

Realize Wealth Management Group at Morgan Stanley

Winter 2026

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Market Insights: Observations & Outlook

By: Aron Huddleston, CFA® & Andy Jacobitz, CFA®

Stocks were up for the third year in a row in 2025 with the S&P 500 Index rising 17.88%¹. They had to overcome a sharp correction following the April 2nd tariff announcements by President Trump but rebounded strongly to end the year near all-time highs. Prices were driven by improved corporate earnings that were 11.5% higher than the year before². Looking forward, analysts expect earnings to grow an additional 15% in 2026², which should provide a positive environment for further gains.

International stocks experienced even larger gains with the MSCI EAFE Index increasing 31.22% for the calendar year³. International stocks benefited from lower valuations at the start of the year and weakness in the U.S. dollar throughout the year.

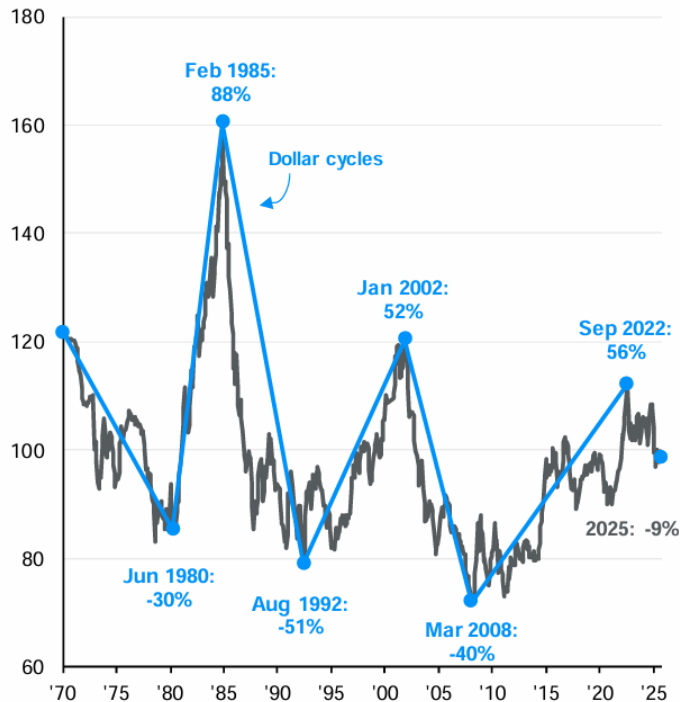
When U.S. investors own international investments, returns are ultimately converted back into U.S. dollars. As a result, currency movements can impact returns. Even if a foreign investment's price does not change, a weaker U.S. dollar can make that investment worth more in dollar terms. For example, if a foreign currency rises 10% relative to the U.S. dollar, a U.S. investor would see roughly a 10% gain, even though the investment itself did not increase in its local market.

In fact, the dollar declined by 9% in 2025 vs. currencies in the U.S. Dollar Index (DXY), a benchmark that measures the value of the dollar against a basket of Euros, Japanese Yen, British Pounds, Canadian Dollars, Swedish Krona and the Swiss Franc.⁴ Many analysts expect the dollar to continue to weaken, as we may be transitioning into a weaker dollar cycle. The chart on the following page looks at the historical trend of the US Dollar Index (DXY)⁵.

Continued on next page...

The U.S. dollar

DXI Index, level



Gold

Gold was a standout in 2025 with prices surging from \$2,641/oz to \$4,341/oz, which is a 64.37% increase⁶. Gold too was helped by the falling dollar, lower interest rates and increased demand from the world's central banks and individual investors. Geopolitical concerns and worry about the U.S. deficit and national debt also added to the strong move.

Bonds

The Federal Reserve made three additional rate cuts during 2025 to end the year with the Federal Funds rate at 3.50-3.75%. We have seen rate cuts of 1.75% in all since the Fed began this cutting cycle in September 2024⁷. Consensus expectations are calling for two more rate cuts or another 0.50% decline during 2026.

Similar to how a weaker dollar can be a tailwind for international stocks and gold, lower interest rates are a tailwind for bonds. Since new bonds being issued are coming out with lower interest rates, investors are willing to pay more for previously

issued bonds when rates were higher. As a result, the Bloomberg US Aggregate Bond Index had a total return of 7.3% in 2025⁸, which was its strongest annual return in five years. That reflects the interest paid on bonds, as well as the increase in bonds' market prices.

Looking Ahead

Morgan Stanley's market strategists continue to see a constructive backdrop for financial assets with an accelerating U.S. economy, robust corporate earnings growth, fiscal stimulus from the federal tax and spending bill passed last summer, further interest rate cuts, moderating inflation and further Artificial Intelligence-led productivity gains. However, we could encounter speedbumps with the mid-term elections, a new Federal Reserve chairman, the Supreme Court's ruling on tariffs, continued geopolitical risks (i.e. Iran, Venezuela, Greenland) and the risk of another government shutdown. In our view, market leadership could broaden beyond the Magnificent 7 and into areas like small and mid-cap stocks and with the potential for broader gains in international markets. Of course, markets may experience periodic pullbacks, and performance can be volatile. In fact, in most calendar years the S&P 500 has declined by an average of 14.2% during the year, despite finishing the year with a gain⁹.

We remain diligent, disciplined and focused on helping our clients pursue their goals. We wish you, our clients and friends, a healthy, happy and prosperous 2026. We look forward to visiting with you throughout the year. Please contact us with any questions, concerns or a change in your circumstances. It is our privilege and an honor to serve you. ■

Tax Planning Reminder



2026 tax planning reminder: withholding elections may need to be updated based on changes in income, deductions, or filing status.

We encourage you to work with your tax professional to determine the appropriate withholding amount. Please note that taxes cannot be withheld on non-qualified (taxable) accounts. ■

Emergency Funds in Retirement

By: Nick Nalbach, CFP®, CIMA®, CPWA®

The Financial Planning Corner

Retirement doesn't eliminate financial surprises—it can actually make them harder to manage. When you're no longer receiving a regular paycheck, an unexpected expense like a major home repair, medical bill, or help for a family member may force you to pull from investment accounts at an inopportune time.

Having an emergency fund can help preserve flexibility and reduce the chance you'll need to sell long-term assets during a market downturn or before a planned distribution strategy has time to work.¹⁰

A dedicated cash reserve may also help increase confidence and support a more disciplined plan during volatile markets. Instead of reacting to short-term noise, an emergency fund can serve as "shock absorption," which can help you stay focused on your investment portfolio's long-term goals.



The right size will vary by household, but many retirees consider a reserve that reflects recurring expenses, predictable large bills, and the stability of other income sources (e.g., Social Security, pensions). Where to keep it matters too: liquidity and capital preservation are typically priorities, so retirees often use strategies designed for easy access rather than reaching for yield or return potential.

It's reasonable to say an emergency fund can play a pivotal role throughout the entirety of our adult lives. If you have questions on how to build, maintain, or educate friends and family about emergency funds please reach out to a member of the Realize Wealth Management Group at Morgan Stanley. We're always happy to help. ■

2025 Tax Form Mailing Schedule

When will I receive my 2025 tax forms?

The dates listed below are when we expect to have your tax forms available online and by mail. Depending on your activity and portfolio, you may receive your tax form later.

Form	Date Available Online (if you have elected e-tax docs)	Mailing Date (if you have elected paper tax docs)
1099-R	January 27 th , 2026	January 27 th , 2026
Consolidated 1099	February 27 th , 2026	March 6 th , 2026
5498 ¹	May 12 th , 2026	May 12 th , 2026
K-1s ²	www.taxpackagesupport.com	March 15, 2026
REMIC/CDO ³	March 15 th , 2026	March 15 th , 2026

1. IRA Contributions Information which you do not need to file your taxes.
2. Partnership K-1s are sent to clients from the partnership, not Morgan Stanley.
3. Clients with REMICs and CDOs generally receive an updated Form 1099-OID and should NOT file their taxes until they receive their corrected 1099 information.

Team News

Realize Wealth Management Group is Named to Forbes Best-In-State Wealth Management Teams for the Third Year in a Row (2024-2026)!



Morgan Stanley

Realize Wealth
Management Group

2026 Forbes Best-In-State Wealth Management Teams

Pictured Left to Right: Cat Morrison, Portfolio Associate; Christina Large, Group Director; Bob Forrest, Financial Advisor; Aron Huddleston, Financial Advisor; Andy Jacobitz, Financial Advisor; Nick Nalbach, Financial Advisor; Jackie Mockelstrom, Client Relationship Analyst; Andrew Wegner, Wealth Management Analyst

2024-2026 Forbes Best-In-State Wealth Management Teams. Source: Forbes.com (Awarded 2024-2026). Data compiled by SHOOK Research LLC based on 12-month time period concluding in March of year prior to the issuance of the award. [Awards Disclosures](#). See page 6 for complete ranking criteria and methodology.

Welcome to the world, Cornelia!

Bob Forrest and his wife, Katie, are excited to announce the arrival of their second child, Cornelia “Corrie” Grace, born December 5th. Mom, dad, and big sister Riley are all doing well and settling into life as a family of four.

Bob and Katie are enjoying this special season and couldn’t be happier to welcome Corrie to their family.

Congratulations to the Forrest family on this wonderful addition! ■



Five Great Years – Andy, Bob, & Jackie

Andy, Bob, and Jackie are celebrating **five years** at Morgan Stanley! Over the past five years, each has become a valued part of our team, contributing to the collaborative, client-first culture we are proud of. We are grateful for their consistency, dedication, and the care they bring to their work every day. Congratulations on five years, Andy, Bob, and Jackie! ■



A Great Decade – Aron & Christina

Aron and Christina are also celebrating a milestone year, marking **ten years** at Morgan Stanley! During that time, they have grown alongside the firm and continue to be deeply committed to our clients and our team. We appreciate their long-standing dedication and the many ways they contribute each day. Congratulations on ten years, Aron and Christina! ■



Team Off-Site Planning Session

Our team recently stepped out of the office for our annual offsite-planning session at Lied Lodge at Arbor Day Farm in Nebraska City. We spent dedicated time reflecting on the year behind us and aligning on priorities for the year ahead. These sessions allow us to collaborate, challenge ideas, and identify ways we can continue to strengthen the client experience.

We are energized by the conversations and excited about what's ahead as we continue working toward our shared goal of serving our clients with care, clarity, and purpose. ■



2026 Contribution Limits

IRS Retirement Savings Contribution Limits*				
Below are the contribution limits for tax year 2026.				
2026	Under Age 50	Over Age 50	For Ages 60-63	Contribution Deadline
Traditional & Roth IRAs	\$7,500	\$8,600	\$8,600	4/15/2026
SEP IRAs	\$72,000	\$72,000	\$72,000	4/15/2026 + extensions
Elective Deferrals 401(k), 403(b), 457(b)	\$24,500	\$32,500	\$35,750	12/31/2026
You have until the tax deadline of 4/15/2026 to make most 2025 contributions!				
*Detailed contribution limits can be located on the enclosed Tax Tables 2026 Edition.				

Thoughts from the Realize Wealth Management Group at Morgan Stanley

Sources:

- (1) Morningstar Advisor Workstation Annual Returns-S&P500 TR USD
(2) JP Morgan-Guide to the Markets pg. 7, 12/31/2025
(3) Morningstar Advisor Workstation Annual Returns-MSCI EAFE NR USD
(4) [U.S. Dollar Index](#) – Wikipedia
(5) JP Morgan-Guide to the Markets pg. 22, 12/31/2025
(6) LSEG T1 GC/1 Quotes
(7) www.federalreserve.gov
(8) Bloomberg, [Looking back at 2025: Fixed income](#), 1/15/2026.
(9) JP Morgan-Guide to the Markets Annual returns and intra-year declines. 12/31/2025
(10) Consumer Financial Protection Bureau. [An essential guide to building an emergency](#)

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Thoughts from the Realize Wealth Management Group at Morgan Stanley

Disclosures (continued):

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2024-2026 Forbes Best-In- State Wealth Management Teams.

Source: Forbes.com (2024-2026) Forbes Best-In-State Wealth Management Teams ranking awarded in 2024-2026. 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 previous year the award was issued, having commenced in March of the year before that. 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. This ranking is 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. These rankings are 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.

Morgan Stanley

Tax Tables

2026 Edition



2026 Tax Rate Schedule

TAXABLE INCOME (\$)		BASE AMOUNT OF TAX (\$)	PLUS	MARGINAL TAX RATE (%)	OF THE AMOUNT OVER (\$)
OVER	NOT OVER				
SINGLE					
\$0	\$12,400	\$0	+	10.0	\$0
\$12,400	\$50,400	\$1,240.00	+	12.0	\$12,400
\$50,400	\$105,700	\$5,800.00	+	22.0	\$50,400
\$105,700	\$201,775	\$17,966.00	+	24.0	\$105,700
\$201,775	\$256,225	\$41,024.00	+	32.0	\$201,775
\$256,225	\$640,600	\$58,448.00	+	35.0	\$256,225
\$640,600		\$192,979.25	+	37.0	\$640,600
HEAD OF HOUSEHOLD					
\$0	\$17,700	\$0	+	10.0	\$0
\$17,700	\$67,450	\$1,770.00	+	12.0	\$17,700
\$67,450	\$105,700	\$7,740.00	+	22.0	\$67,450
\$105,700	\$201,750	\$16,155.00	+	24.0	\$105,700
\$201,750	\$256,200	\$39,207.00	+	32.0	\$201,750
\$256,200	\$640,600	\$56,631.00	+	35.0	\$256,200
\$640,600		\$191,171.00	+	37.0	\$640,600
MARRIED FILING JOINTLY AND SURVIVING SPOUSES					
\$0	\$24,800	\$0	+	10.0	\$0
\$24,800	\$100,800	\$2,480.00	+	12.0	\$24,800
\$100,800	\$211,400	\$11,600.00	+	22.0	\$100,800
\$211,400	\$403,550	\$35,932.00	+	24.0	\$211,400
\$403,550	\$512,450	\$82,048.00	+	32.0	\$403,550
\$512,450	\$768,700	\$116,896.00	+	35.0	\$512,450
\$768,700		\$206,583.50	+	37.0	\$768,700
MARRIED FILING SEPARATELY					
\$0	\$12,400	\$0	+	10.0	\$0
\$12,400	\$50,400	\$1,240.00	+	12.0	\$12,400
\$50,400	\$105,700	\$5,800.00	+	22.0	\$50,400
\$105,700	\$201,775	\$17,966.00	+	24.0	\$105,700
\$201,775	\$256,225	\$41,024.00	+	32.0	\$201,775
\$256,225	\$384,350	\$58,448.00	+	35.0	\$256,225
\$384,350		\$103,291.75	+	37.0	\$384,350
ESTATES AND TRUSTS					
\$0	\$3,300	\$0	+	10.0	\$0
\$3,300	\$11,700	\$330.00	+	24.0	\$3,300
\$11,700	\$16,000	\$2,346.00	+	35.0	\$11,700
\$16,000		\$3,851.00	+	37.0	\$16,000

Kiddie Tax: All net unearned income over a threshold amount of \$2,700 for 2026 is taxed using the marginal tax and rates of the child's parents.

Tax Rates on Long-Term Capital Gains & Qualified Dividends

LTCG TAX	TAXABLE INCOME				
	SINGLE FILERS	MARRIED FILING JOINTLY	HEAD OF HOUSEHOLD	MARRIED FILING SEPARATELY	ESTATES & TRUSTS ⁽¹⁾
0%	\$49,450 or less	\$98,900 or less	\$66,200 or less	\$49,450 or less	\$3,300 or less
15%	More than \$49,450 and less than \$545,500	More than \$98,900 and less than \$613,700	More than \$66,200 and less than \$579,600	More than \$49,450 and less than \$306,850	More than \$3,300 and less than \$16,250
20%	\$545,500 or more	\$613,700 or more	\$579,600 or more	\$306,850 or more	\$16,250 or more

1. Estates and irrevocable trusts that do not distribute capital gains are subject to these rates.

Net Investment Income Tax

For individuals, 3.8% tax on the lesser of: (1) Net Investment Income, or (2) MAGI in excess of \$200,000 for single filers, or head of households, \$250,000 for married couples filing jointly, \$125,000 for married couples filing separately, and \$250,000 for a qualifying surviving spouse with a dependent child.⁽²⁾

2. A different calculation applies to trust and estates.

Standard Deductions for Non-Itemizers

FILING STATUS	STANDARD DEDUCTION	PERSONAL EXEMPTION	PHASEOUTS BEGIN AT AGI OF:
Single	\$16,100	N/A	N/A
Head of household	\$24,150	N/A	N/A
Married, filing jointly and surviving spouses	\$32,200	N/A	N/A
Married, filing separately	\$16,100	N/A	N/A
Dependent filing own tax return	\$1,350 ⁽³⁾	N/A	N/A

ADDITIONAL DEDUCTIONS FOR NON-ITEMIZERS

Blind or over 65 Married Filing Jointly	Add \$1,650
Blind or over 65 and unmarried and not a surviving spouse	Add \$2,050

3. For taxable years beginning in 2026, the standard deduction amount under Internal Revenue Code section 63(c)(5) for an individual who may be claimed as a dependent by another taxpayer cannot exceed the greater of (1) \$1,350, or (2) the sum of \$450 and the individual's earned income.

Alternative Minimum Tax

EXEMPTION AMOUNTS AND PHASEOUTS

	EXEMPTION AMOUNT/COMPLETE PHASEOUT AMOUNT:
Single	\$90,100/\$680,200
Married, filing jointly or surviving spouses	\$140,200/\$1,280,400
Married, filing separately	\$70,100/\$640,200
Estates and trusts	\$31,400/\$167,600

AMT TAX RATES

	MARRIED FILING SEPARATELY	ALL OTHERS
26% tax rate applies to income below:	\$122,250	\$244,500
28% tax rate applies to income over:		

Child Tax Credit

CREDIT	MAXIMUM CREDIT	INCOME PHASEOUTS BEGIN AT MAGI OF:
Child Tax Credit ⁽⁴⁾	\$2,200 per qualifying child	\$400,000 – married filing jointly \$200,000 – all others

4. Subject to eligibility requirements

Gift and Estate Tax Exclusions and Credits

Gift tax annual exclusion	\$19,000
Estate, gift & generation skipping transfer tax exclusion amount (per taxpayer)	\$15,000,000
Exclusion on gifts to non-citizen spouse	\$194,000
Maximum estate, gift & generation skipping transfer tax rate	40%

Tax Deadlines (As of November 2025)

Jan 15, 2026 – 4th installment deadline to pay 2025 estimated taxes due

Apr 15, 2026 – Last day to file amended federal income tax return for 2022 (subject to limited exceptions); Last day to contribute to most employer-sponsored retirement plans, including SEPs and profit-sharing plans for 2025 if the federal income tax return deadline for the business that maintains such plans is Apr. 15, 2026 (unless the federal income tax return filing deadline for the business has been extended). Deadline to file for an extension until Oct. 15, 2026, for businesses with a tax return deadline of Apr. 15, 2026. 1st installment deadline to pay 2026 estimated taxes due. Last day to file federal income tax returns for individuals (if not filing for an extension). Deadline to file for an extension until Oct. 15, 2026 for individuals whose tax return deadline is Apr. 15, 2026. Last day to contribute to Roth or traditional IRA or HSA for 2025. Last day to report gifts made during 2025 that must be shown on a federal gift tax return.

Jun 15, 2026 – 2nd installment deadline to pay 2026 estimated taxes due.

Sep 15, 2026 – 3rd installment deadline to pay 2026 estimated taxes due.

Oct 15, 2026 – Last day to file federal income tax return and federal gift tax return, if applicable, if 6-month extension was requested by Apr. 15, 2026 (subjected to limited exceptions). Last day to recharacterize an eligible Traditional IRA or Roth IRA contribution from 2025 if extension was filed or tax return was filed by Apr. 15, 2026 (and certain conditions were met). Last day to contribute to most employer-sponsored retirement plans, including SEPs and profit-sharing plans for 2025 if the federal income tax return deadline for the business that maintains such plans is Apr. 15, 2026, and federal income tax return extension was filed for such business.

Dec 31, 2026 – Last day to: 1) pay expenses for itemized deductions for 2026, subject to eligibility requirements; 2) complete transactions for capital gains or losses.

Traditional IRA Deductibility Limits

The contribution limit for Traditional IRAs is **\$7,500**; the catch up at age 50+ is **\$1,100**.

FILING STATUS ⁽¹⁾	MODIFIED AGI	CONTRIBUTION
Single/HOH; covered by a plan at work	\$81,000 or less	Fully Deductible
	More than \$81,000 and less than \$91,000	Partially Deductible
Married Filing Jointly; covered by a plan at work	\$91,000 or More	Not Deductible
	\$129,000 or less	Fully Deductible
Married Filing Jointly; not covered by a plan at work and spouse is covered by a plan at work	More than \$129,000 and less than \$149,000	Partially Deductible
	\$149,000 or More	Not Deductible
Married Filing Separately ⁽²⁾ and you or your spouse are covered by a plan at work ⁽²⁾	\$242,000 or less	Fully Deductible
	More than \$242,000 and less than \$252,000	Partially Deductible
Married Filing Separately ⁽²⁾ and you or your spouse are covered by a plan at work ⁽²⁾	\$252,000 or More	Not Deductible
	Less than \$10,000	Partially Deductible
	\$10,000 or More	Not Deductible

1. If not covered by a plan, single, HOH and married filing jointly/separately (both spouses not covered by a plan) tax filers are able to take a full deduction on their IRA contribution without MAGI limitations.

Roth IRAs Contribution Limits

The contribution limit for IRAs is **\$7,500**; the catch up at age 50+ is **\$1,100**.

ALLOWABLE CONTRIBUTION	MODIFIED AGI ⁽³⁾		
	SINGLE/HOH	MARRIED FILING JOINTLY	MARRIED FILING SEPARATELY ⁽²⁾
Full	Less than \$153,000	Less than \$242,000	N/A
Partial	\$153,000 less than \$168,000	\$242,000 less than \$252,000	\$0 – less than \$10,000
None	\$168,000 or more	\$252,000 or more	\$10,000 or more

2. If spouses did not live together at any time during the year, Single/HOH MAGI limit apply. 3. Roth conversion income is not included in MAGI.

Other Retirement Plan Contribution Limits

RETIREMENT PLAN TYPE	MAX. CONTRIBUTION LIMIT ⁽⁴⁾	CATCH-UP (50+)	MAXIMUM COMPENSATION TAKEN INTO ACCOUNT
SEP IRA	The lesser of 25% of compensation or \$72,000 ⁽⁵⁾	N/A	Employer contributions cannot take into account compensation in excess of \$360,000
SIMPLE IRA ⁽⁶⁾	\$17,000	\$4,000 ⁽⁷⁾	If matching contributions, up to 3% of employee compensation. If nonelective contribution (2% to 10%), employee compensation for calculation capped at \$360,000, generally subject to a maximum of \$5,300
Defined Benefit Plan	Individual benefit limited to the lesser of: 100% of average compensation in highest 3 consecutive calendar years, or \$290,000	N/A	Compensation for benefit calculation capped at \$360,000 or lower limit defined in the plan
401(k)	\$24,500	\$8,000 ⁽⁸⁾	Employer contributions cannot take into account compensation in excess of \$360,000
403(b), 457(b), Roth 401(k)	\$24,500	\$8,000 ⁽⁸⁾⁽⁹⁾	Employer contributions cannot take into account compensation in excess of \$360,000

4. For SIMPLE IRA, 401(k), 403(b), 457(b), and Roth 401(k), limit applies to employee contributions; additional employer contributions may be made. 5. For self-employed individuals, 25% of net earnings from self-employment. 6. For employers with 25 or fewer employees or that meet a higher matching or nonelective contribution threshold, higher limits for each of these amounts generally apply. 7. Catch-up contributions are increased to \$5,250 for employees age 60-63, if plan permits. 8. Catch-up contributions are increased to \$11,250 for employees age 60-63, if plan permits. 9. For certain 403(b) and 457(b) plans, special additional catch-up contributions may be permitted in specified circumstances. 457(b) plans of tax-exempt employers do not permit regular catch-up contributions.

Health Savings Accounts⁽¹⁰⁾

COVERAGE TYPE	MAXIMUM CONTRIBUTION
Self-Only HDHP Coverage	\$4,400
Family HDHP Coverage	\$8,750
Catch-up for 55 and older by end of calendar year	\$1,000

10. HSAs are only available for taxpayers enrolled in a qualifying high-deductible health plan (HDHP).

Education Credits & Exclusions

CREDIT / EXCLUSION	MAXIMUM CREDIT / EXCLUSION	INCOME PHASEOUTS AT MAGI OF:
American Opportunity Tax Credit/Hope	\$2,500 credit	\$160,000 – \$180,000 joint \$80,000 – \$90,000 all others
Lifetime Learning Credit	\$2,000 credit	\$160,000 – \$180,000 joint \$80,000 – \$90,000 all others
Savings bond interest tax-free if used for education	Exclusion limited to amount of qualified education expenses	\$152,650 – \$182,650 joint \$101,800 – \$116,800 all others

Social Security

FILING STATUS	PROVISIONAL INCOME ⁽¹¹⁾	% of SS SUBJECT TO TAXES
TAX ON SOCIAL SECURITY BENEFITS: INCOME BRACKETS		
Single, HoH, surviving spouse, married filing separately and living apart from spouse	\$25,000 or less	0
	More than \$25,000 and less than \$34,000	up to 50%
	\$34,000 or more	up to 85%
Married filing jointly	\$32,000 or less	0
	More than \$32,000 and less than \$44,000	up to 50%
Married filing separately and living with spouse	Over \$44,000	up to 85%
	More than \$0	up to 85%

11. Adjusted Gross Income + Tax Exempt Interest + ½ of Social Security Benefits.

FICA

SS TAX PAID ON TAXABLE INCOME UP TO \$184,500	PERCENTAGE WITHHELD	MAXIMUM TAX PAYABLE
Tax (FICA)		
Employer pays	6.2%	\$11,439.00
Employee pays	6.2%	\$11,439.00
Self-employed pays	12.4%	\$22,878.00

Medicare Tax

SS TAX PAID ON INCOME	PERCENTAGE WITHHELD
Employer pays	1.45%
Employee pays	1.45% + 0.9% on wages over \$200,000 (single) or \$250,000 (joint)
Self-employed pays	2.90% + 0.9% on self-employment income over \$200,000 (single) or \$250,000 (joint)

Social Security Benefits Reduction Before Full Retirement Age

AGE WHEN BENEFITS BEGIN	PERCENTAGE OF SOCIAL SECURITY BENEFITS	
	FRA of 66 ⁽¹²⁾	FRA of 67 ⁽¹²⁾
62	75.0%	70.0%
63	80.0%	75.0%
64	86.7%	80.0%
65	93.3%	86.7%
66	100.0%	93.3%
67	100.0%	100.0%

12. Full retirement age determined by year of birth

Retirement Earnings Exempt Amounts

Before Full Retirement Age (FRA)	\$24,480
During the year in which FRA is reached	\$65,160
After FRA	No limit after FRA

Deductibility of Long-Term Care Premiums on Qualified Policies

ATTAINED AGE BEFORE CLOSE OF TAX YEAR	AMOUNT OF LTC PREMIUMS THAT QUALIFY AS MEDICAL EXPENSES IN 2026
40 or under	\$500
Over 40 and 50 or under	\$930
Over 50 and 60 or under	\$1,860
Over 60 and 70 or under	\$4,960
Over 70	\$6,200

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