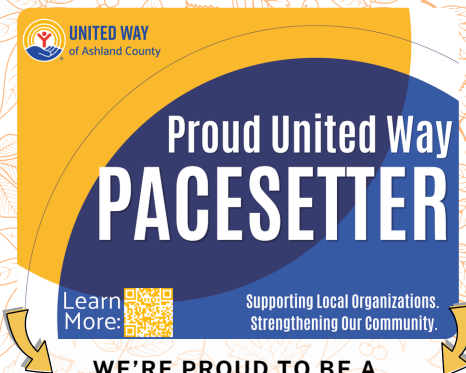




THE LIGHT

HELPING INDIVIDUALS NAVIGATE THEIR FINANCIAL LIVES



WE'RE PROUD TO BE A
2027 UNITED WAY PACESETTER AND
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KATIE BROWN
INVESTMENT ADVISOR
REPRESENTATIVE

THE RETIREMENT COUNTDOWN

First things first: every time I see the words "retirement countdown," my brain immediately starts playing Europe's "The Final Countdown." (And now I've probably put it in your head, too. You're welcome.)

In all seriousness, retirement is an exciting milestone. It's something most of us spend our entire working lives preparing for and something we (hopefully) only do once. With all that excitement can come a little anxiety, too.

The truth is, there is no one-size-fits-all retirement playbook. Maybe you're coordinating retirement with a spouse, helping support family or considering health concerns. Or maybe you're simply wondering, "Do I really have enough to live comfortably without that steady paycheck?"

The good news is that retirement doesn't have to mean trading your fun-loving years for a rocking chair on the front porch (which actually sounds dreamy to me) or suddenly living like you've moved to Little House on the Prairie. That's why we plan!

This timeline isn't intended to cover every retirement decision. Think of it as a conversation starter and a framework for some of the questions worth considering during the year leading up to retirement.



12 Months Out: Establish the Finish Line

- Start by identifying your target retirement date, keeping in mind how the timing may affect your pension, health coverage, unused vacation or other employer benefits. Also start taking an inventory of your spending. Write out your budget—don't guess. I always manage to surprise myself when I actually put my expenses on paper. There's something about seeing those numbers staring back at you that makes your spending feel a little more real!
- Consider how those expenses might change. Commuting costs may decrease, while travel, hobbies or healthcare could increase. Maybe there's a home improvement project you've been postponing. And don't forget the unexpected expenses. A car repair or roof replacement doesn't care that you're retired.
- Understanding what you spend today and what you expect to spend in retirement provides the foundation for building a solid retirement plan.

10 Months Out: Examine Healthcare

- If you're retiring at or after 65, Medicare will likely become an important part of your healthcare planning. If you're retiring before 65, consider this your blinking neon sign: What are you going to do for health insurance?
- Explore your options early. Depending upon your circumstances, those could include coverage through a spouse, employer retiree coverage, COBRA, the Health Insurance Marketplace or other private insurance.
- If you're approaching 65, pay attention to Medicare enrollment deadlines. The rules can vary depending upon whether you or your spouse are still working and covered by an employer plan. Don't assume COBRA or retiree coverage allows you to postpone Medicare enrollment.
- And if you're contributing to an HSA, coordinate those contributions with your Medicare enrollment strategy.

8 Months Out: Build Your Replacement Paycheck

- You've spent decades receiving a paycheck. Now determine where the next one is coming from.
- Work with your advisor to identify income sources: Social Security, pensions, IRAs, employer retirement plans, brokerage accounts, business interests, real estate or other assets. Then determine how those sources can work together to cover your planned expenses.
- Remember, social security doesn't necessarily have to be first in line. Benefits can begin as early as age 62, but claiming early generally results in a reduced monthly benefit. Delaying beyond full retirement age can increase your benefit until age 70. The right choice depends upon your individual circumstances and overall financial plan.
- This is also the time to stress-test your plan. What happens if markets decline early in retirement? Inflation or healthcare costs rise? You need a new vehicle? Your spouse dies earlier than anticipated? Solid retirement planning isn't just about whether the plan works when everything goes right. It's also about whether it can withstand some of the things that might go wrong.

6 Months Out: If You Have a Pension, Do Your Homework

- If you're retiring with a pension, understand your payout options before making an election.
- If you're married, pay particular attention to single-life versus joint-and-survivor benefits. A joint-and-survivor option may provide a smaller monthly benefit initially but continue income to your spouse after your death. Pension elections can be difficult—if not impossible—to change once made. This is one of those decisions where you really want to measure twice and cut once.

4 Months Out: Before You Move Money, Know the Rules

- Have a 401(k) or 403(b)? Evaluate your options before automatically rolling it into an IRA.
- Depending upon your plan and circumstances, you may be able to leave the money in your former employer's plan, move it to another qualified employer plan, roll it into an IRA or take distributions. Each option can have different investment, fee, tax and withdrawal considerations.
- One important consideration applies to some younger retirees. If you separate from service during or after the calendar year in which you turn 55, distributions from that employer's qualified plan may qualify for an exception to the 10% early-distribution penalty. That particular exception generally doesn't apply to IRAs.
- Before you move the money, know the rules. A rollover can be easy to execute but difficult to undo.

THE RETIREMENT COUNTDOWN

(CONTINUED FROM PAGE 1)

3 Months Out: Take Care of the Details

- Review the employee benefits you're about to leave behind. Check your flexible spending account balance and applicable spending, carryover or grace-period rules. If you're eligible to make additional HSA contributions, coordinate those with your Medicare plans. Schedule dental, vision or medical appointments you've been postponing.
- And while we're at it, check your unused vacation or other benefits. If they won't be paid out, you probably don't need me to remind you to use them!
- This is also a good time to review beneficiary designations on retirement accounts and insurance policies and make sure your estate documents, powers of attorney and trusted contacts still reflect your wishes.

2 Months Out: Test Drive the Plan

- You've built the budget and mapped out your retirement plan. Now take it for a test drive!
- Try living on your anticipated retirement income for a month or two. If that's less than your current paycheck, see how it actually feels. Is the budget comfortable? Do expenses need adjusting? It's much easier to make those discoveries before the paycheck stops.

1 Month Out: Final Preparation

- Schedule a final review with your advisor. Make sure you understand where your income will come from, when it will arrive and which accounts will fund it.
- Take inventory of what you own, where it is and who has access to it. Old retirement plans, investment and bank accounts, insurance policies and estate documents are much easier to organize and consolidate while you have time.

Retirement Day and Beyond: The Plan Doesn't Stop Here

Congratulations—you made it! Retirement accounts may need to be transferred, income distributions established and tax withholding coordinated.

The early years of retirement can also present important tax-planning opportunities. Depending upon your situation, Roth conversions, qualified charitable distributions, required minimum distributions and tax-withholding strategies may eventually become part of the conversation.

Most importantly, remember that a retirement plan is just that—a plan. And we all know that plans can change in the blink of an eye. Markets change. Tax laws change. Families change. Health changes. And sometimes what you want from retirement changes.

There will naturally be an ebb and flow to your retirement strategy. That's where ongoing planning becomes valuable. Rest assured, we're here for the long haul—to help you navigate the decisions and seasons of retirement and adjust the plan as life changes along the way.

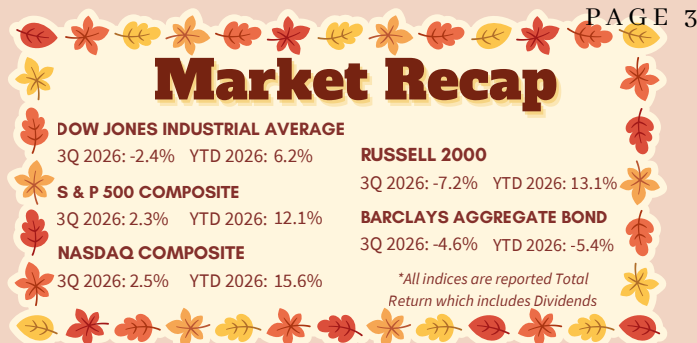


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INVESTMENT ADVISOR REPRESENTATIVE

Planning to Consider Before Year-End

It may seem early to think about 2026 taxes, but many of the best planning opportunities require action before year-end. As we head into the final months of the year, here are ten items worth considering:

- 1. Review your projected 2026 income and tax withholdings/estimated payments.** Retirement distributions, investment gains, business/farm income, and other sources can vary from year to year. Estimating your taxable income before year-end may uncover opportunities to recognize additional income in 2026 or defer income until 2027. Large IRA distributions, capital gains, or unexpected increases in income can result in a larger tax liability than anticipated. Before year-end, consider whether sufficient federal and state income taxes have been withheld or paid through estimated tax payments.
- 2. Consider a Roth Conversion.** Converting a portion of your traditional IRA to a Roth IRA creates taxable income today, but qualified future Roth withdrawals are generally tax-free. Roth IRAs are also NOT subject to lifetime Required Minimum Distributions for the original owner. Partial conversions may be especially attractive in years when taxable income is expected to fall within lower tax brackets. This is where an experienced tax preparer can be an invaluable resource. Careful planning is essential, as the potential additional income from conversions can also affect Medicare premiums and the taxation of other income.
- 3. Make sure Required Minimum Distributions are completed.** If you are subject to Required Minimum Distributions (RMDs), the required amount generally must be withdrawn by December 31.
- 4. Consider a Qualified Charitable Distribution.** IRA owners age 70½ and older may be able to make charitable contributions directly from an IRA to an eligible charity. These Qualified Charitable Distributions (QCDs) can count toward RMDs and are also excluded from taxable income. Distributions can be made to multiple 501(c)(3) organizations of your choosing. Most custodians, including Schwab, mail the check(s) directly to the IRA owner to distribute to the charity, unless instructed otherwise. Distribution amounts can vary, can be one-time checks, or set up to be mailed monthly.
- 5. Review investment gains and losses.** Investment losses may be useful in offsetting capital gains realized elsewhere in a portfolio. Conversely, taxpayers experiencing an unusually low-income year may have an opportunity to intentionally recognize appreciated investments at favorable capital-gain rates, even as low as zero.



- 6. Review your charitable giving.** Year-end is a good time to evaluate charitable contributions. For investors with highly appreciated securities, donating the investment directly to a qualifying charity can be more tax-efficient than selling the investment and donating the cash. Some taxpayers may also benefit from grouping, or "bunching," several years of charitable gifts into a single year. And new for 2026, a maximum tax deduction of \$1,000 is available to Single filers who don't qualify for itemizing (\$2,000 for Married filers). Non-cash donations generally do not qualify.
- 7. Maximize retirement-plan contributions when appropriate.** The 2026 employee contribution limit for most 401(k), 403(b), and governmental 457 plans is \$24,500. Individuals age 50 and older may generally contribute an additional \$8,000, with a higher catch-up limit available for certain individuals ages 60 through 63. The 2026 IRA contribution limit is \$7,500, plus a \$1,100 catch-up contribution for those age 50 and older.
- 8. Consider annual gifts to family members.** For 2026, an individual can generally give up to \$19,000 to each recipient without using any of his or her lifetime federal gift and estate tax exemption. Married couples may potentially transfer up to \$38,000 per recipient when both spouses make qualifying gifts.
- 9. Take a fresh look at deductions.** Tax laws have changed significantly in recent years, making the use of itemized deductions much less common. For 2026, the standard deduction is \$32,200 for married couples filing jointly and \$16,100 for single taxpayers. An additional standard deduction of \$1,650 is also available to taxpayers aged 65+. And enhanced deductions of \$6K per senior (age 65+) are also available through 2028 for qualifying taxpayers. However, the enhanced senior deduction does begin phasing out at \$75K for single filers and \$150K for joint filers.
- 10. Review beneficiary designations and estate-planning documents.** Year-end tax planning is also a good reminder to review beneficiaries on IRAs, retirement plans, life insurance policies, and other accounts. Changes in family circumstances can make beneficiary designations that were appropriate several years ago outdated today.

The most important year-end planning advice is simple: PLAN AHEAD.... Roth conversions, charitable distributions, retirement plan contributions, and distributions can all take time to process. Every taxpayer's situation is different, and a strategy that works well for one may not be appropriate for another. The final months of the year provide an opportunity for your tax professional and financial advisor to review your individual circumstances and determine whether any action should be taken before December 31.



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