



The State of Your Parents' Estate

Talking with a parent about estate planning is never easy. Here are several conversation starters that can help adult children and their parents plan.

Key Takeaways

- Half of U.S. adults lack estate plans, risking smooth wealth transfer. Start conversations early to prepare for future needs.
- Discussing estate plans with parents is tough but crucial. Ask about legal advice, paperwork for illness, and their financial priorities.
- Involve relevant family members in estate planning to prevent future conflicts and ensure everyone understands the division of assets.

Talking with a parent about estate planning is never easy. Here are several conversation starters that can help adult children and their aging parents plan.

As of 2022, Americans older than 65 now number nearly 57.8 million¹, a number that is expected to climb significantly as Baby Boomers continue to age. Even with this "graying of America," a recent Caring.com survey showed about half U.S. adults do not have estate planning documents at all², jeopardizing the smooth transfer of hard-earned wealth from one generation to another.

The issue is often around starting the difficult conversation of estate planning. Talking with a parent about sensitive topics like incapacity or end-of-life issues is never easy and there may be tension. But adults with aging parents can open the lines of communication about the family's financial future and the need to have a plan.

The best time to have these conversations is well before you need to, when neither you nor your parents are feeling pressure to make an immediate decision. Here are four questions to ask:

Q **Have You Spoken with a Lawyer About an Estate Plan?**

A Your parents may not want to face the possibility of getting sick, having to give up control over their lives, or even talk to you about a life-ending illness. Parents can also find it awkward to discuss their money. Among those without estate planning documents, the number one reason for not having them was that they hadn't "gotten around to it".

Q **Have You Drawn Up Any Paperwork so You're Prepared in Case of Illness or Incapacity?**

A Your parents' ability to handle future financial and medical matters may deteriorate. It is crucial that they identify people they trust now, while they are still able, to make decisions for them in the event of incapacity. Now is the time

(continued inside)

A 2025 FORBES BEST-IN-STATE WEALTH MANAGEMENT TEAM

Source: Forbes.com (Awarded Jan 2025) Data compiled by SHOOK Research LLC based for the period 3/31/23–3/31/24.

For Ranking Criteria and Methodology, please see disclaimer page.

Team News



Henry J. Bradley, CFP®, CIMA®

Senior Vice President, Financial Advisor, Senior Portfolio Manager

Forbes has just published its annual rankings of their Best-In-State Top Next-Gen Wealth Advisors, highlighting a select group of financial advisors they believe to be the future of our industry. We are pleased to share that for the 2nd year in a row, Purple Mountain Group's Henry Bradley has been named as a Forbes Best-In-State Top Next-Gen Wealth Advisor for Colorado.

This accolade reflects Henry's commitment to both our clients and Morgan Stanley. While much has changed since the firm was founded 90 years ago, the quality of service, personal attention, and customized solutions we provide to our clients has remained steadfast.

2024-2025 Forbes America's Top Next-Gen Wealth Advisors & Top Next-Gen Wealth Advisors Best-in-State (formerly referred to as Forbes America's Top Next-Gen Wealth Advisors, Forbes Top 1,000 Next-Gen Wealth Advisors, Forbes Top 500 Next Generation Wealth Advisors).

Source: Forbes.com (Awarded 2024-2025). Data compiled by SHOOK Research LLC based on 12-month period concluding in Mar of the year the award was issued. Please refer to important criteria and methodology at the end of this material.



Jonathan D. Grant, MBA, QPFC, CFP®

First Vice President, Financial Advisor, Insurance Planning Director

Jonathan Grant has recently earned the Qualified Plan Financial Consultant (QPFC) designation, issued by the National Association of Plan Advisors (NAPA), an affiliate of the American Retirement Association. Professionals who earn the QPFC demonstrate proficiency of plan administration, compliance, investment, fiduciary, and ethics issues related to retirement plans.

Jonathan joins Financial Advisor Scott Perry in serving our clients' needs on qualified retirement plans. We are excited to further strengthen our team's already robust financial planning resources.

Firm Resource News



Ellie Colby, Planning Associate, Financial Planning Specialist*

Planning Associate Ellie Colby has stepped in to support our team, as Camille Williams has taken on additional responsibilities within Morgan Stanley. Camille will continue to be part of the Planning Desk, focusing on coaching and mentorship. As a Firm Resource, Ellie will work closely with the advisors on our team to further enhance the planning process. She may reach out to you in advance of your review meetings to make sure your financial plan is as up-to-date as possible prior to sitting down with us.

Ellie earned her undergraduate degree from Boston University and received the Financial Planning Specialist® designation from the College for Financial Planning. Ellie is originally from Lake Placid, New York and currently resides in New York, New York.

Ellie will work with our team of four Certified Financial Planner® practitioners, a Chartered Retirement Plans Specialist®, and a Financial Planning Specialist®.

*This role cannot solicit or provide investment advice.

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to make sure they've done so and to be involved in the decision-making to the degree everyone is comfortable.

Also, how do they feel about being cared for should they need it? Some parents equate having their children care for them as being a burden on their kids. Think about whether you agree with their notion of the future and what role you are willing to take on.

Q What Are Your Priorities for the Future Use of Your Money? What Causes Are Important to You?

A It's important to understand that estate planning covers a wide variety of issues including philanthropy. Find out if they have explored gifting strategies to efficiently pass on family wealth. Another question might be about contributing to family educational needs, perhaps for their grandchildren.

Examine what they care deeply about and how your values are aligned. What are their charitable goals? Depending on your family's wealth levels, you can define family investment and financial goals and objectives. Families with significant wealth may even want to develop a philanthropic

policy to direct wealth toward making positive social or environmental change.

Q Which Other Family Members Should be Involved in the Planning Process?

A When thinking about estate planning and the drafting of wills, trusts, and the division of assets, a family tree chart can help you build a solid estate plan—particularly in large families. Creating a family tree with your parents and siblings will not only allow you to visualize your family hierarchy, but better understand your parents' relationships and gain knowledge about all your relatives. A set plan may help avert conflicts between siblings in the future, as opinions will likely differ on what is best for Mom or Dad, or how their assets should be divided.

Footnotes:

¹ Source: https://acl.gov/sites/default/files/Profile%20of%20OA/ACL_Profile-OlderAmericans2023_508.pdf

² Source: Caring.com 2023 Wills & Estate Planning Study, <https://www.caring.com/caregivers/estate-planning/wills-survey>

Disclosures:

This material has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The strategies discussed in this material may not be appropriate for everyone.

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CRC 4311121 03/25

PSA

(Purple Service Announcement)



How To Securely Send &/or Receive Documents

- 1. Purple Mountain Group can initiate communication to you via a secure message.** You can respond to the secure message and attach any documents, which will be automatically encrypted. This process requires you to set up a username and password in *Secure Email*, a different system from Morgan Stanley Online (MSO). You'll need to make note of this different login information for future use.
- 2. Clients can add documents to the Digital Vault*.** To exercise this option, you must be a client and have an MSO account. The Digital Vault operates much like a Morgan Stanley "Drop Box".
- 3. Clients can send documents using their MSO Mailbox.** MSO's message center enables communication behind Morgan Stanley's firewall. To exercise this option, you must be a client and have an MSO account. *Note: Our team must set up designated email recipients for you, after which those individuals will appear in a drop-down menu for you to select each time you send an email.*

*Not all documents can be accepted into Digital Vault.

Making the Most of Your Employer Retirement Plan



Scott M. Perry, MBA, QPFC, CRPS®, Senior Vice President, Financial Advisor, Senior Portfolio Manager, Corporate Retirement Director
Jonathan D. Grant, MBA, QPFC, CFP®, First Vice President, Financial Advisor, Insurance Planning Director

Most Americans primarily rely on three sources of income to fund retirement goals: 1) Social Security; 2) Personal savings via IRAs and after-tax investment accounts; and 3) Workplace retirement plans.

Tips for Maximizing Your Workplace Retirement Plan

Here we focus on strategies to maximize this third important benefit.

1. Understanding 2026 Employee Contribution Limits

For 2026, the IRS has increased contribution limits for workplace retirement plans such as 401(k) & 403(b) plans. In 2026 employees may defer up to \$24,500 and \$32,500 if 50 years or older in the form of a catch-up contribution. One notable change for employees earning above \$160,000 next year is that catch-up contributions must be made as Roth (an after-tax contribution).

2. Taking Advantage of Employer Matching & Profit-Sharing Contributions

Your employer may offer an employer match, where they contribute a certain amount to your retirement savings plan based on how much you contribute. Additionally, some employers offer a profit-sharing benefit where the company distributes a portion of their profits to employees in the form of cash or stock. Often matching or profit-sharing contributions by an employer have a vesting schedule. If your employer offers either of these benefits, discuss them with your financial advisor. *Not taking advantage of an employer match is like leaving free money on the table.*

3. Choosing Between Traditional and Roth Contributions

Deciding between traditional and Roth contributions depends on a client's current tax situation and future

expectations. Traditional contributions are made pre-tax, reducing taxable income in the year of contribution, which can be beneficial for those in higher tax brackets. Roth contributions, on the other hand, are made with after-tax dollars, allowing for tax-free withdrawals in retirement. Clients who anticipate being in a higher tax bracket in retirement may benefit from Roth contributions. Since everyone's situation is different, please consult with your Purple Mountain Group financial advisor for assistance.

4. Exploring Non-Roth After-Tax Contributions

Some retirement plans offer the option to make non-Roth after-tax contributions. These contributions can be advantageous for clients who have already maxed out their traditional and Roth contributions but wish to save more. The earnings on these contributions grow tax-deferred, and clients may have the option to convert them to a Roth account later, potentially benefiting from tax-free growth. Not all retirement plans offer this option, but we recommend exploring if this option exists in your plan.

5. Regularly Updating Beneficiaries

Life changes such as marriage, divorce, or the birth of a child can impact these decisions. Ensuring that your beneficiary information is current helps avoid potential legal complications and ensures that assets are distributed in accordance with your wishes.

In conclusion, maximizing a workplace retirement plan involves understanding contribution limits, choosing the right type of contributions, exploring additional savings options, selecting appropriate investment vehicles, and keeping beneficiary information up to date. Please reach out to your PMG Financial Advisor if you'd like to explore this topic further.

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CRC 5020938 01/26

Learn the Lingo – Industry Acronyms & Terminology

Qualified Retirement Plan Terminology

Qualified Retirement Plan – A qualified retirement plan is a savings plan that meets IRS and Employee Retirement Income Security Act (ERISA) requirements. It offers investors tax benefits like deductions and tax-deferred growth. There are two main types of qualified retirement plans: defined benefit plans, like traditional pensions, and defined contribution plans, such as 401(k)s. These plans are important retirement planning tools because they help people build financial security for the future.

401(k) Plan - A 401(k) plan is a tax-advantaged qualified retirement savings plan. Named after a section of the U.S. Internal Revenue Code, the 401(k) is a defined-contribution plan provided by an employer. The employer may match employee contributions; with some plans, the match is mandatory. There are two major types of 401(k): traditional and Roth. With a traditional 401(k), employee contributions are pretax, meaning they reduce taxable income, but withdrawals in retirement are taxed. With a Roth 401(k), employee contributions are made with after-tax income. There's no tax deduction in the contribution year, but withdrawals—qualified distributions—are tax free.

403(b) Tax-Sheltered Annuity (TSA) Plan – A 403(b) tax-sheltered annuity plan (TSA) is a retirement savings plan for employees of public schools, government agencies, and certain other tax-exempt non-profit organizations. Employees who are eligible to use a 403(b) include teachers, school administrators, professors, government employees, nurses, doctors, and librarians.

Traditional vs. Roth Contributions – A *traditional* contribution is deposited *before taxes are withheld* and grows tax-deferred until money is withdrawn in retirement. The IRS assesses no taxes until the beneficiary makes a withdrawal. Individual taxpayers can contribute from qualified earned compensation. Account holders should adhere to annual contribution limits and be aware of the schedules for required minimum distributions. A *Roth* contribution is deposited *after taxes are withheld* and grows *tax-deferred* and can be *withdrawn tax-free* after age 59 1/2, assuming the account has been open for at least five years.

Profit-Sharing Plan – A profit-sharing plan is a company benefit that involves distributing a portion of the company's profits to its employees in the form of cash or stock. This can be offered in the form of a company retirement plan known as a deferred profit-sharing plan (DPSP).

Employer Match – An employer match is when your employer contributes a certain amount to your retirement savings plan based on how much you contribute. Not taking advantage of an employer match is like leaving free money on the table.

Vesting - Vesting, whereby employees gain non-forfeitable ownership of certain assets or benefits, requires employees to work for a company for a specified term of years. Vesting is a way for employers to keep top-performing employees at their companies. When an employee becomes vested in employer-matching retirement benefits like a 401(k) or stock options, they have non-forfeitable ownership rights to those assets.

Source: Investopedia; IRS

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2024-2025 Forbes America's Top Next-Gen Wealth Advisors & Top Next-Gen Wealth Advisors Best-in-State (formerly referred to as Forbes America's Top Next-Gen Wealth Advisors, Forbes Top 1,000 Next-Gen Wealth Advisors, Forbes Top 500 Next Generation Wealth Advisors)
Source: Forbes.com (2024-2025). Forbes America's Top Next-Gen Wealth Advisors & Top Next-Gen Wealth Advisors Best-in-State ranking awarded in 2024-2025. Each ranking was based on an evaluation process conducted by SHOOK Research LLC (the research company) in partnership with Forbes (the publisher). This evaluation process concluded in March of the year the award was issued having commenced in March of the previous year. Neither Morgan Stanley Smith Barney LLC nor its Financial Advisors or Private Wealth Advisors paid a fee to SHOOK Research LLC to obtain or use the ratings.

2025 Forbes Best-In-State Wealth Management Teams

Source: Forbes (Awarded January 2025). This ranking was determined based on an evaluation process conducted by SHOOK Research LLC (the research company) in partnership with Forbes (the publisher) for the period 3/31/23–3/31/24. Neither Morgan Stanley Smith Barney LLC nor its Financial Advisors or Private Wealth Advisors paid a fee to SHOOK Research LLC, for placement on its rankings.

These rankings are based on in-person and telephone due diligence meetings to evaluate each Financial Advisor qualitatively, a major component of a ranking algorithm that includes client retention, industry experience, review of compliance records, firm nominations, and quantitative criteria, including assets under management and revenue generated for their firms. Investment performance is not a criterion. Rankings are based on the opinions of SHOOK Research LLC and may not be representative of any one client's experience; investors must carefully choose the right Financial Advisor or team for their own situation and perform their own due diligence. This ranking is not indicative of the Financial Advisor's future performance. Morgan Stanley Smith Barney LLC is not affiliated with SHOOK Research LLC or Forbes. For more information, see www.SHOOKresearch.com

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Peak Perspectives Quarterly

First Quarter 2026



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Calendar

Purple Mountain Group Educational Opportunities (Webinars are held from 1-2pm MT.)

Jan 15	Peak Perspectives Webinar Q1 Economic & Market Outlook	Feb 19	Peak Perspectives Webinar Social Security	Mar 19	Peak Perspectives Webinar Women, Wealth, & Well-Being
May 5	Purple Mountain Group Wealth Summit (for Accredited Investors)				

Wealth Education for the Next Generation | Morgan Stanley Virtual Client Events – 2-3pm MT

Jan 12	Money Mindset Reset: The Power of Financial Planning	Feb 2	Cryptocurrency and Digital Assets 101	Mar 2	Understanding Risk and Volatility
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Arts and Cultural Highlights | Pikes Peak Region, Colorado

Ongoing **Gathering Place: Permanent Collection Reinstallation**
Fine Arts Center Museum

January

- 1-Feb 7** **Laura Sofía Pérez** | Fine Arts Center Museum
- 1-Mar 7** **The Source Never Diminishes, Nina Elder** | GOCA
- 17** **Winter Dinner Gala** | Colorado Springs Philharmonic Guild
- 24-25** **Brahms/Tchaikovsky** | Colorado Springs Philharmonic
- 29-Feb 15** **Where We Stand** | Theatreworks
- 31-Feb 1** **Van Cliburn Champions: Mozart**
Colorado Springs Philharmonic

February

- 6-Jul 6** **Ana María Hernando: Cantando Bajito**
Fine Arts Center Museum
- 12-Mar 1** **The Roommate** | Fine Arts Center Theatre
- 13-14** **Jurassic Park** | Colorado Springs Philharmonic
- 21-22** **Carmen/Aranjuez** | Colorado Springs Philharmonic

March

- 6-Jul 25** **Where I Learned to Look: Art from the Yard**
Fine Arts Center Museum
- 6-7** **La Vida Loca** | Colorado Springs Philharmonic
- 14-15** **Grieg Piano Concerto** | Colorado Springs Philharmonic
- 21-22** **Van Cliburn Champions: Chopin/Schubert**
Colorado Springs Philharmonic