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Online Advisor – November 2026

Upcoming dates:

November 11

- Veterans Day

November 26

- Thanksgiving

November 27

- Black Friday

Reminder

- Conduct year-end tax and financial planning

Just when you thought you had the tax code figured out, it's time to get acquainted with another round of changes. And speaking of changes, the 2027 Social Security inflation adjustments have been announced. In this month's newsletter, we explore new tax rules for 2026, including several provisions of the One Big Beautiful Bill Act of 2025, and what the latest Social Security adjustments could mean for you.

You'll also discover which household bills might be worth renegotiating each year, along with a few old-fashioned habits that could be worth bringing back into your everyday life.

As always, feel free to call if you wish a review of your situation and pass this information along to someone who might find it useful.

What's New in 2026? Tax Changes You Should Know About

Here are several important tax law changes worth knowing about before filing your 2026 return:

- **New charitable contribution deductions.** Even if you take the standard deduction, you can now deduct up to $1,000 in qualifying cash donations, or $2,000 for married couples filing jointly. If you itemize, charitable deductions are generally limited to contributions exceeding 0.5% of your adjusted gross income (AGI). Taxpayers in the highest bracket also face a 35% cap on the tax benefit of itemized deductions.

- **Expanded 529 education savings benefits.** Families can now withdraw up to $20,000 annually per beneficiary for qualifying K–12 education expenses, twice the previous $10,000 limit. Additional educational expenses also qualify for tax-free withdrawals.
- **New Trump Accounts for children.** Eligible children born from 2025 and 2028 can receive a one-time $1,000 federal contribution to a new tax-advantaged savings account. Families and other eligible contributors can generally add up to $5,000 annually.
- **Increased dependent care benefits.** If your employer offers dependent care benefits, you can now set aside up to $7,500 tax-free for qualifying expenses, up from $5,000. The Child and Dependent Care Credit also becomes more generous, with the maximum credit rate increasing from 35% to 50%, depending on income.
- **Expanded Health Savings Account eligibility.** Certain bronze and catastrophic health insurance plans now qualify for Health Savings Account (HSA) purposes. Qualifying direct primary care arrangements are also permitted without jeopardizing HSA eligibility.
- **New limits on gambling loss deductions.** Taxpayers can deduct only 90% of otherwise eligible gambling losses, up to the amount of their winnings. That means you could owe taxes even if your gambling winnings and losses break even.
- **Additional tax breaks for educators.** Eligible teachers and other educators who itemize can now deduct qualifying unreimbursed classroom expenses without the $300 limit that applies to the separate educator expense deduction. The same expenses cannot be deducted twice.
- **New Roth catch-up contribution requirements.** If you're age 50 or older and earned more than $150,000 from your employer in the previous year, catch-up contributions to your employer-sponsored retirement plan generally must be made on a Roth (after-tax) basis. This change comes from the SECURE 2.0 Act.
- **Expanded cryptocurrency reporting.** Cryptocurrency brokers must now report cost basis for certain covered digital asset transactions on Form 1099-DA, making it easier for taxpayers and the IRS to track gains and losses. The reporting requirements stem from legislation passed in 2021.
- **Higher estate and gift tax exemption.** The federal estate and gift tax exemption increases to $15 million per person, or $30 million for married couples through proper planning, giving families more flexibility to transfer wealth without triggering federal estate or gift taxes.

2027 Social Security Changes Announced

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2027 Social Security

Find out how your benefits have changed

Average Retirement Benefits

Starting January 2027

Average Benefits - All Workers

- 2027: $2,170/mo (+$99)
- 2026: $2,071/mo

Maximum Benefits for Workers Retiring at Full Retirement Age

- 2027: $4,188/mo (+$36)
- 2026: $4,152/mo

Working While You Collect Social Security

- If you're **younger than age 67** in 2027, you can earn up to **$25,560** per year. For every $2 you earn over this limit, your Social Security benefits decrease by $1.*
- If you **turn age 67** in 2027, you can earn up to **$67,920** per year. For every $3 you earn over this limit, your Social Security benefits decrease by $1.*
- If you're **age 68 or older** in 2027, there is **no earnings limit**. You can earn as much as you want and receive your full Social Security benefits.
- **What counts as earnings?** These earning limits generally apply to wages from a job and net earnings from self-employment. They do not apply to investment income, pensions, or retirement account withdrawals.

*** NOTE:** Once you reach full retirement age (currently age 67), Social Security recalculates your benefits to give you credit for months when payments were withheld.

Social Security Revenues & Expenditures

Revenue Sources = $1.4493 trillion

- 3.99% – Taxation of benefits
- 4.75% – Interest
- 91.26% – Payroll taxes

Expenditures = $1.6095 trillion

- 0.37% – Railroad Retirement financial interchange
- 0.43% – Administrative expenses
- 99.20% – Benefit payments

SOURCE: *2026 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, Table II.B1.*

2027 Social Security & Medicare Tax Rates

If you work for someone else, your employer pays **7.65%**

If you work for someone else, you pay **7.65%**

If you're self-employed, you pay **15.3%**

NOTE: The above tax rates are a combination of 6.2% for Social Security and 1.45% for Medicare. There is also a 0.9% Medicare wages surtax for those with wages above $200,000 single ($250,000 joint filers) that is not reflected in these figures.

Item	2027	2026	Change
Maximum amount you may pay in Social Security taxes	**$11,923**	$11,439	+$484
Maximum earnings amount Social Security will tax at 6.2%	**$192,300**	$184,500	+$7,800

Social Security Payments Explained

- **Social Security** (SS) retirement benefits are for people who have paid into the Social Security system through taxable income.
- **Social Security Disability** (SSD or SSDI) benefits are for people who have disabilities but have paid into the Social Security the system through taxable income.
- **Supplemental Security Income** (SSI) benefits are for adults and children who have disabilities, plus limited income and resources.

Maximum SSI Payments

Filing Status	2027	2026	Change
Individual	**$1,029/mo**	$994/mo	+$35
Couple	**$1,544/mo**	$1,491/mo	+$53

How does Social Security work?

- When you work, you pay taxes into Social Security.
- The Social Security Administration uses your tax money to pay benefits to people right now.
- Any unused money goes into Social Security trust funds and is borrowed by the government to pay for other programs.
- Later on when you retire, you receive benefits.

How to qualify for retirement benefits

When you work and pay Social Security taxes, you earn **credits** toward benefits. The number of credits you need to earn retirement benefits depends on when you were born.

- If you were born in **1930** or later, you need **40 credits** (10 years of work) to receive retirement benefits
- You receive one credit for each **$1,970** of earnings in **2027**
- **4 credits** maximum per year

Did you know you can check your benefits status before you retire?

- You can check online by creating a *my* Social Security account on the SSA website. If you don't have an account, you'll be mailed a paper Social Security statement 3 months before your 61st birthday.
- It shows your year-by-year earnings, and estimates of retirement, survivors and disability benefits you and your family may be able to receive now and in the future.
- If it doesn't show earnings from a state or local government employer, contact them. The work may not be covered within Social Security.

Sources: SSA.gov

The Bills You Should Renegotiate Every Year

Many household bills gradually increase over time, often without much notice. Taking a little time each year to review your expenses, compare prices, and negotiate better rates could save you hundreds of dollars. Here are several bills to consider revisiting annually.

- **Insurance.** Compare rates for auto, homeowner's and renters insurance periodically. Even if you don't switch, competing quotes give you a reference point. Also ask your current insurer about discounts, deductibles and whether your coverage still fits your needs.

- **Internet.** Longtime customers can wind up paying more than newer customers when promotional pricing expires. Check competitors' current offers, then ask your provider whether there are less expensive plans or retention offers available.
- **Cell phone service.** Don't assume the plan you've had for five years is still the best plan for your family. Review how much data you're actually using, whether you're paying for unused lines or features, and what competing carriers offer.
- **Subscriptions and memberships.** Streaming services, software, gyms, satellite radio, security systems and other recurring services may have cheaper tiers or retention offers. Even when they won't negotiate, you can downgrade or cancel.
- **Bank services.** Your bank may offer better rates or lower fees than those it advertises. Depending on the bank and your relationship with it, you may be able to ask for a higher rate on a savings account, money market account or CD, particularly if you're considering moving a sizable balance elsewhere. Banks may also have some flexibility with credit card annual fees, certain account fees and, in some cases, loan or credit card interest rates. Before automatically accepting the rate you're earning or paying, see what competitors are offering and ask your bank whether it can match or improve upon it.

Tips to renegotiate

- **Do a few minutes of homework.** Don’t call and simply ask for a discount. Know what you're currently paying. Look up what the company is offering new customers. Check one or two competitors. Then call with something specific: *I'm paying $145 a month now, and I'm seeing comparable service for around $100. Are there any plans or discounts available that could lower my bill?*
- **Ask what options are available, not just whether they can lower the price.** A representative may not be able to simply knock $20 off your bill, but they may be able to move you to a different plan, apply a promotion, remove a fee or offer a loyalty discount. Try asking, *Are there any other plans, promotions or discounts available that could lower what I’m paying?*
- **Be willing to walk away, or at least know your alternatives.** Your strongest negotiating position is knowing you have another option. If the company can't improve the price, politely ask what you need to do to cancel or switch. You don't have to threaten to leave, and you shouldn't bluff. But if a competitor offers comparable service for substantially less, being prepared to switch gives you a meaningful alternative.

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Things We Used to Do All the Time - and Why They Might Be Worth Bringing Back

Some of life's simplest pleasures can be found in everyday habits we might have taken for granted. As technology and convenience change the way we live, perhaps it's worth taking another look at a few traditions that might deserve a comeback.

- **The lost art of knowing your neighbors.** Knowing the people next door, borrowing a ladder, watching someone's house, kids playing together, neighborhood conversations in the driveway.
- **Eating dinner together.** Not necessarily every night, but having a regular meal where everyone is actually in the same place without screens competing for attention.
- **Calling someone just to talk.** Before texting, a phone call didn't necessarily require a reason. You called someone because you hadn't talked to them lately.
- **Dropping by without an appointment.** This one has changed dramatically. Showing up at a friend or relative's house used to be fairly normal. Today it can feel almost socially unacceptable.
- **Letting kids figure out what to do.** Going outside, finding other kids and inventing something to do rather than having every hour organized around activities.
- **Fixing things before replacing them.** Clothes were mended, appliances repaired and furniture refinished. Now replacement can sometimes be easier than repair.
- **Asking people instead of looking it up.** Directions, recipes, recommendations, advice and random facts once created little human interactions that Google eliminated.
- **Writing things down.** Grocery lists, calendars, phone numbers, recipes, notes and even letters. There could be an interesting distinction between writing something down and simply storing it somewhere digitally.
- **Having a few hours when nobody can reach you.** Before smartphones, being unavailable wasn't unusual. You went somewhere and people simply waited until you came home.
- **Taking pictures without immediately sharing them.** Photos primarily existed to preserve a memory rather than communicate what you were doing right now.
- **Memorizing actual phone numbers.** Almost everyone once knew dozens of them. Now many people might struggle to give you more than a handful.
- **Making something from scratch.** Cooking, woodworking, sewing, gardening, crafts and other activities that were once ordinary household skills rather than hobbies.

- **Passing down family stories.** Stories about grandparents, childhoods, family characters and "the time your dad…" were often transmitted simply because families spent time talking.

Thoughtful Action Plan

- **Reflect on what matters.** Think about the everyday traditions you remember most fondly. What made them meaningful, and could they still enrich your life today?
- **Choose what works for you.** Not every old habit deserves a comeback. Focus on the ones that fit your lifestyle and bring genuine enjoyment or connection.
- **Make room for the good stuff.** Sometimes improving your life isn't about adding something new. It's about making more time for the simple things that have always mattered.

Know Your Rights When Debt Collectors Call

At some point in your life, you may be on the receiving end of a debt collection phone call. These calls may be fraudulent, made in error or prompted by some other unforeseen circumstance. Whatever the reason, everyone should know that strict U.S. laws prohibit harassment by debt collectors. By knowing your rights, you can deal with these situations with minimal hassle. Here are some suggestions.

- **Know what collectors can and cannot say.** When a debt collector calls, they must be transparent about who they are. The magic words they must utter are: *This is an attempt to collect a debt, and any information obtained will be used for that purpose*. Debt collectors can't use abusive or threatening language, or threaten you with fines or jail time. A debt collector may warn you that failing to pay could damage your credit rating or result in a civil lawsuit.
- **Be cautious about potential fraud.** Before doing anything else, confirm the caller is legitimate. Too often thieves pose as debt collectors to find unsuspecting victims. Never provide information to the company, and do not confirm any information provided by them. Ask that documentation of any disputed charges be sent to you by mail. They should already know your address.
- **Know the contact rules.** Debt collectors must call between 8 a.m. and 9 p.m. local time. They may try to call you at work, but they must stop if you tell them that you cannot receive calls there. Debt collectors may not talk to anyone else about your debt (other than your attorney, if you have one), but they may try contacting other people, such as relatives, neighbors or employers. This must be solely for the purpose of trying to find out your phone number, address or where you work.

- **Take action.** If you believe the debt is in error - in whole or in part - you can send a dispute letter to the collection agency within 30 days of first contact. Ask the collector for their mailing address and let them know you are filing a dispute. They will have to cease all collection activities until they send you legal documentation verifying the debt.
- **Tell them to stop.** And whether you dispute the debt or not, you can send a cease letter to the collection agency at any time telling them to stop making contact. You don't need to provide a specific reason. They will have to stop contact after this point, though they may still decide to pursue legal options in civil court.
- **Take good notes.** Consider keeping a file of all letters and documents, along with notes detailing dates and times of conversations and what was discussed. These notes and records can help you in the event that you need to meet with an attorney or go to court.

If a debt collection agency is not following these rules, you can report them to your state's attorney general office. Also consider filing a complaint with the U.S. Federal Trade Commission and the Consumer Financial Protection Bureau.

Boost Your Bottom Line by Increasing Customer Profitability

Analyzing customer profitability is a great way to identify high-value customers that significantly add to your bottom line. It's also a useful exercise for spotting low-value customers that might be costing your business more money than they are worth. Here's a step-by-step guide to help boost your bottom line by identifying and improving customer profitability.

Defining customer profitability. Each of your customers brings in sales. It is easy to sort these customers by sales volume, but this exercise often lacks the necessary margin analysis that will help determine which customers contribute the most to your bottom line. Surprises often occur when large customers are given discounts because of their sales volumes. Here are some key steps to get to this contribution level:

Step 1: Identify revenue generated by each customer. Start by calculating the total revenue each customer generates over a given period (e.g., monthly, quarterly, annually). Next, segment your customers by size, industry, or product purchases to compare similar groups. Then determine the average order value for each customer by dividing the total revenue generated by the number of transactions. It is important to use net sales to ensure you are using the true revenue received.

Step 2: Calculate the costs to serve each customer. Include the direct costs of goods sold (COGS) or the costs of delivering services for each customer, such as material and manufacturing costs, labor, and shipping. Next, identify the indirect costs associated with serving each customer. These

typically include customer support and service costs, marketing and sales efforts, along with administrative and operational costs. Also consider the cost of acquiring each customer, as well as retention costs such as loyalty programs and discounts.

Step 3: Calculate the Customer Lifetime Value (CLV). This represents the total revenue a customer is expected to generate over the duration of their relationship with your business. The formula is:

Customer Lifetime Value = Average Purchase Value x Average Purchase Frequency x Customer Lifespan

Step 4: Analyze profit margins for each customer. Calculate the gross profit margin for each customer by subtracting the total costs to serve them from the total revenue they generate, then dividing by total revenue. For a more comprehensive view, calculate the net profit margin for each customer by including all overhead and indirect costs:

Net Profit Margin = Revenue – (COGS + Overhead Costs + Acquisition Costs) \ Revenue

Step 5: Put customers into buckets based on profitability. Once you've calculated the profitability of each customer, group them into tiers or categories and create action items for each bucket:

- **High-value customers.** Invest more resources in retaining and growing relationships with your most profitable customers. Consider offering them loyalty rewards, personalized services, or exclusive discounts to encourage them to remain customers for years to come.
- **High-cost customers.** For customers who generate revenue but are expensive to serve, explore ways to reduce costs. This may include automating services, offering self-service options, or improving operational efficiency.
- **Less profitable customers.** If certain customers are unprofitable due to high service costs, consider raising prices or offering fewer discounts to improve margins.
- **Unprofitable customers.** In some cases, it might be worth discontinuing relationships with customers who are consistently unprofitable. You can diplomatically phase out these customers by adjusting pricing or terms, or reducing the services offered.

By analyzing customer profitability, you can allocate resources more efficiently, optimize pricing and service strategies, and focus on retaining your most valuable customers.

As always, should you have any questions or concerns regarding your tax situation please feel free to call.

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