recording of you saying "yes" to authorize unwanted charges, etc.
5. **Safe Surfing:** Only open emails, attachments and links from people you know. Pay attention to a website's URL; hover over any links to see where they lead. Only visit trusted websites.

DETECT

1. **Account Review:** Open your credit card bills and bank statements right away. Check carefully for any unauthorized charges or withdrawals and report them immediately.

2. **Review Your Credit Report:** By law, you can obtain a free credit report every two months from www.annualcreditreport.com. According to the Federal Trade Commission, this is the only authorized source for the free annual credit report (though it will not include your FICO score). You should review your credit report for any discrepancies (unauthorized accounts, etc.).

REACT

If you have been a victim of identity theft:

- File a report with the local law enforcement agency.
- File Form 14039 (Identity Theft Affidavit) with the Internal Revenue Service.
- Contact one of the three credit bureaus (Equifax, Experian, TransUnion) to report the crime and freeze credit. Once one of the credit bureaus issues a fraud alert, the other two bureaus are automatically notified.

Source: BBB Scam Alert – "The 'Can You Hear Me?' Phone Scam is Still Ringing (Just Hang Up!) (March 8, 2024)

Practical Steps to Guard Against Fraud

Spot imposters	Scammers often pretend to be someone you trust, like a government official, a family member, a charity or a company you do business with. Don't send money or give out personal information in response to an unexpected request — whether it comes as a text, a phone call or an email.
Don't believe caller ID	Technology makes it easy for scammers to fake caller ID information, so the name and number you see aren't always real. If someone calls asking for money or personal information, hang up. If you think the caller might be telling the truth, call back to a number you know is legitimate.
Consider how you pay	Credit cards have significant fraud protection built in, but some payment methods don't. Wiring money is risky because it's nearly impossible to get your money back; that's also true for reloadable cards (like MoneyPak or Reloadit) and gift cards (like iTunes or Google Play). Government offices and honest companies won't require you to use these payment methods.
Be skeptical of free trial offers	Some companies use free trials to sign you up for products and bill you every month until you cancel. Before you agree to a free trial, research the company and read the cancellation policy. Always review your monthly statements for charges you don't recognize.
Enable Real-Time Alerts	Set up notifications for unusual account activity, large transactions, or changes to personal information. Many financial institutions and custodians offer customizable alerts that can help you detect fraud early and respond quickly.

If you spot a scam, report it at ftc.gov/complaint. Your reports help the FTC and other law enforcement investigate scams and bring criminals to justice. If you or anyone you know has been a victim of exploitation, consider reporting this to the Department of Justice National Elder Abuse Hotline or to the FBI Internet Complaint Center.

Source: Federal Trade Commission (FTC) – "How To Avoid a Scam" (July 2023)
[2]Source: Federal Trade Commission (FTC) – "What to Do if You Were Scammed" (July 2022)
[3]Source: Federal Trade Commission (FTC) – "Protect Your Personal Information from Hackers and Scammers" (November 2024)

Evolving Threats in 2026

AI-Driven Threats	Fraudsters are increasingly using artificial intelligence to create convincing voice clones and deepfake videos, impersonating family members, advisors or executives. Always verify unexpected requests through a trusted channel – such as calling a known number – before acting. Be skeptical of urgent financial or personal requests, even if they sound familiar
QR Code & Payment Scams	QR codes are now a common attack vector. Scammers embed malicious links in QR codes sent via email, text, or even on physical invoices. Avoid scanning codes from unsolicited sources; instead, manually type the official website address. Similarly, be cautious with peer-to-peer payment apps—only send money to verified contacts.
Password Manager Security	Password managers are convenient but can be a target for hackers. Use a strong, unique master password and enable multi-factor authentication (MFA) on your password vault. Regularly update stored credentials and monitor for any breach alerts from your provider.
Crypto & Digital Asset Risks	Digital assets like cryptocurrency are prime targets for fraud. Verify custodians and platforms before investing and avoid unsolicited pitches promising guaranteed returns. Use hardware wallets or secure custodial solutions and enable MFA on all crypto-related accounts.
Opt-out of solicitations	Reduce exposure to scams by limiting unsolicited contact. Register phone numbers with the Do Not Call Registry and consider opting out of marketing lists through reputable channels. Fewer unsolicited calls and emails mean fewer opportunities for fraudsters to reach you.

If you spot a scam, report it at ftc.gov/complaint. Your reports help the FTC and other law enforcement investigate scams and bring criminals to justice. If you or anyone you know has been a victim of exploitation, consider reporting this to the Department of Justice National Elder Abuse Hotline or to the FBI Internet Complaint Center.

[1] *Source: Federal Trade Commission (FTC) – "How To Avoid a Scam" (July 2023)*
[2] *Source: Cybersecurity & Infrastructure Security Agency (CISA) - "Securing Password Managers" (2024)*
[3] *Source: FBI Internet Crime Complaint Center (IC3) – "Annual Internet Crime Report " (2024)*
[4] *Source: U.S. Securities and Exchange Commission (SEC) – "Investor Alerts: Fraud Involving Digital Assets" (2024)*

Questions to Ask a Fiducient Advisor

How do I stay educated on trends in fraud?

Follow reputable news sources that report on fraud and cybersecurity issues, as these sources provide valuable insights into emerging scams and fraud trends.

Subscribe to newsletters or blogs from organizations which specialize in fraud prevention. Examples include newsletters from government agencies, financial institutions or cybersecurity companies.

What steps should I take if I suspect fraudulent activity?

Carefully review all bank and credit card statements for any unauthorized transactions.

Reach out to a credit bureau to verify your credit report is accurate. If you find any fraudulent activity, file a police report. Remember to keep a copy of the report as it may be needed when disputing charges.

After reporting to the police, contact your financial institution to report the activity.

How can I protect my personal information from being stolen?

Update passwords regularly, only visit safe and secure websites, and avoid giving out any personal information unless required.

Do not click on links or attachments sent from an unknown sender.

If you suspect fraudulent activity on your account or would like more information on what you can do to prevent it, reach out to your financial advisor.

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