smartlife™

MONTHLY NEWSLETTER

CORBETT ROAD
WEALTH MANAGEMENT

February 2026

WHAT'S INSIDE

How Does Your Income Compare?
Almost half of U.S. taxpayers had an adjusted gross income (AGI) of less than $50,000 in 2024, and about one in four had an AGI of $50,000 to $100,000.

— page 02

The U.S. Penny Is History
After more than 200 years, the U.S. government is discontinuing one-cent pennies, primarily because it costs much more to mint them than they are worth. In addition, paying with cash has become much less common.

— page 02

No More Groundhog Day for Your Finances: Time for a Financial Wellness Check
Just like Groundhog Day, our financial habits can repeat themselves, month after month and year after year. That is, until we consciously break the pattern. Now is a good time to check on your finances, since it's still...

— page 02

A Roadmap for Your Family
A will is an essential legal document that describes how your estate should be distributed upon your death. It is the basis for the probate process and can serve as a guide for your heirs.

— page 04

Taxing Social Security Benefits: Clearing the Confusion
When the One Big Beautiful Bill Act (OBBBA) was passed in the summer of 2025, there was some confusion in messaging from the Social Security Administration about taxation of benefits. Here is an overview that may...

— page 05

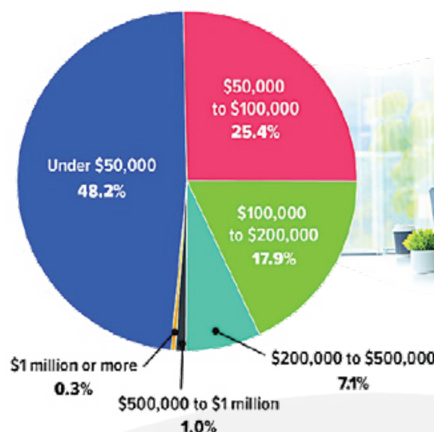
Wealthy Colleges Face Expanded Endowment Tax
Over the past year, colleges have faced several headwinds, including funding cuts, political entanglements, and student concerns about affordability and return on investment. Now, some wealthy colleges...

— page 07

HOW DOES YOUR INCOME COMPARE?

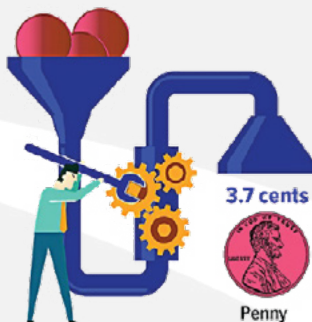
Almost half of U.S. taxpayers had an adjusted gross income (AGI) of less than $50,000 in 2024, and about one in four had an AGI of $50,000 to $100,000.

Source: *Internal Revenue Service, 2025 (for tax year 2024 returns processed through July 24, 2025; does not total 100% due to rounding)*



THE U.S. PENNY IS HISTORY

After more than 200 years, the U.S. government is discontinuing one-cent pennies, primarily because it costs much more to mint them than they are worth. In addition, paying with cash has become much less common. The U.S. Treasury ordered the last blanks — metal pieces from which coins are struck — in May 2025 and rolled out the last pennies in November. Pennies could remain in circulation for some time, but eventually, cash transactions will need to be rounded up or down to the nearest nickel. Once made from pure copper, the penny is now composed of copper-plated zinc.



Source: *The Wall Street Journal, May 22, 2025, and November 12, 2025; U.S. Mint, 2024 (Cost amounts rounded to the nearest tenth.)*

NO MORE GROUNDHOG DAY FOR YOUR FINANCES: TIME FOR A FINANCIAL WELLNESS CHECKUP

Just like Groundhog Day, our financial habits can repeat themselves, month after month and year after year. That is, until we consciously break the pattern. Now is a good time to check on your finances, since it's still early enough in the year to make meaningful changes. A financial wellness checkup can help you identify patterns that keep you stuck with bad habits and open the door to new behaviors that move you closer to financial stability.

Review your spending and budget

Start out by reviewing your spending over the last month by checking your bank, credit card, and payment app statements. Next, identify what money is coming in, whether earned income or from other sources, such as investments. Add them up and compare the two totals to make sure you are spending within your means. If your expenses outweigh your income,

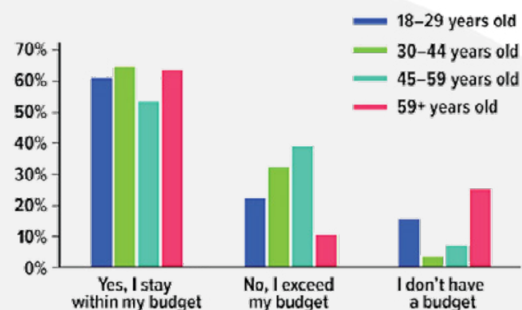
you'll likely need to make some adjustments, such as reducing your discretionary spending.

While it's normal to stray from your budget occasionally, there are some ways to help make working within it a bit easier:

- Make budgeting a part of your daily routine.
- Build occasional rewards into your budget.
- Evaluate your budget regularly and make changes if necessary.
- Use budgeting software/apps to track your progress.

Set new financial goals and reprioritize existing ones

Next, take a look at the financial goals you set for yourself — both short- and long-term. Perhaps you wanted to increase your cash reserve or save money for a down payment on a home. Maybe you wanted to invest more money towards your retirement. Did you accomplish any of your goals? Do you have any new goals that you would like to target?



Source: WalletHub, September 12, 2025

Finally, have your personal or financial circumstances changed during the past year (e.g., marriage, the birth of a child, or a job promotion)? Would that warrant a reprioritization of goals?

Make sure your investment portfolio is still on target

Review your investment portfolio to ensure that it is still on target to help you pursue your financial goals. Ask yourself the following questions:

- Do I still have the same time horizon for investing as I did last year?
- Has my tolerance for risk changed?
- Do I have an increased need for liquidity?
- Does any investment now represent too large (or too small) a part of my portfolio?*

Focus on reducing your debt

An essential part of any financial wellness checkup focuses on reducing debt. Here are some tips to help you keep your debt in check:

- Keep track of all of your credit card balances and be aware of interest rates and hidden fees.
- Develop a plan to manage your payments and strive to avoid late fees.
- Optimize your repayments by paying off high-interest debt first or consider taking advantage of debt consolidation/refinancing programs.
- Avoid charging more than you can pay off at the end of each billing cycle.

Take steps to improve your credit health

Having healthy credit is another important part of financial wellness. Check your credit report, which contains information about your past and present credit transactions and is used by potential lenders to evaluate your creditworthiness. A positive credit history helps you obtain credit when you need it and possibly at a lower interest rate.

Review your credit report for inaccuracies. To establish a good track record with creditors, always pay your monthly bills on time and try to limit credit inquiries on your credit report. You are entitled to a free copy of your credit report every 12 months from each credit reporting company. Visit www.annualcreditreport.com for more information.

**Rebalancing involves selling some investments in order to buy others. Selling investments in a taxable account could result in a tax liability.*

All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful.

A ROADMAP FOR YOUR FAMILY

A will is an essential legal document that describes how your estate should be distributed upon your death. It is the basis for the probate process and can serve as a guide for your heirs.

A letter of instruction has no formal legal status, but it could be just as important as a will in helping your loved ones settle your estate and move forward with their lives. Think of it as a roadmap for your family, providing information about the steps they should take during a difficult time.

Unlike a will, which must follow legal guidelines and may require an attorney, a letter of instruction can be written by you in any way you choose. Here are some topics you may want to address.

Financial accounts and account numbers, including online usernames and passwords. If you prefer not to write down login credentials, the executor of your estate should be able to access accounts using the account numbers and your Social Security number.

List of documents and their locations, including (but not limited to) your will, insurance policies, tax returns, bank and investment account documents, real estate deeds and mortgage documents, vehicle titles, Social Security and Medicare cards, marriage and/or divorce papers, and birth certificate.

Contact information for professionals who handle your financial and legal affairs, such as your attorney, financial professional, insurance agent, and accountant. Also include others who may be helpful, such as a business partner or trusted friend.

Bills and creditors, including when payments are due and other pertinent information, such as loan terms and balances as of the date of the letter.

Your final wishes for burial or cremation, a funeral or memorial service, organ donation, and charitable contributions in your memory.

You might also include more personal thoughts or life lessons that you want to pass on, or you could write a separate letter.

Keep your letter of instruction in a safe, yet accessible place and tell your loved ones where it can be found. Be sure the executor of your estate is aware of the letter; it might also be wise to give the executor a copy for safekeeping.

It's important to review your letter of instruction regularly and update it as appropriate. Your heirs will thank you for taking the time to prepare.

TAXING SOCIAL SECURITY BENEFITS: CLEARING THE CONFUSION

When the One Big Beautiful Bill Act (OBBBA) was passed in the summer of 2025, there was some confusion in messaging from the Social Security Administration about taxation of benefits.[1-2] Here is an overview that may help clarify any questions you have about the new law and taxing Social Security benefits.

What does OBBBA do and not do for seniors?

First and foremost, OBBBA does not change the rules for taxing Social Security benefits. The process used to pass OBBBA in the Senate — called budget reconciliation — prohibits any changes to the Social Security program.

OBBBA does provide an additional $6,000 deduction for taxpayers 65 and older ($12,000 for a married couple) for tax years 2025–2028. However, this deduction has no direct relationship with Social Security benefits. It is available regardless of whether the taxpayer age 65 and older is receiving benefits. And it is not available to taxpayers who are receiving benefits if they are under age 65. The deduction phases out at higher income levels: $75,000–$175,000 for single filers, $150,000–$250,000 for joint filers.

Taxation of Social Security benefits is based on income. That means the additional senior deduction should reduce the number of people who have to pay taxes on their Social Security benefits by reducing their taxable income. And many of those who do pay taxes will pay less.

According to the White House, 64% of Social Security beneficiaries did not pay taxes on their benefits before OBBBA, and the new senior deduction will increase that to 88%.[3] Other analysts indicate that both figures are too high, because they assume that all deductions are applied directly to Social Security income, whereas many seniors receive other taxable

income. The nonpartisan Urban-Brookings Tax Policy Center estimates that about half of beneficiaries will still pay some taxes on their Social Security benefits.[4]

How are Social Security benefits taxed?

The tax liability for Social Security benefits is based on your combined income, defined by the IRS as your adjusted gross income plus tax-exempt interest plus one-half of your Social Security benefits.

If your combined income exceeds a base amount of $25,000 for single filers or $32,000 for joint filers, you may owe federal income taxes on up to 50% of your Social Security benefits. If your combined income exceeds a higher base amount of $34,000 for single filers or $44,000 for joint filers, you may owe federal income taxes on up to 85% of your benefits.

Considering these rules, the only taxpayers for whom taxation of benefits will be completely eliminated by the new law are those whose combined income drops below the $25,000/$32,000 base amount.

Whether or not your Social Security benefits are taxed, the new senior deduction should reduce your tax burden to some extent. Unfortunately, it comes with a longterm effect on the Social Security and Medicare programs, which are funded in part by taxes on Social Security benefits. One estimate suggests that the new deduction will move the expiration date of the trust funds that help fund Social Security and Medicare up from 2033 to 2032, unless Congress takes action to strengthen the programs.[5]

Estimates are based on current conditions, are subject to change, and may not come to pass.

1) *Social Security Administration, July 3, 2025*
2) *MarketWatch, July 25, 2025*
3) *The White House, July 1, 2025*
4) *Urban-Brookings Tax Policy Center, July 9, 2025*
5) *Committee for a Responsible Federal Budget, June 27, 2025*

Three Deductions

The new senior deduction is available regardless of whether a taxpayer takes the standard deduction or itemizes. For those who take the standard deduction, it is in addition to the standard deduction (which applies to all taxpayers) and the already existing additional standard deduction for taxpayers age 65 and older. The combination of all three deductions could result in a substantial reduction of taxable income. These are the deductions for tax year 2025, with deductions for tax year 2026 in parentheses.

	Filing status			
Deduction	Single	Joint	Head of household	Married filing separately
Standard	$15,750 ($16,100)	$31,500 ($32,200)	$23,625 ($24,150)	$15,750 ($16,100)
Additional standard 65+	$2,000 ($2,050)	$1,600 each $3,200 total ($1,650/$3,300)	$2,000 ($2,050)	$1,600 ($1,650)
OBBBA 65+ 2025–2028	$6,000	$6,000 each $12,000 total	$6,000	Not available
Total	$23,750 ($24,150)	$46,700 ($47,500)	$31,625 ($32,200)	$17,350 ($17,750)

WEALTHY COLLEGES FACE EXPANDED ENDOWMENT TAX

Over the past year, colleges have faced several headwinds, including funding cuts, political entanglements, and student concerns about affordability and return on investment. Now, some wealthy colleges are facing another obstacle: an expanded tax on their endowments.

A new tiered endowment tax

The One Big Beautiful Bill Act (OBBBA), signed into law in July 2025, established a new tiered tax rate on the endowments of wealthy colleges and universities starting in 2026.

Previously, private schools with at least 500 tuition-paying students and an endowment of at least $500,000 per student paid a 1.4% tax on the net investment income from their endowments. This tax, enacted by the Tax Cuts and Jobs Act of 2017, was the first time a federal tax had been levied on educational institutions. In 2023, 56 schools paid $381 million in endowment tax.[1]

Under OBBBA, starting in 2026, private colleges and universities with more than 3,000 tuition-paying students will be subject to a new tiered tax rate based on an "endowment dollars per student" model as follows:

- $500,000 to $750,000 endowment per student: 1.4%
- $750,001 to $2 million endowment per student: 4%
- Over $2 million endowment per student: 8%

Based on prior endowment values and enrollment numbers, 15 universities — many of the nation's top research institutions — are expected to be subject to the new rates in 2026, with 10 schools facing an 8% or 4% tax rate and five schools remaining at the 1.4% rate.[2] Congressional tax analysts have estimated that the new tiered tax rates will bring in $761 million over 10 years, money that will flow into the general coffers of the U.S. Treasury.[3] The winners under the new rules are the more than two dozen smaller, highly selective colleges that were paying a 1.4% tax pre-2026 but will now be exempt from any endowment tax because they enroll fewer than 3,000 tuition-paying students.[4]

Impact on colleges and students

Colleges generally rely on income from their endowments to act as a cushion to help protect their budgets from cyclical pressures, unanticipated changes in enrollments, and other temporary revenue disruptions. Colleges also use their endowments to fund research, institutional operations, and financial aid programs for undergraduate and graduate students, among other things. Schools impacted by the new endowment tax could potentially adjust their spending in these areas, possibly leaving students with reduced financial aid packages, research opportunities, and/or college enrichment programs.

1-2, 4) Forbes, July 5, 2025
3) Joint Committee on Taxation, July 1, 2025

IMPORTANT DISCLOSURES

Spire Wealth Management, LLC is a Federally Registered Investment Advisory Firm. Securities offered through an affiliated company, Spire Securities, LLC., a Registered Broker/Dealer and member FINRA/SIPC.

Neither Spire Wealth Management nor Corbett Road Wealth Management provide tax or legal advice. The information presented here is not specific to any individual's personal circumstances. Please speak with your tax or legal professional.

These materials are provided for general information and educational purposes based upon publicly available information from sources believed to be reliable—we cannot assure the accuracy or completeness of these materials. The information in these materials may change at any time and without notice.

This content has been reviewed by FINRA.

Prepared by Broadridge Advisor Solutions. © 2026 Broadridge Financial Services, Inc.

CORBETT ROAD
WEALTH MANAGEMENT

Let's keep in touch

Toll Free: 844.688.4955
info@corbettroad.com
www.corbettroad.com
linkedin.com/company/corbettroad

Washington, D.C.
7901 Jones Branch Dr
Suite 800
McLean, VA 22102
Local: 703.748.5836

Boston, MA
101 Arch St
8th Floor
Boston, MA 02110
Local: 617.600.7930

Los Angeles, CA
10100 Santa Monica Blvd
Suite 300
Los Angeles, CA 90067
Local: 310.591.5674

Fort Lauderdale, FL
2598 E. Sunrise Blvd
Suite 2104
Ft. Lauderdale, FL 33304
Local: 954.507.6028

Knoxville, TN
800 S. Gay St
Suite 700
Knoxville, TN 37929
Local: 865.444.4520

Phoenix, AZ
2375 E. Camelback Rd
Suite 600
Phoenix, AZ 85016
Local: 602.807.1145

St. Louis, MO
7777 Bonhomme Ave
Suite 1800
Clayton, MO 63105
Local: 314.463.0132