



March 2026



March is all about momentum, especially when it comes to planning ahead for 2026. In this month's newsletter, we explore why your tax planning cycle begins now and share practical steps to help you get started in the right direction.

A key part of this strategy is understanding the difference between tax credits and tax deductions. While both can reduce what you owe, one often delivers significantly greater impact. We break down how each works and why the distinction matters. We also zoom out to take a broader financial view, offering practical retirement planning insights tailored to every stage of life.

As always, should you have any questions, please call. And feel free to forward this information to someone who could use it!



Your Tax Planning Cycle Starts Now

Filing your 2025 tax return may feel like crossing a finish line. In reality, this moment is the starting point for smart tax planning during 2026.

Here are several ideas to kick start your own tax planning cycle.

If you get a big refund, adjust your withholdings. A large refund may feel rewarding, but it often means you gave the government an interest-free loan all year. This money could have supported debt reduction, savings, or investments, instead. After filing, revisit your Form W-4 and run a projection for 2026. Fine-tuning your withholding improves monthly cash flow and reduces the likelihood of over-correcting later in the year.

If you have a big tax bill, review estimated tax payments. A significant balance due is more than an inconvenience. It may signal under-withholding or insufficient quarterly estimates. Early in the year is the ideal time to correct course. Review income sources, especially self-employment, investment, or bonus income, and adjust estimated payments accordingly.

Plan now to take advantage of the \$1,000 above-the-line charitable donation deduction. With an above-the-line charitable deduction available (\$2,000 for married couples), thoughtful giving becomes even more strategic. Consider your cash flow to optimize the timing of donations. Spreading contributions across the year may make budgeting easier, while ensuring you fully utilize the deduction.



Upcoming dates:

March 16

- Due date for partnership and S corporation tax returns (Forms 1065, 1120S)

Reminders

- Organize filing records (1099s, 1098s, W-2s, etc.)
- Begin tax planning for 2026

Understanding Tax Credits vs. Deductions



Tax credits are some of the most valuable tools around to help cut your tax bill. But figuring out how to use these credits on your tax return can get complicated very quickly.

Here's what you need to know.

Review retirement contribution limits for 2026. Confirm contribution limits for IRAs, 401(k)s, and other qualified plans for 2026, and evaluate whether you can increase deferrals. Even modest monthly adjustments can significantly reduce taxable income over the course of a year. Starting early also makes it easier to reach maximum contribution thresholds without straining year-end cash flow.

Plan HSA contributions and medical expenses. Health Savings Accounts offer a rare triple tax benefit – deductible contributions, tax-free growth, and tax-free qualified withdrawals. Review eligibility, contribution limits, and anticipated medical expenses for 2026. Coordinating planned procedures, prescriptions, or ongoing care with your funding strategy can enhance the tax benefit while keeping healthcare spending organized and predictable.

Take into account life events. Major life changes often reshape your tax profile. Marriage can alter filing status and bracket exposure. Divorce may affect dependency claims and support payments. A new child can unlock credits and deductions. Anticipating these shifts allows you to update withholding, adjust estimated payments, and plan eligibility for credits before the year unfolds.

Pay attention to no tax on tips and overtime. Accurate tracking becomes essential if you receive tip and/or overtime income. Confirm how your employer reports this income and ensure payroll systems reflect proper treatment. Employers and business owners must also review compliance procedures. Understanding how these earnings are classified early in the year helps prevent reporting errors and maximizes any available benefit.

The most effective tax strategies are built early. Use your filed 2025 tax return as a starting point, make adjustments now, and give your 2026 plan room to work in your favor.

Understanding the difference

To help illustrate the difference between a credit and a deduction, here is an example of a single taxpayer making \$50,000 in 2025.

- Tax Deduction Example: Gee I. Johe earns \$50,000 and owes \$5,000 in taxes. If you add a \$1,000 tax deduction, he'll decrease his \$50,000 income to \$49,000, and owe about \$4,800 in taxes.

Result: A \$1,000 tax deduction decreases Gee's tax bill by \$200, from \$5,000 to \$4,800.

Tax Credit Example: Now let's assume Gee has a \$1,000 tax credit versus a deduction. Gee's tax bill decreases from \$5,000 to \$4,000, while his \$50,000 income stays the same.

Result: A \$1,000 tax credit decreases your tax bill from \$5,000 to \$4,000.

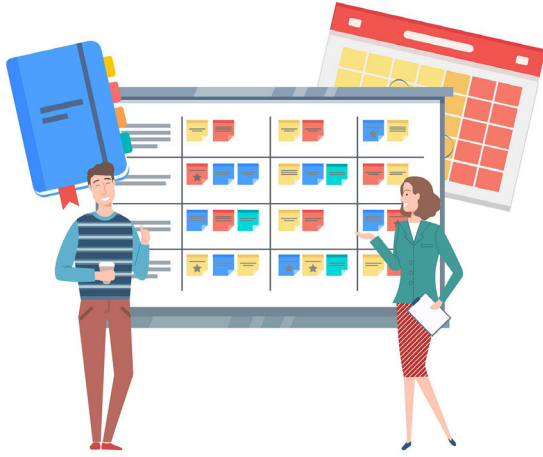
In this example, your tax credit is five times as valuable as a tax deduction.

Credits are usually worth more

Credits are generally worth much more than deductions. However there are several hurdles you have to clear before being able to take advantage of a credit. To illustrate, consider the popular child tax credit.

Hurdle #1: Meet basic qualifications

You can claim a \$2,200 tax credit for each qualifying child you have on your 2025 tax return. The good news is that the IRS's definition of a qualifying child is fairly broad, but there are enough nuances to the definition that Hurdle #1 could get complicated. And then to make matters more complicated...



From Tension to Teamwork - A Smarter Way for Couples to Manage Money

Couples often name money as a major source of tension – but it can also become one of your greatest tools for building trust and momentum together.

When approached intentionally, money stops being a stressor and starts becoming a strategy.

Here are some ideas for creating financial harmony with your long-term partner or spouse.

- Be radically transparent. Honesty about money should start early. Both partners should understand the full financial picture including income, debts, savings, investments, and credit history, [says everydayhealth.com](https://www.everydayhealth.com). Major obligations such as student loans, credit card balances, or family financial responsibilities should never come as a surprise years into the relationship. Secrecy around money erodes trust quickly.

Transparency also extends beyond numbers. Spending habits, avoidance tendencies, and emotional triggers around money matter just as much as account balances.

- Have recurring future-focused conversations. Make space for proactive conversations about where

Hurdle #2: Meet income qualifications

If you make too much money, you can't claim the credit. If you're single, head of household or married filing separately, the child tax credit completely goes away if you exceed \$240,000 of taxable income. If you're married filing jointly, the credit disappears above \$440,000 of income.

Hurdle #3: Meet income tax qualifications

To claim the entire \$2,200 child tax credit, you must owe at least \$2,200 of income tax. For example, if you owe \$3,000 in taxes and have one child that qualifies for the credit, you can claim the entire \$2,200 credit. But if you only owe \$1,000 in taxes, the maximum amount of the child tax credit you can claim is \$1,700.

Take the tax credit...but get help!

The bottom line is that tax credits are usually more valuable than tax deductions. But tax credits also come with lots of rules that can be confusing.

Please call to schedule a tax planning session to make sure you make the most of the available tax credits for your situation.



you are headed financially. Children, career moves, business ventures, caregiving, travel, and retirement all carry financial implications. If your long-term visions drift apart, put them back on a common course.

[According to Mutual of Omaha](#), consider revisiting these discussions periodically.

Goals and priorities evolve, and staying aligned requires ongoing communication.

- Understand each other's financial comfort zones. Two people can earn the same income yet feel very different levels of security, says the financial tech company [Beem.com](#). One may view a mortgage or low-interest loan as practical, while the other prefers minimal debt and maximum stability. Talk through specific scenarios, for example how much savings feels safe, what level of debt is acceptable, and what qualifies as a splurge.

These conversations reveal deeper beliefs about risk and security. The objective is not to win the argument, but to understand each other's reasoning.

- Divide responsibilities, but build shared competence. One partner may enjoy the details while the other prefers strategy. Divide responsibilities accordingly, but avoid letting one person disengage completely, [suggests The Gottman Institute](#).

Whether it is paying bills, managing investments, or meeting with advisors, both partners need to understand the accounts, obligations, and key documents. This includes access to the accounts in case of an unforeseen health event.

- Turn conflict into collaboration. Disagreements are inevitable. One partner may prioritize experiences, while the other focuses on saving or upgrading practical needs. Rather than turning these moments into battles, [the website theknot.com](#) says to approach them as shared design challenges.

Look for solutions that respect both security and enjoyment – perhaps

Retirement Tips for Every Age

Saving for retirement is not a one size fits all journey, as each stage of life comes with different priorities, pressures, and opportunities.

No matter where you are in your journey, here are savings tips from established financial publications and organizations to consider for every age.

In Your Twenties – Building Early Habits

For many people, this decade is less about large balances and more about establishing patterns. Financial education outlets frequently emphasize the long runway available to younger savers.

[Investopedia.com](#) discusses the long term impact of starting early and allowing time to work in your favor.

Common themes during this stage include:

- Developing a regular saving habit, even in small amounts
- Exploring employer sponsored retirement plans, when available
- Learning basic investment concepts over time
- Treating retirement contributions as part of monthly expenses
- Expanding skills and experience that may increase earning potential

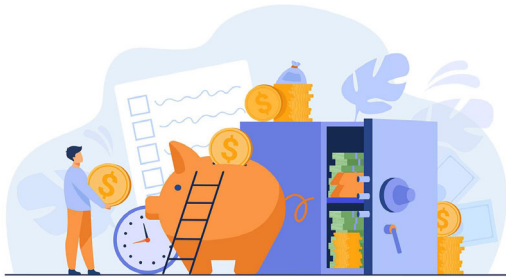
In Your Thirties – Adding Structure

As careers and family responsibilities grow, retirement

adjusting the scale of a purchase or setting aside personal spending allowances.

When couples approach money as a shared strategy rather than a recurring argument, something powerful happens.

Financial discussions stop feeling like threats and start feeling like planning sessions for a future you are intentionally building together.



Safeguarding Your Business's Cash with Segregation of Duties

Fraud and embezzlement don't just happen at large companies. In fact, theft may be more common in small businesses because many lack internal controls that are typically in place at larger organizations.

But the good news is that effective internal controls don't have to be complicated or expensive.

The best way for your business to battle fraud is to create a segregation of duties framework. With segregation of duties, you split the responsibilities for each of three different areas: authorization of cash expenditures, physical custody of cash and reconciliation of cash expenditures to different individuals.

Here's what you need to know:

Segregate cash disbursements.

Payment responsibilities should never rest with a single individual. One employee should review and approve vendor bills, while another processes

planning often becomes more deliberate.

For example, [Charles Schwab provides a decade-by-decade overview](#) of how retirement priorities may shift during this phase of life.

Conversations during this decade often revolve around:

- Reviewing contribution levels as income changes
- Understanding how employer matching programs work
- Paying attention to debt and interest costs
- Considering how lifestyle decisions shape long term finances
- Evaluating career growth or additional income opportunities

In Your Forties – Taking Inventory

Mid-career can be a natural time to assess progress and revisit long term projections. Many financial institutions have programs that address these topics.

Topics frequently discussed include:

- Reviewing current balances alongside projected needs
- Understanding how high interest debt may affect cash flow
- Identifying gaps between current savings and future income goals
- Revisiting contribution levels and investment allocations
- Checking Social Security earnings records for accuracy
- Considering whether new income streams may strengthen retirement readiness

the payment. The person preparing checks should not have authority to sign them. Electronic payments and fund transfers require similar separation – one person initiates the transaction, another reviews the details, and a separate, authorized manager gives final approval. The same layered approach applies to purchase orders: one team member issues or requests the order, another approves it, and payment is released only after proper review. Dividing these duties ensures management has visibility into how funds are spent and significantly reduces the risk of error or misappropriation.

Segregate control of cash. Have an owner or manager occasionally spot check incoming electronic transactions and tie them to the company bank account. If you receive physical checks, have an owner or manager open the mail before passing it on to accounting. That's one way to detect unusual transactions before they're recorded in the company books. Alternatively, you might ask someone separate from accounting to open the mail and prepare a deposit slip, or prepare a daily reconciliation of all transactions.

Pay special attention to ACH receipts. Unlike physical checks which leave a paper trail and involve multiple handling steps, ACH payments post directly to a bank account without anyone physically touching the money. This convenience reduces natural oversight points. If the same person has access to online banking and records receipts in the accounting system, errors or intentional misstatements may go undetected.

Segregate reconciliations. For companies with limited resources, a periodic review of bank reconciliations by someone outside of accounting can provide a mitigating control. Non-accounting personnel performing these reviews will need to be trained. They'll need to understand the risks involved and the types of unusual or unsupported transactions needing further investigation. Cross training staff also helps to ensure continuity of operations when accounting

In Your Fifties and Sixties – Focus on the Finish Line

As retirement moves closer, planning conversations often shift toward income timing and lifestyle expectations.

[AARP maintains a retirement resource center](#) that covers considerations commonly discussed in the years leading up to retirement.

Areas that frequently come into focus include:

- Continuing to save where possible
- Eliminating or reducing outstanding debt
- Thinking through retirement timelines and income sources
- Factoring healthcare and lifestyle preferences into cost expectations
- Clarifying what retirement may look like day to day

Timeless Principles That Apply at Any Age

No matter where you fall on the timeline, a few core ideas always support progress.

- Automate savings to remove decision fatigue
- Avoid comparing your progress to others with different circumstances
- Revisit your plan occasionally rather than ignoring it entirely
- Focus on what you can control today

The Bottom Line – Start Where You Are

Retirement planning is not about catching up to someone else's

employees take vacations or leave the company. Or better yet, bring in an outside accounting expert to conduct periodic audits of key functions.

Management by wondering around.

As an owner, periodically review your bank accounts and the activity in them. Ask questions about transactions that are large. Even if you already know the answer, your team will know you are looking. The same goes with your general ledger. Get access to the ledger and periodically look at the details behind an account or two. You may be surprised what you find. Again, your questions will show your engagement and the randomness of this activity will serve as a simple audit technique.

Segregation of duties can help your company keep track of cash and help prevent theft by an employee before it happens.

path. It is about making the best decisions you can with the resources you have right now.

Wherever you are starting from, taking action today creates options for tomorrow.

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

