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UBS GWM CIO Global Investment Management – UBS Wealth Way Solutions

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Retirement guidebook

An educational overview of core retirement planning concepts

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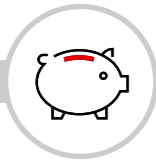
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Retirement guidebook

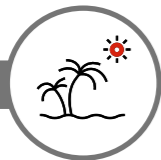
This presentation serves as a comprehensive resource for retirement planning education whether investors are saving for, transitioning to, or already in retirement. To access the latest version of this presentation, please visit www.ubs.com/retirementguidebook.



Are you saving for retirement? This presentation focuses on key concepts that may contribute to retirement saving success: the power of compounding, tax diversification, 2026 retirement plan contribution limits, the “savings waterfall,” (published 11 December 2025) and strategies for protecting investors’ most valuable resource: human capital.



For individuals transitioning to retirement, this guidance includes information about the nonfinancial aspects of retirement, developing a Liquidity strategy to potentially navigate and succeed during bear markets, a rule of thumb that may help determine if sufficient savings are in place for retirement, Social Security claiming strategies, tax planning considerations, and an overview of health care options that may be available to early retirees.



For those who are already in retirement, this presentation provides a range of helpful guidance about managing taxes when retirees access their retirement accounts to fund spending, the potential role of guaranteed income in retirement plans, Social Security cost of living details, the basics of Medicare, advice regarding planning for long-term care costs, and some estate planning strategies that may help retirees make a meaningful positive impact on their families and communities.

What's new?

Key tax changes in the One Big Beautiful Bill Act (page 11)

The One Big Beautiful Bill Act introduced major tax reforms including an increased standard deduction and a new “bonus” deduction for seniors. It also temporarily increases the SALT deduction cap and introduced new deductions for those with tip income and overtime.

Key SECURE 2.0 Act provisions to watch in 2026 (page 12)

The SECURE 2.0 Act included provisions that span several years. In 2026, there are a few relatively new provisions that are relevant to individuals with assets held in workplace retirement plans including “super catch-up” contributions for those age 60-63 as well as mandatory Roth catch-up contributions for high earners.

Strategies for giving to family and to charity (pages 52-53)

Families who are planning to leave assets to improve the lives of others should bear in mind the possible tax burden that non-spouse beneficiaries will face depending on the tax treatment of the asset and the beneficiary's tax rate.

Uncovering your “why”

The first step toward investing for the future is not selecting products or solutions. It is spending time exploring what’s most important to you and how you want your wealth to work for you. Once you understand not only what you own, but also why you own it you can take the next step toward financial freedom. Below are some questions to help get you started.



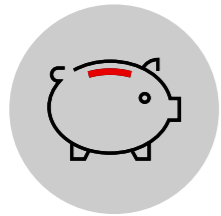
Heart

- What do you want to accomplish in your life?
- Who are the people that matter most to you?
- What do you want your legacy to be?



Mind

- What about money is important to you?
- What keeps you up at night?
- What does risk mean to you?

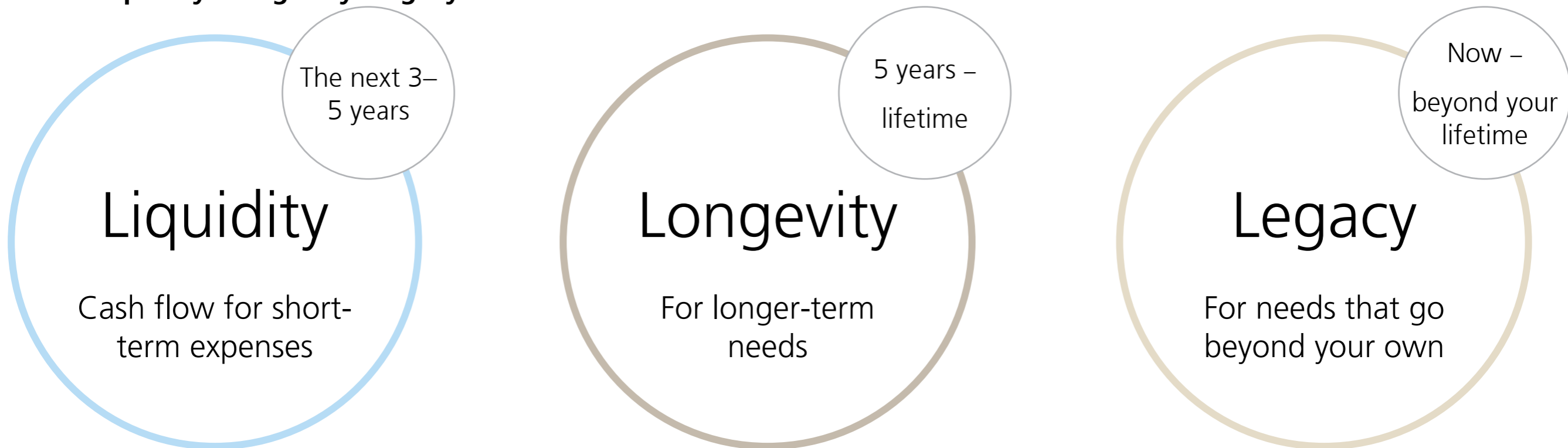


Wallet

- How do you plan to achieve your life’s vision?
- What are the best and worst financial decisions you have ever made?
- How do you decide between spending, borrowing, saving, and investing?

Simplify your financial life with **three key strategies**

The **Liquidity. Longevity. Legacy.** framework



To help **maintain** your lifestyle

- Entertainment and travel
- Taxes
- Purchasing a home


To help **improve** your lifestyle

- Retirement
- Health care and long-term care expenses
- Purchasing additional real estate

To help **improve** the lives of others

- Giving to family
- Philanthropy
- Wealth transfer over generations

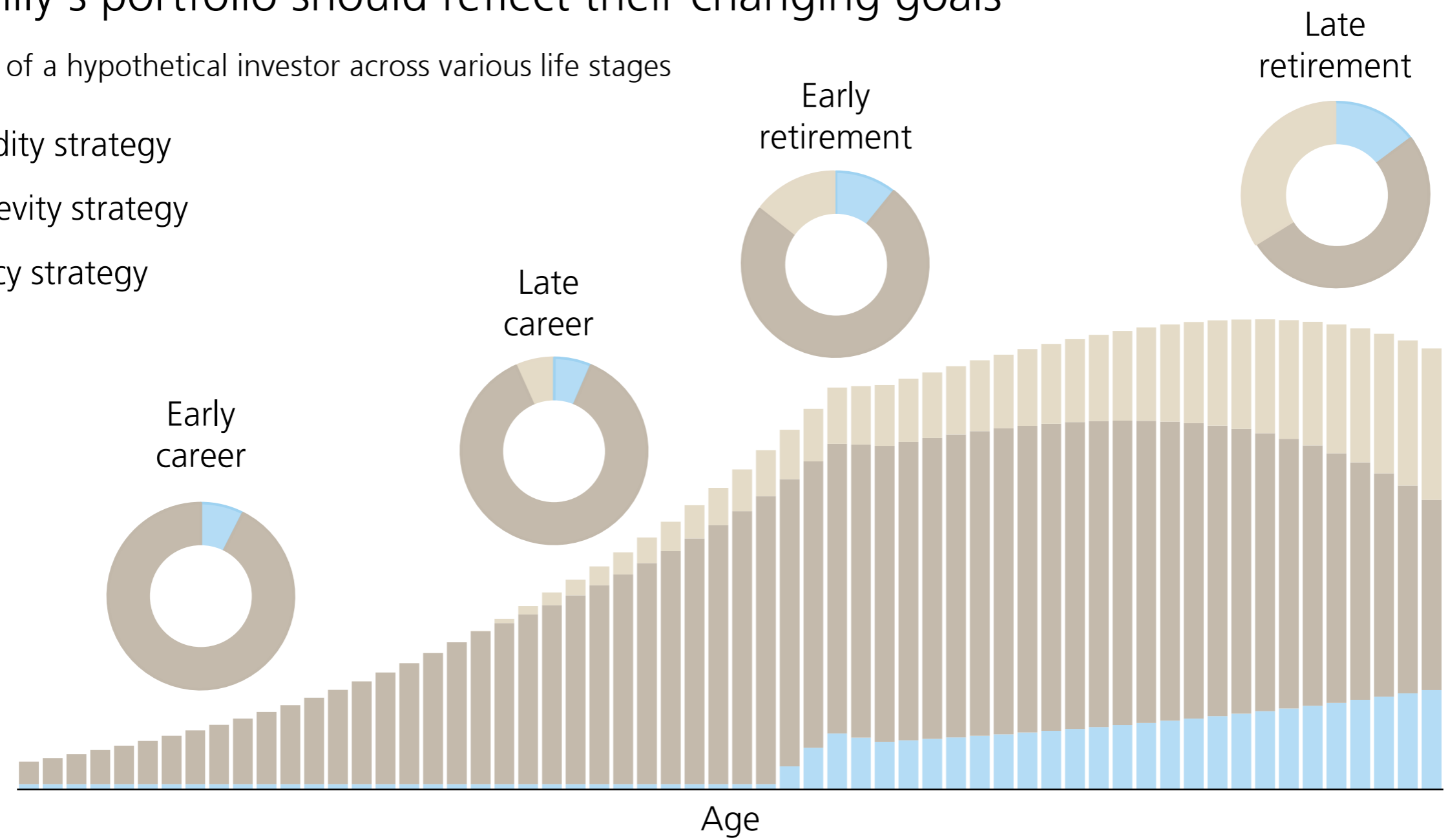
UBS Wealth Way is an approach incorporating Liquidity. Longevity. Legacy. strategies that UBS Financial Services Inc. and our Financial Advisors can use to assist clients in exploring and pursuing their wealth management needs and goals over different time frames.

 **UBS** This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.

A family's portfolio should reflect their changing goals

Example of a hypothetical investor across various life stages

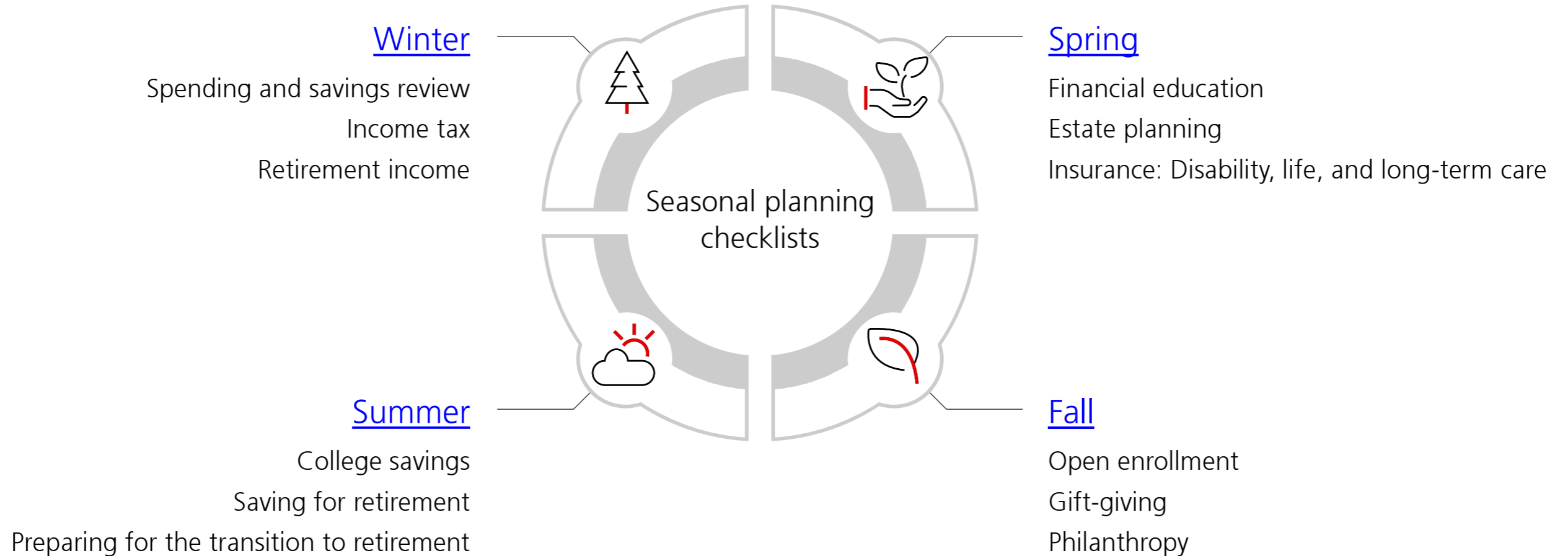
- Liquidity strategy
- Longevity strategy
- Legacy strategy



Seasonal planning checklists to keep you on the path to success

Financial health check-ups can be helpful to ensure that a portfolio and financial plan reflect life's latest changes. The *Seasonal planning checklists* help to make these "important, but rarely urgent" check-ups part of an investor's routine, as a complement to regular account review conversations with a financial advisor.

Click on each season to download a checklist of planning items to consider at that time of year.



Retirement guidebook

Saving for retirement

To harness the **power of compounding**, start saving and investing early

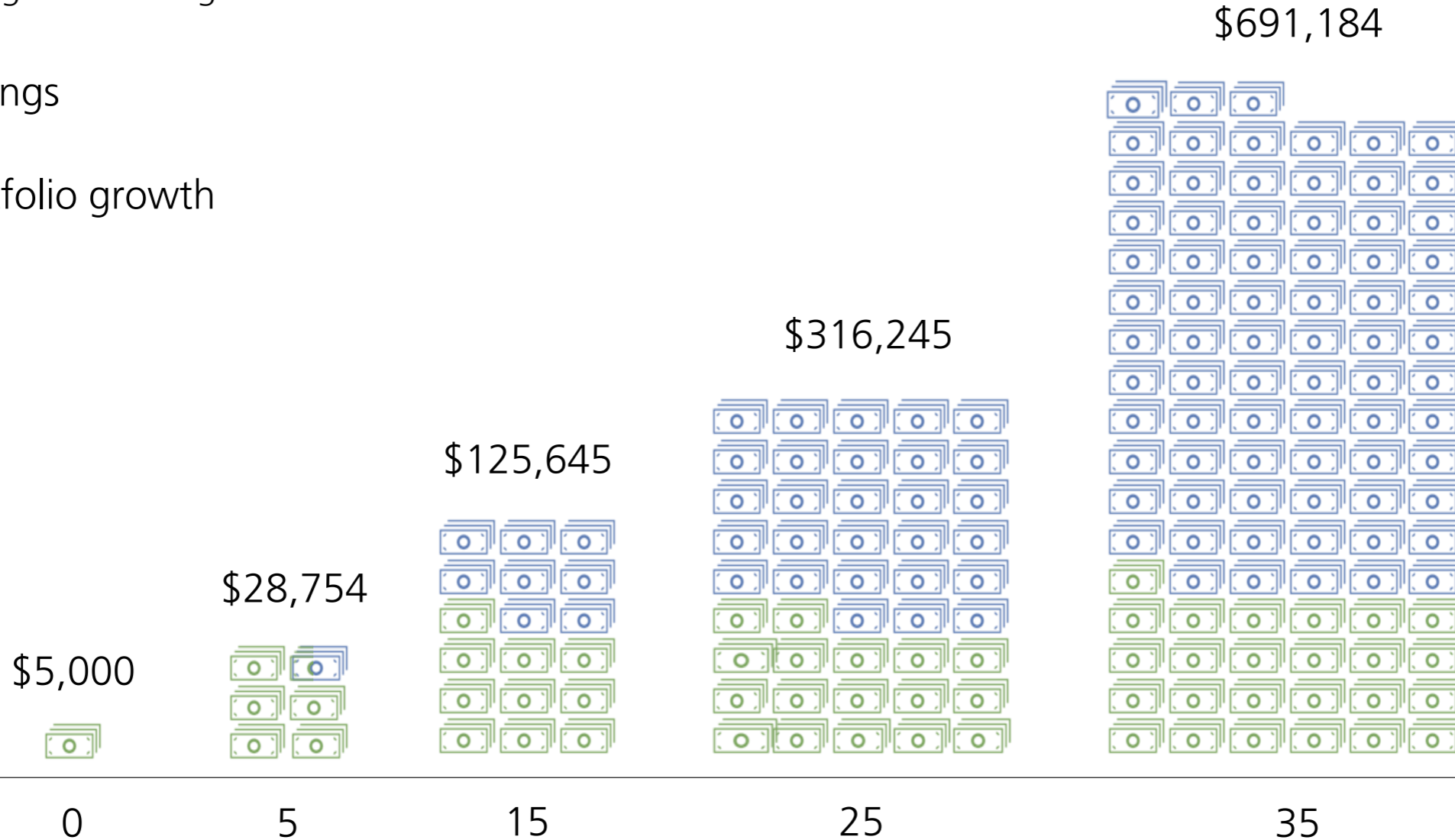
Hypothetical growth of what an investor could accumulate after 5, 15, 25, and 35 years if they save and invest \$5,000 each year assuming an annual growth rate of 7%



Savings

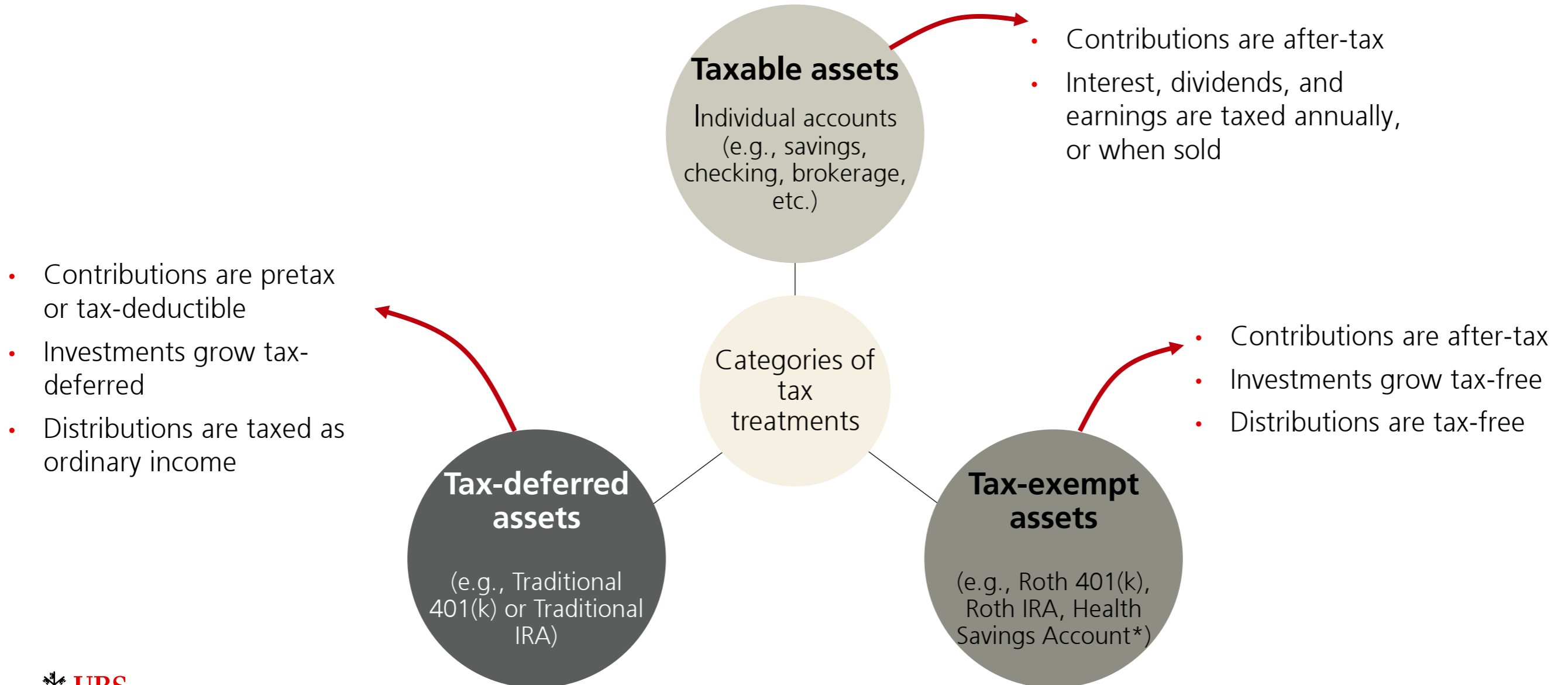


Portfolio growth



Investors often save in accounts that fall into **three categories of tax treatment**

Each tax treatment has certain implications when contributing to, and distributing from each account



Key tax changes in the **One Big Beautiful Bill Act**

1. Starting in tax year 2025, the **standard deduction** has been increased permanently. In 2026, it is **\$16,100** (single filer)/**\$32,200** (married filing jointly [MFJ]).
2. Seniors over 65 get a **\$6,000 65-plus-year-old "bonus" deduction** per taxpayer when itemizing or claiming the standard deduction (for tax years 2025 through 2028).
3. **The SALT deduction cap** is \$40,400 (single and MFJ) in 2026. The deduction limit and income threshold for the phase-out will increase by 1% annually through 2029.
4. For tax years 2025 through 2028, there is a **tip income deduction** of **\$25,000** (regardless of filing status), as well as an **overtime deduction** of up to **\$12,500** (single) or **\$25,000** (MFJ).
5. For loans taken out from 2025-28 (on new cars assembled in the United States), there is a **car loan interest deduction** of up to **\$10,000**.

In 2026, a 65-year-old married couple may claim a total standard deduction of **\$47,500**:

\$32,200 standard deduction

+ **\$3,300** age-based deduction
(\$1,650 per spouse)

+ **\$12,000** "bonus" deduction
(\$6,000 per spouse)

= \$47,500 total

Key **SECURE 2.0 Act** provisions to note in 2026

1. Beginning in 2025, some plans may offer a **“super catch-up” contribution limit** for participants aged 60, 61, 62, and 63. If the employer allows, eligible participants may be able to save an additional \$11,250 in 2026.
2. **Mandatory Roth catch-up contributions** for high earners (>\$150,000 of prior-year FICA wages). If the plan does not offer a Roth 401(k) option, catch-up contributions for high earners may not be permitted.*
3. **Penalty-free 401(k) withdrawals for long-term care insurance premiums** (lesser of \$2,600 per year, 10% of vested balance, or the amount of premiums paid or assessed during the year).**

In 2026, employees will be able to make pre-tax or Roth contributions of up to **\$35,750**, depending on their age:

\$24,500 employee contribution limit

+ **\$11,250** “super catch-up” contribution
(if age 60-63 and in a participating plan)

= \$35,750 total

Employees may also be able to make after-tax contributions to their 401(k), up to the plan limit. In some plans, after-tax contributions may be immediately converted to Roth (this is sometimes referred to as a “Mega Backdoor Roth Conversion”)

2026 retirement plan contribution limits

	Tax treatments			Income restrictions	Contribution limits	RMDs
	Contributions are pre-tax	Investment earnings grow tax-deferred	Qualified distributions are tax-free			
Tax-deferred	Traditional 401(k)	X	X	No	\$24,500 Age 50-59 or 64 and older: +\$8,000 (\$32,500 total) Age 60-63: +\$11,250 (\$35,750 total)	Yes
	Traditional IRA	X	X	Deduction is phased out completely if MAGI is above \$91,000 (single) or \$149,000 (married filing jointly)*	\$7,500 Age 50 and older = +\$1,100 (\$8,600 total)	Yes

*If you are covered by a retirement plan at work, your ability to deduct Traditional IRA contributions is affected by your modified adjusted gross income (MAGI). If married filing jointly and only one spouse is covered by a qualified plan, the deduction is phased out completely if MAGI is above \$252,000. If neither you nor your spouse is covered by a qualified plan, the contribution is 100% deductible, regardless of MAGI.

Source: IRS, UBS. For additional details regarding contribution limits, as well as the restrictions for Roth IRA contributions and the ability to deduct Traditional IRA contributions, please see [IRS Notice 2025-67](#).

2026 retirement plan contribution limits (continued)

	Tax treatments			Income restrictions	Contribution limits	RMDs
	Contributions are pre-tax	Investment earnings grow tax-free	Qualified distributions are tax-free			
Roth 401(k)		X	X	No	\$24,500 (\$32,500 if age 50-59 or 64 and older, \$35,750 if age 60-63)	No
Roth IRA		X	X	Ability to contribute is totally phased out if MAGI is at least \$168,000 (single) or \$252,000 (married filing jointly)	\$7,500 (\$8,600 if age 50+)	No
Health Savings Account (HSA)**	X	X	X	No	Individual: \$4,400 (\$5,400 if age 55+) Family: \$8,750 (\$10,750 if both spouses are age 55+)	No

** Must be enrolled in a qualified high-deductible health plan (HDHP) in order to be eligible to make contributions to a health savings account (HSA).

Source: IRS, UBS. For additional details regarding contribution limits, as well as the restrictions for Roth IRA contributions and the ability to deduct Traditional IRA contributions, please see [IRS Notice 2025-67](#).

The **tax rates** that apply to income and investments vary by income level

2026 tax rates, income levels in \$

Earned income, ordinary income, and short-term capital gains tax rates

Marginal tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
10%	0 to 12,400	0 to 17,700	0 to 24,800	0 to 12,400
12%	12,400 to 50,400	17,700 to 67,450	24,800 to 100,800	12,400 to 50,400
22%	50,400 to 105,700	67,450 to 105,700	100,800 to 211,400	50,400 to 105,700
24%	105,700 to 201,775	105,700 to 201,775	211,400 to 403,550	105,700 to 201,775
32%	201,775 to 256,225	201,775 to 256,200	403,550 to 512,450	201,775 to 256,225
35%	256,225 to 640,600	256,200 to 640,600	512,450 to 768,700	256,225 to 384,350
37%	640,600 or more	640,600 or more	768,700 or more	384,350 or more
Standard deduction*	16,100	24,150	32,200	16,100

*For single or head of household filers, the standard deduction increases by \$2,050 if you are age 65 or older or blind (\$4,100 if both). For married couples, it increases by \$1,650 for each spouse who is 65+ or blind (e.g., \$3,300 if one spouse is both).

Note: Seniors age 65+ may also qualify for a "bonus deduction" of up to \$6,000, with eligible joint filers able to claim up to \$12,000. This deduction is subject to an income phase-out, reduced by \$0.06 per \$1 of income exceeding the modified adjusted gross income (MAGI) limits of \$75,000 (single/head of household) or \$150,000 (joint). This deduction is fully phased out for those with MAGI over \$175,000 (single/head of household) or \$250,00 (joint) and is not available for married couples filing separately.

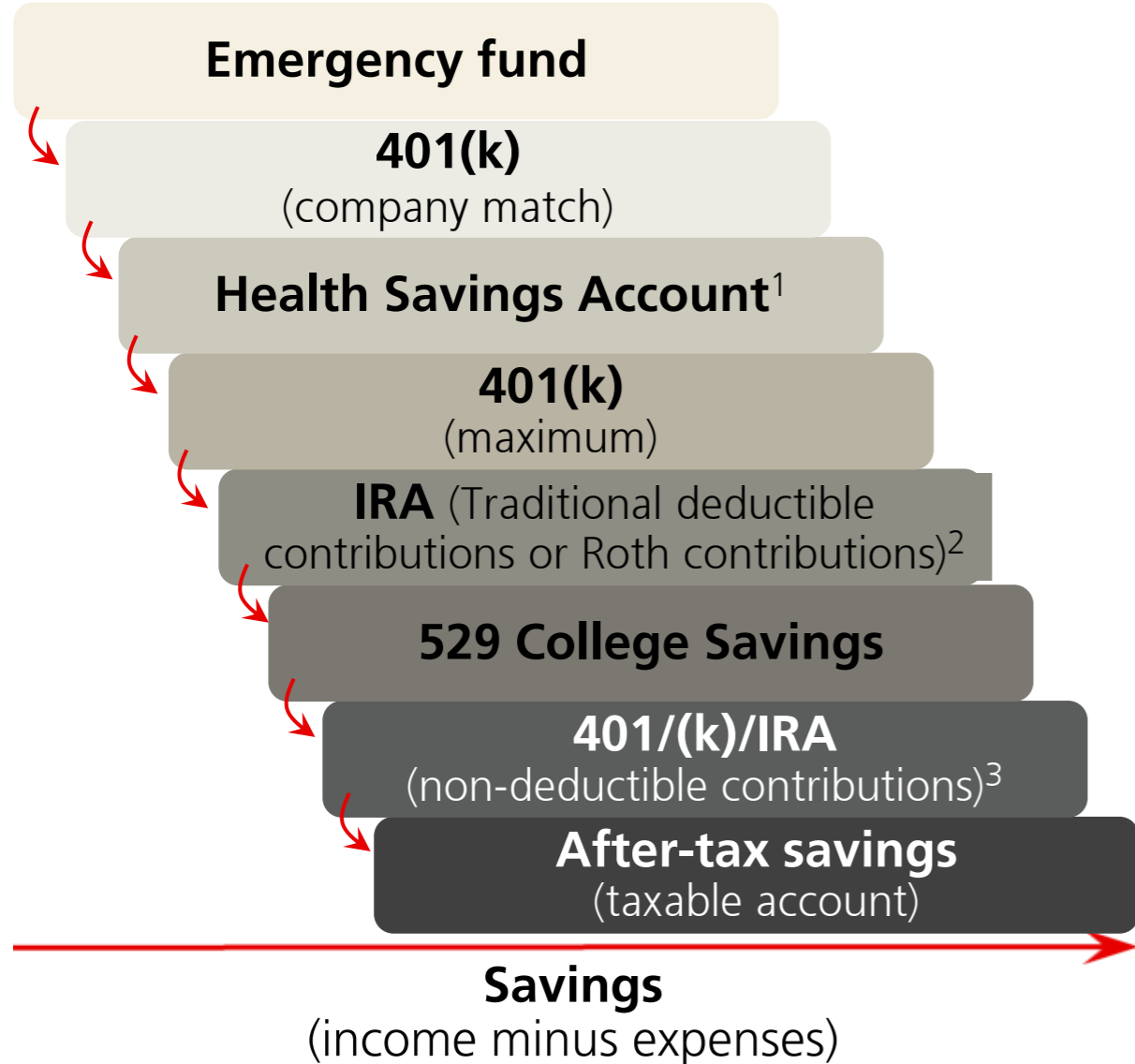
Long-term capital gains and qualified dividend tax rates

Maximum tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
0%	0 to 49,450	0 to 66,200	0 to 98,900	0 to 98,900
15%	49,450 to 545,500	66,200 to 579,600	98,900 to 613,700	98,900 to 613,700
20%	545,500 or more	579,600 or more	613,700 or more	613,700 or more
3.8% surtax*	200,000	200,000	250,000	125,000

* Some of a taxpayer's investment income may be subject to a 3.8% surtax. The tax is applied to the lesser of: 1) net investment income or 2) the amount of modified adjusted gross income that exceeds these thresholds. Net investment income includes "passive" sources of income such as taxable interest, dividends, realized capital gains, annuities, royalties, and rental income.

A "savings waterfall" may help prioritize savings

Enhance flexibility by diversifying wealth across **taxable**, **tax-deferred**, and **tax-exempt** accounts



- Families may want to consider working with a financial advisor to determine how much to contribute to each account to **align with their overall investment strategy** while also helping to **spread taxable income over time**.
- Balancing **Traditional** and **Roth** contributions may help maximize tax diversification, allowing investors to better manage tax brackets during working years and in retirement.
- Keeping **HSA** assets invested may help maximize tax-free growth potential, which may assist in funding health care expenses in retirement.
- Consider contributing to a **529** plan only to the extent funds are needed to meet education expenses.
- **Nondeductible 401(k)/IRA** contributions may provide an opportunity to add more tax-exempt assets to the balance sheet via a Roth conversion.³

Three key differences between Traditional and Roth assets

For most families, a balance of Traditional and Roth contributions will provide the best results. However, this doesn't mean that it's best to contribute to both types of accounts equally each year—consider redirecting contributions as circumstances change.

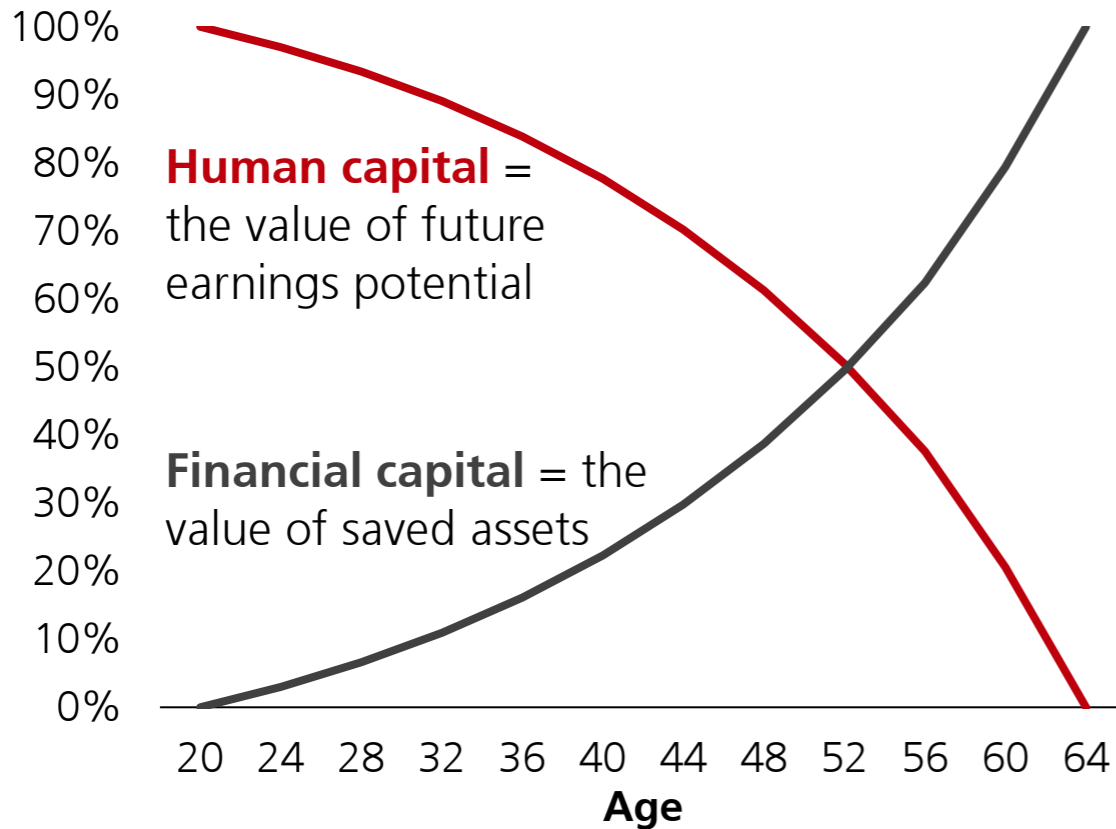
	#1: Tax treatment	#2: Required minimum distributions	#3: Wealth transfer considerations
Traditional	<p>Contributions are pretax, meaning these contributions will reduce taxable income that year.</p> <p>Investment earnings grow tax-deferred.</p> <p>Distributions in retirement are taxed as ordinary income, so all tax-deferred assets represent a future tax burden to the account owner and the beneficiaries.</p>	<p>Beginning at age 73, Traditional IRA/401(k) assets are subject to lifetime required minimum distributions (RMDs).*</p> <p>RMDs can be problematic for retirees with larger retirement account balances because larger balances lead to larger distributions, which can push income into higher tax brackets, dampening the after-tax growth potential of retirement accounts.</p>	<p>Distributions to beneficiaries will be taxed as ordinary income.</p> <p>Most non-spouse beneficiaries will be required to deplete the balance of the inherited account within a 10-year window, meaning this transfer could generate a significant tax cost.</p> <p>Estate taxes may be applied depending on the size of the estate.</p>
Roth	<p>Taxes are paid at the time of the contribution, so there are no immediate tax savings.</p> <p>Investments grow tax-free.</p> <p>Distributions in retirement (as long as they are qualified) are tax-free, which can help to enhance tax diversification.</p>	<p>Roth IRA and Roth 401(k) assets are not subject to RMDs during the account owner's lifetime.</p>	<p>Assets pass to beneficiaries free of income tax, however, depending on the size of the estate, estate taxes may apply.**</p>

Important note: There are several rules and requirements that investors must be aware of before contributing to and distributing from Traditional IRAs/401(k)s and Roth IRAs/401(k)s. For more details, see the CIO research report, [Traditional or Roth?](#) (published 29 May 2024).

Human capital is often an individual's most valuable asset. How can you protect it?

“Human capital” encompasses an individual’s knowledge, skills, training, and creativity—in other words, the resources that enable them to produce economic value during their career

Without enough human capital protection, there could be considerable value at risk.



Enough protection allows families to:

- Maintain their lifestyle without draining savings
- Stay invested, avoiding forced selling of long-term investments
- Continue saving for retirement and other financial objectives
- Continue providing for the family

Protection strategy based on type of income shock

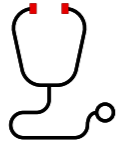
	Emergency savings	Insurance strategies	Skills training
Job loss	✓		✓
Disability	✓	✓	
Death	✓	✓	

Source: UBS. For illustration purposes.



For more information, see the CIO Global Investment Management team’s report, [A guide for selecting work benefits](#) (published 5 September 2025) and ubs.com/benefitsinsights.

A checklist for selecting **work benefits**



Choose health insurance

- Compare plan costs.** Review the premiums, deductible, coinsurance, copays, and out-of-pocket maximum terms for each plan.
- Select a plan** that makes sense based on the family's health care needs.
- For those choosing a low-deductible health plan** with a Flexible Spending Account (FSA): set automatic contributions reflecting an estimate of that year's out-of-pocket health care costs.
- For those choosing a high-deductible health plan** with access to a Health Savings Account (HSA): contribute as much as the family can afford to save (up to the annual contribution limit) and invest according to the objectives and time horizon for these funds.



Protect human capital

- Calculate the family's disability and life insurance need.**
- Assess current disability and life insurance coverage.**
- Determine if there is an insurance gap** (the difference between insurance need and current coverage).
- Consider options for closing the gap.** If the family's current coverage falls short of the insurance need, options may include purchasing supplemental disability and/or life insurance coverage either through the employer (if available) or through an insurance provider.



Make the most of equity awards

- Gather the equity compensation plan details and discuss them with a financial advisor.** Also ask the employer if they offer educational materials and advice.
- Determine the role that equity awards will play in the family's financial plan,** revisiting this decision annually and whenever there's a life change.
- Monitor the amount of wealth held in the company's stock.** A financial advisor can help the family to assess and manage the risks associated with holding a concentrated stock position in a portfolio.

Retirement guidebook

Transitioning to retirement

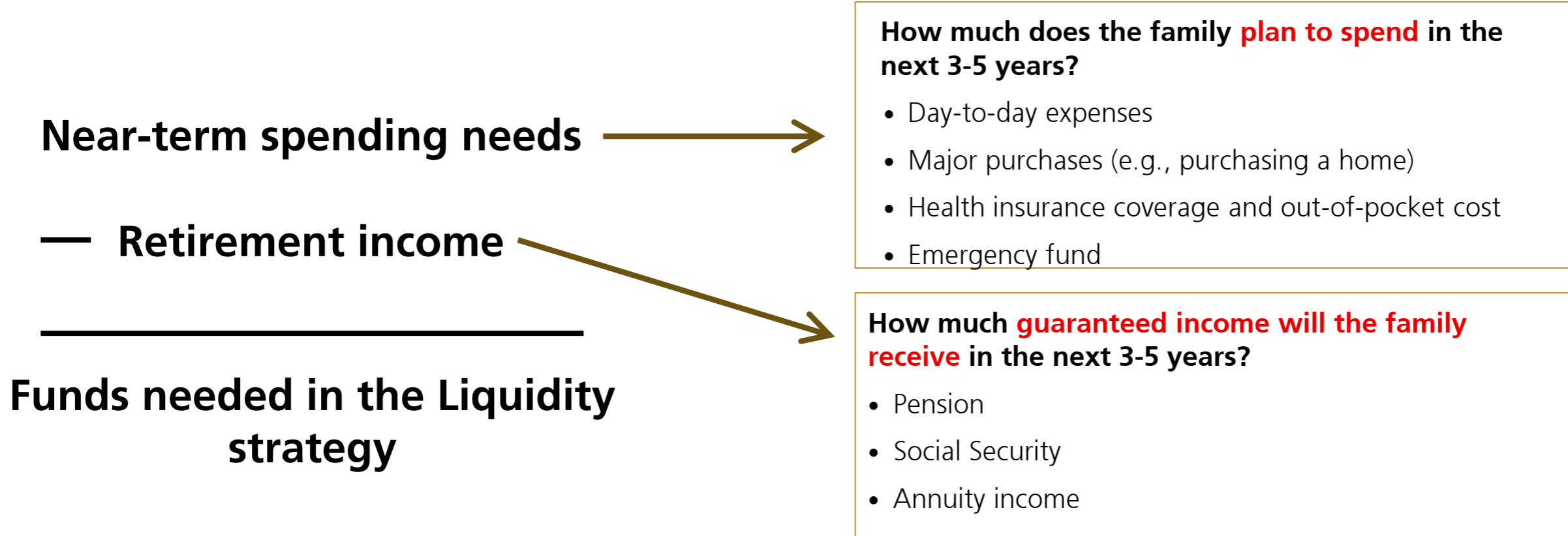
Considerations when preparing for the **nonfinancial** aspects of retirement

The nonfinancial aspects of retirement typically have a direct *financial* impact on the household's retirement plan

1. Take time to reflect
 - What aspects of your work-life did you enjoy?
2. Identify the activities that will fill newfound free time
 - As you think about how you'll fill your free time, what were the aspects of work-life that you valued?
3. Determine how to transition
 - Will you stop working entirely at once, reduce work hours in your current job, or move to a new role?
4. Establish life outside of work
 - In the years leading up to retirement, can you gradually increase time spent on the activities that will soon become the primary focus of your retirement years?
5. Incorporate these details into the financial plan
 - How will the details of what you want to do in retirement impact your financial situation?

Funding the **Liquidity strategy** for retirement

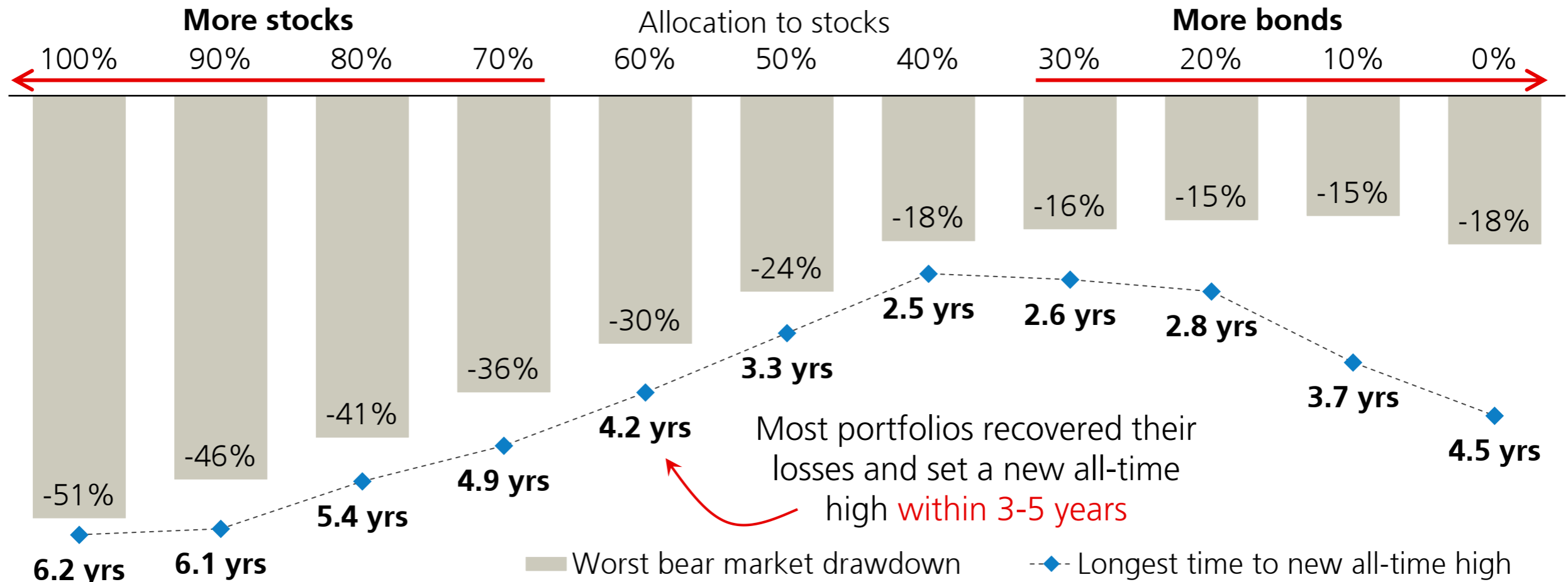
Review sources of income and near-term spending objectives



For more information, see the CIO Global Investment Management team's report, [Liquidity strategy: Refilling for 2026 and beyond](#) (published 16 December 2025).

Consider building a **buffer** between the family's spending needs and their portfolio's volatility

Bear market drawdown and time to full recovery for various asset allocation mixes (US large-cap stocks and intermediate US gov't bonds)



Source: Morningstar Direct, Bloomberg, UBS, as of 31 December 2025. For more information, see www.ubs.com/bearmarketguidebook.

Note: This data is based on monthly total returns since December 1945. The 100% bond, 0% stock portfolio has not yet fully recovered its losses from the last bear market, so that portfolio's "maximum time to full recovery" is an estimate. Strategies are subject to individual client goals, objectives and suitability.



For more information, see the CIO Global Investment Management team's report, [Liquidity strategy: Refilling for 2026 and beyond](#) (published 16 December 2025).

What retirees may want to consider doing during a **market downturn**

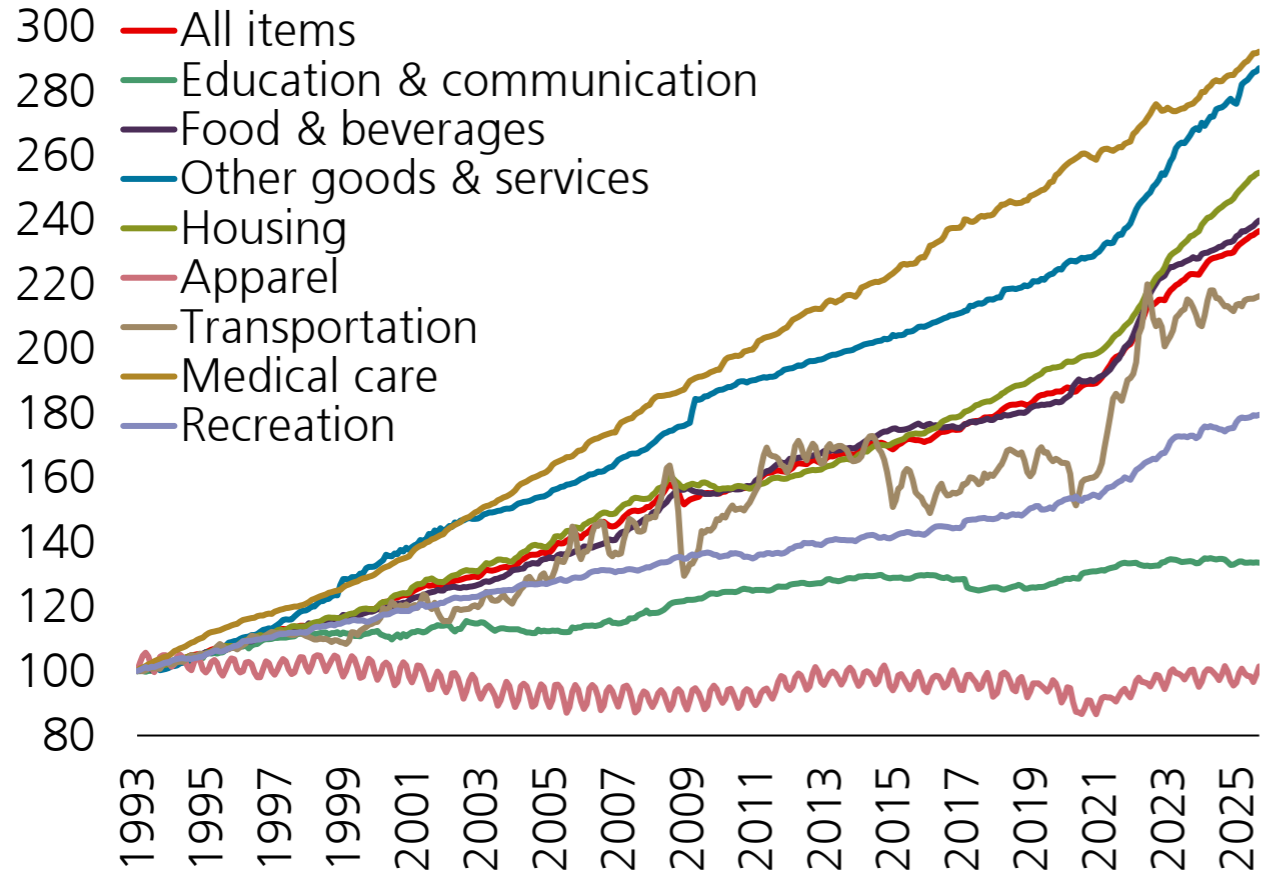
1. **Put returns into context:** Segmenting the family's wealth by purpose can help put investment risk and performance into context.
2. **Hold off on refilling the Liquidity strategy:** Depleting the Liquidity strategy assets during a bear market increases the remaining portfolio's allocation to stocks, helping to position it for the recovery.
3. **Tax loss harvest:** Realizing capital losses may help to reduce tax drag and add to the after-tax return potential of the family's taxable assets.
4. **Rebalance:** Rebalancing the portfolio periodically using an allocation-based rule of thumb may help families make sure their portfolios don't drift too far from their target allocation.
5. **Accelerate planned Roth conversions:** Bear markets present an opportunity to accelerate planned Roth conversions for two reasons:
 - i. All future gains will be completely income-tax free, instead of just tax-deferred, as long as the assets have been in the Roth IRA for five years, and the account owner is at least age 59½ at the time of the withdrawal.
 - ii. It can help reduce the tax cost of the conversion, especially if the account owner has both tax-deferred and after-tax dollars in their Traditional IRAs.

How will your spending change throughout retirement?

Economy-wide inflation has some influence on retirees' spending, but won't be the most important factor for most families

"Inflation" isn't a single number...

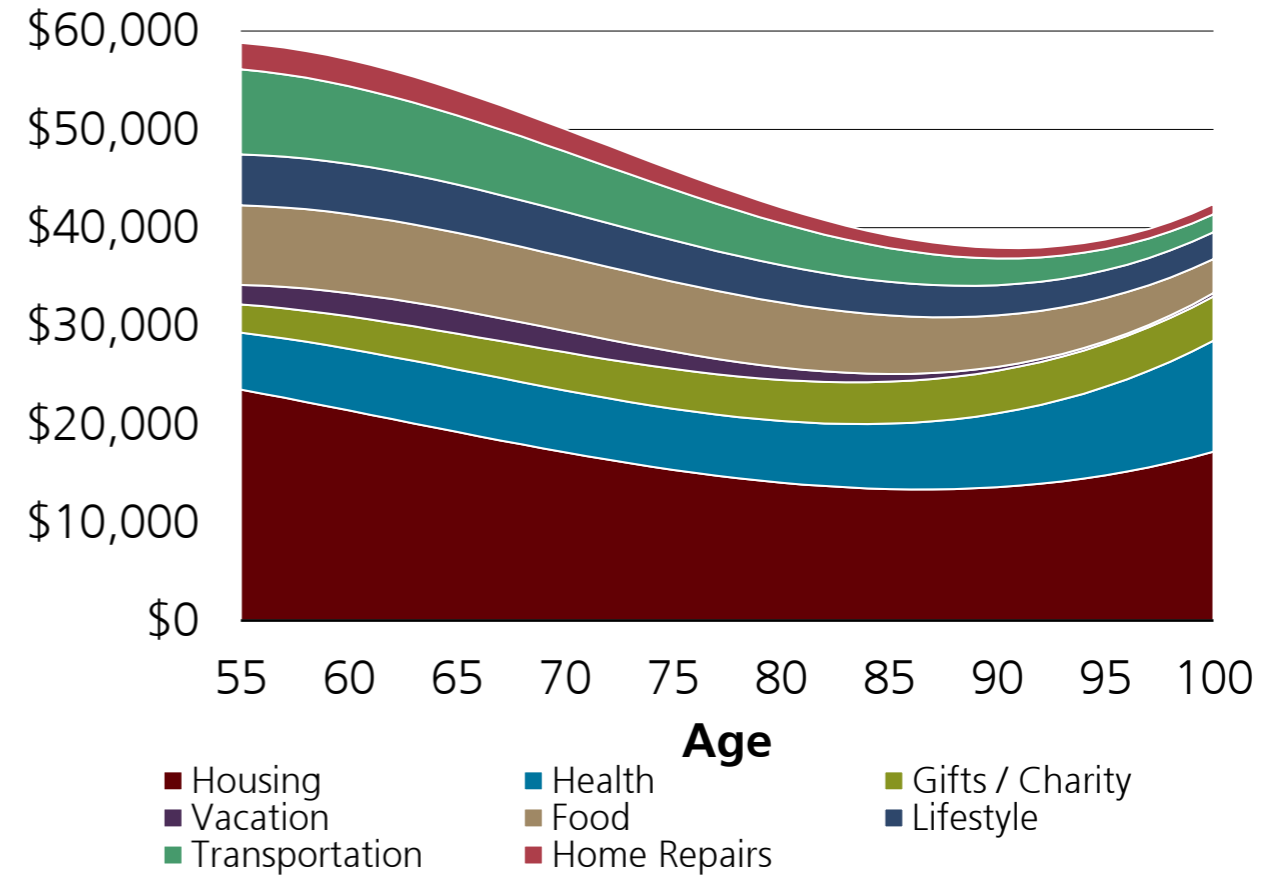
Components of the Consumer Price Index for Americans 62 years of age and older (R-CPI-E), indexed to January 1993



Source: Bureau of Labor Statistics, UBS, as of 12 January 2026.

...and the family's spending "basket" will change over time.

Annual expenditures by age (inflation-adjusted)



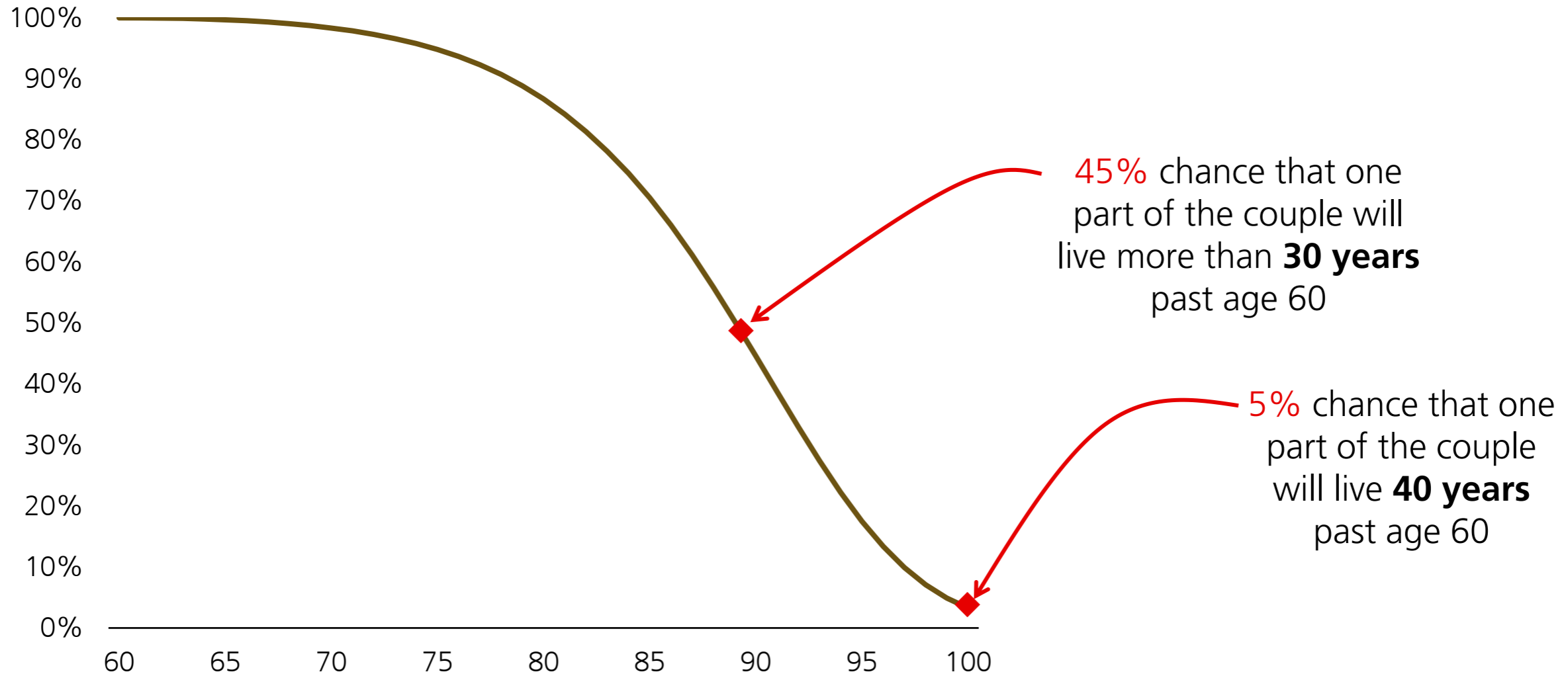
Source: RAND Center for the Study of Aging HRS CAMS, UBS



For more information, see the CIO research report, [Beyond the 4% rule: Am I ready for retirement?](#) (published 30 April 2025).

How many years will your retirement last?

Probability that one partner in a 60-year-old male-female couple will live to a given age



Source: UBS, Social Security Administration Period Life Table 2022, as used in the 2025 Trustees Report.

For more information, see the CIO research report, [Beyond the 4% rule: Am I ready for retirement?](#) (published 30 April 2025).

Do you have **enough** saved for retirement?

Estimated wealth-to-withdrawal multiples targeting an 85% probability of success assuming 2.4% annual inflation cost-of-living adjustment

Risk profile	Conservative	Moderately Conservative	Moderate	Moderately Aggressive	Aggressive
Years					
20	17.9x	17.5x	17.2x	17.2x	17.4x
30	24.4x	23.3x	22.8x	22.5x	22.6x
40	29.0x	27.2x	25.9x	25.3x	25.2x
50	33.3x	30.6x	28.7x	27.9x	27.5x

Example: If a hypothetical retiree plans to withdraw **\$300,000 per year** from their portfolio for 40 years of retirement (with a 2.4% annual cost-of-living increase) and they plan to invest in a Moderate Aggressive portfolio, they will need to save and invest about **\$7.59 million** (25.3 x \$300,000 = \$7.59 million).

Time frames may vary. Strategies are subject to individual client goals, objectives, and suitability. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved.

How much can you afford to withdraw from your portfolio?

Estimated withdrawal rates, targeting an 85% probability of success, assuming 2.4% annual inflation cost-of-living adjustment

Risk profile	Conservative	Moderately Conservative	Moderate	Moderately Aggressive	Aggressive
Years					
20	5.6%	5.7%	5.8%	5.8%	5.7%
30	4.1%	4.3%	4.4%	4.4%	4.4%
40	3.4%	3.7%	3.9%	3.9%	4.0%
50	3.0%	3.3%	3.5%	3.6%	3.6%

Example: If a hypothetical retiree plans to save and invest **\$10 million** in a Moderate Aggressive portfolio to fund 40 years of retirement, this will fund about **\$390,000** of spending in the first year, increased annually by 2.4% to account for increases in the cost of living. (3.9% x \$10 million = \$390,000).

Time frames may vary. Strategies are subject to individual client goals, objectives, and suitability. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved.



When should you claim **Social Security**? There are several factors to consider

Claiming age

The retirement benefit amount increases the longer the retiree delays claiming

Filing age	Benefits as a percentage of the retiree's Primary Insurance Amount (PIA)
62	70%
63	75%
64	80%
65	87%
66	93%
67/FRA	100%
68	108%
69	116%
70	124%

Source: Social Security Administration, UBS.

Employment status

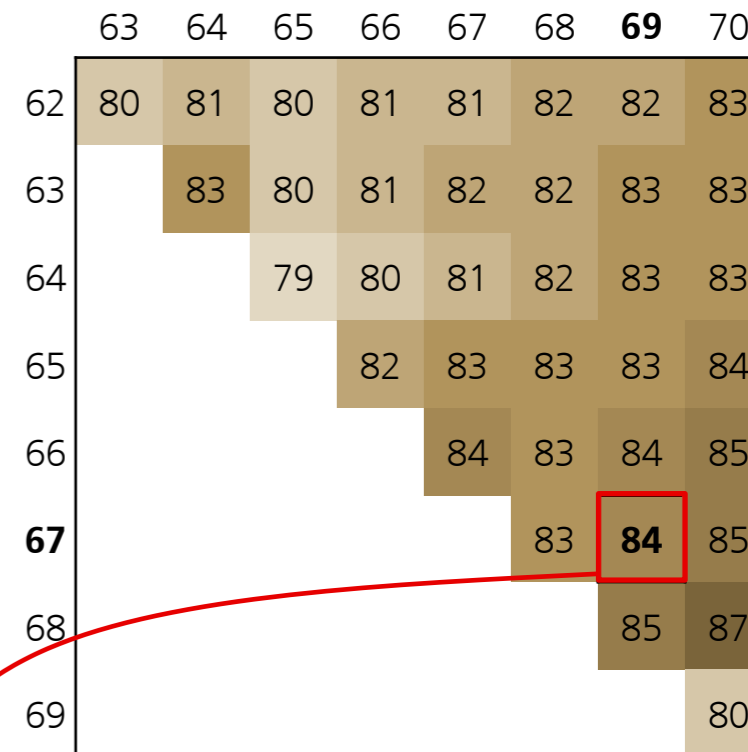
Working between age 62 and FRA can temporarily reduce benefits

Before FRA	At FRA	Beyond FRA
Earnings test exemption: \$24,480	Earnings test exemption: \$65,160	Earnings test exemption: No limit
Impact: \$1 of Social Security benefits withheld for every \$2 of income above limit	Impact: \$1 of Social Security benefits withheld for every \$3 of income above limit	Impact: No impact on benefits

Source: Social Security Administration, UBS.

Life expectancy

Breakeven ages show that poor health may be a reason to claim benefits early



Source: Social Security Administration, UBS. For illustration purposes. Hypothetical breakeven ages for an individual (born in 1960) assuming an annual COLA (2.4%) and investment growth (5%)

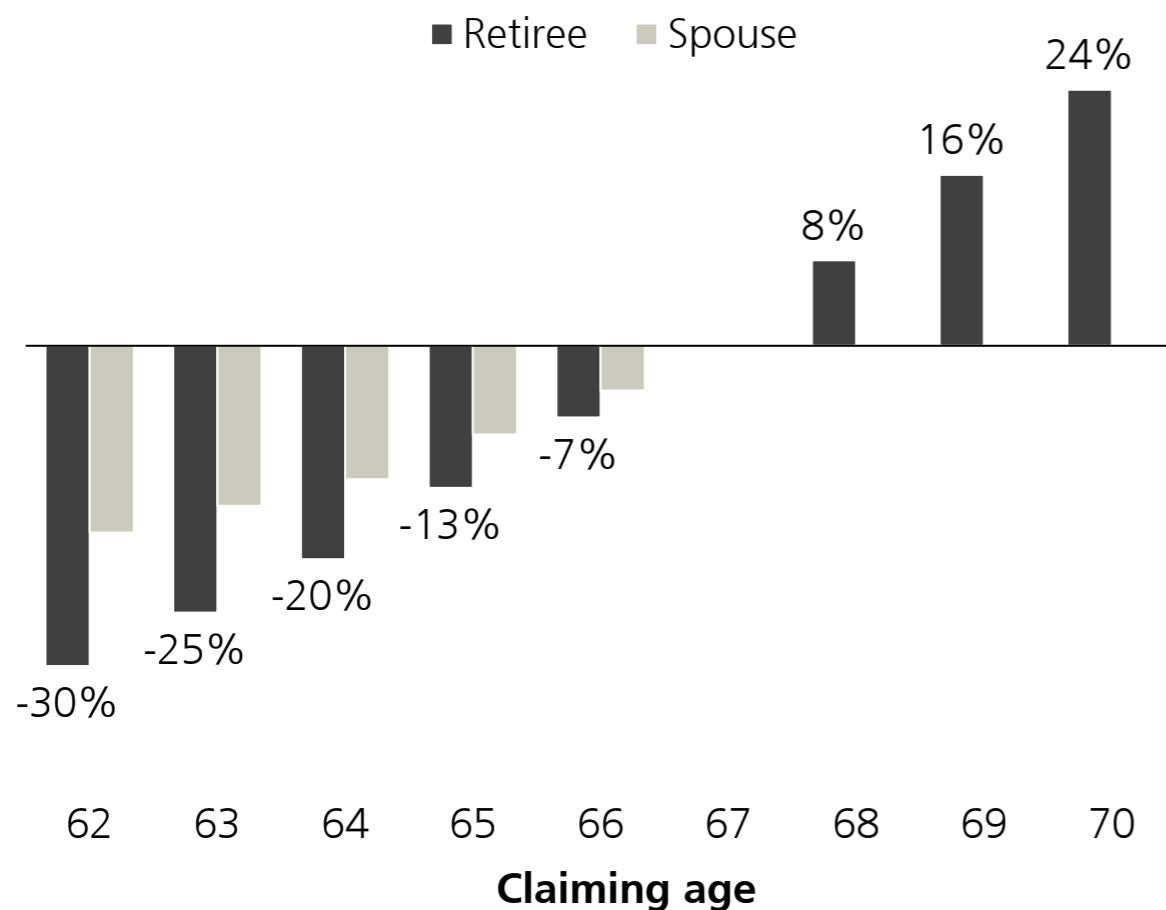
Example: If a hypothetical retiree is deciding whether to claim at age 67 or 69, then...

- ...if they pass away before age 84, they'd be better off claiming at age 67.
- ...if they live to or beyond age 84, they'd be better off claiming at age 69.

What should spouses consider when claiming Social Security?

Retired couples may want to consider coordinating the timing of each spouse's Social Security filing to get the most out of the program's benefits.

Percentage of increase or decrease in benefits by claiming age, relative to claiming at full retirement age (FRA) for a retiree and spouse born in 1960



Source: Social Security Administration, UBS.



Before claiming benefits, consider the following:

- Spousal benefits do not include any delayed retirement credits that the higher-earning spouse may receive.
- Spousal benefits are reduced if they are claimed before reaching full retirement age.
- Spousal benefits paid to a spouse will not decrease the other spouse's own retirement benefit.
- In contrast to spousal benefits, survivor benefits reflect the amount that the deceased retiree was receiving when they passed away.

For more information, see the CIO research report, [Social Security's spousal and survivor benefits](#) (published 2 February 2022).

Social Security claiming strategies for **married couples**

Claiming strategy	Description	Who should consider?	Investment priority	Life expectancy
Both claim early	Both spouses claim benefits as early as age 62.	Couples with shorter life expectancies, immediate financial needs, or those who want to maximize current income despite significantly reduced benefits.	Current income	Below-average life expectancy
Both claim at Full Retirement Age (FRA)	Both spouses wait until their FRA (66-67, depending on birth year) to claim benefits, receiving full benefits without reduction.	Couples with average life expectancies who want to balance between receiving benefits earlier and maximizing monthly payments.	Balance of income and increasing benefits	Average life expectancy
Both delay until age 70	Both spouses delay claiming benefits past FRA, up to age 70, to earn delayed retirement credits, increasing their monthly benefit by 8% per year.	Couples with longer life expectancies, other sources of retirement income, or those wanting to maximize survivor benefits for the lower-earning spouse.	Maximize benefits	Above-average life expectancy

Social Security claiming strategies for **married couples** (continued)

Claiming strategy	Description	Who should consider?	Investment priority	Life expectancy
Higher earning spouse delays benefits while lower earning spouse claims at Full Retirement Age (FRA)	The higher earning spouse delays claiming until age 70, maximizing their benefit and increasing the potential survivor benefit for the lower earning spouse. The lower earning spouse begins benefits at full retirement age, providing income to the household while allowing the higher earner's benefits to grow.	Couples with longer life expectancies, other sources of retirement income, or those wanting to maximize survivor benefits for the lower-earning spouse.	Maximize benefits	Above-average life expectancy
File and suspend No longer an option	The higher-earning spouse files for benefits, allowing the lower-earning spouse to begin receiving spousal benefits. Then, the higher-earning spouse suspends their own benefits so that they can continue to grow.	No longer an option for spousal or retirement benefits (changed in 2016 due to the Bipartisan Budget Act of 2015)	N/A	N/A
Restricted Application No longer an option for most retirees or spouses, but it may be an option for survivors	The higher-earning spouse claims only spousal benefits at FRA while allowing their own benefit to grow until age 70. Widows and widowers can file a restricted application to claim only one type of benefit (their own or the survivor benefit) and later switch to the other.	Couples where one spouse was born before January 2, 1954 can take advantage of this strategy to maximize benefits. Widows or widowers who are eligible for survivor benefits and their own retirement benefit	N/A	N/A

Health care options for **early retirees**

Those retiring before age 65 will need health insurance coverage until they become eligible for Medicare

COBRA

- Allows covered individuals to keep their existing network doctors
- Premiums can be expensive
- It generally lasts up to 18 months

Employer-sponsored retiree health plan

- Employer may subsidize some of the costs
- This type of coverage is uncommon

Health Insurance Marketplace

- There are many options to choose from
- Some may be eligible for a premium tax credit

Private insurance

- There may be more comprehensive coverage offered than what's available elsewhere
- Cost of coverage varies

Spouse's workplace health plan

- This could be a more affordable option
- Coverage may end when the working spouse retires

Bridge employment

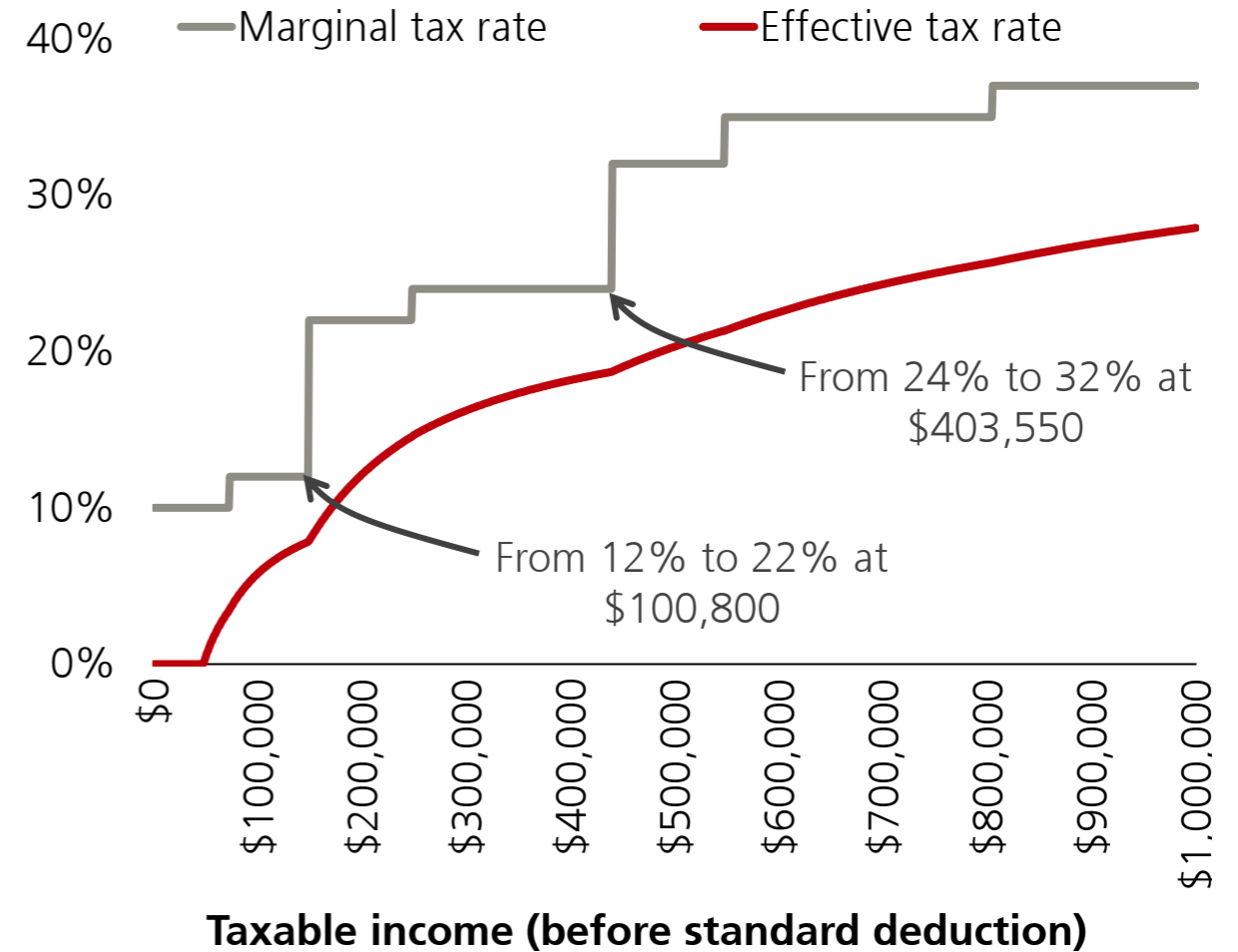
- This could be a more affordable option
- Employers may require employees to work a certain number of hours to become eligible for this coverage

Consider using the marginal **income tax breakpoints** to the family's advantage

- There are two tax rates that investors should know about:
 - The **marginal tax rate** is amount of tax paid on the last dollar of income, divided by that dollar of income. As income goes higher, the "last dollar" gets pushed into a higher tax bracket, and thus this rate goes higher.
 - The **effective tax rate** is the actual percentage of taxes paid as a percentage of total taxable income.
- Those in their working years may want to time deductible contributions to help them stay out of higher tax brackets.
- Those in retirement may want to time taxable distributions to "fill up" lower tax brackets—especially in years when they have lower taxable income.

Moving distributions to low-income tax years can help reduce taxes

Marginal and effective tax rates, married filing jointly, for the 2026 tax year



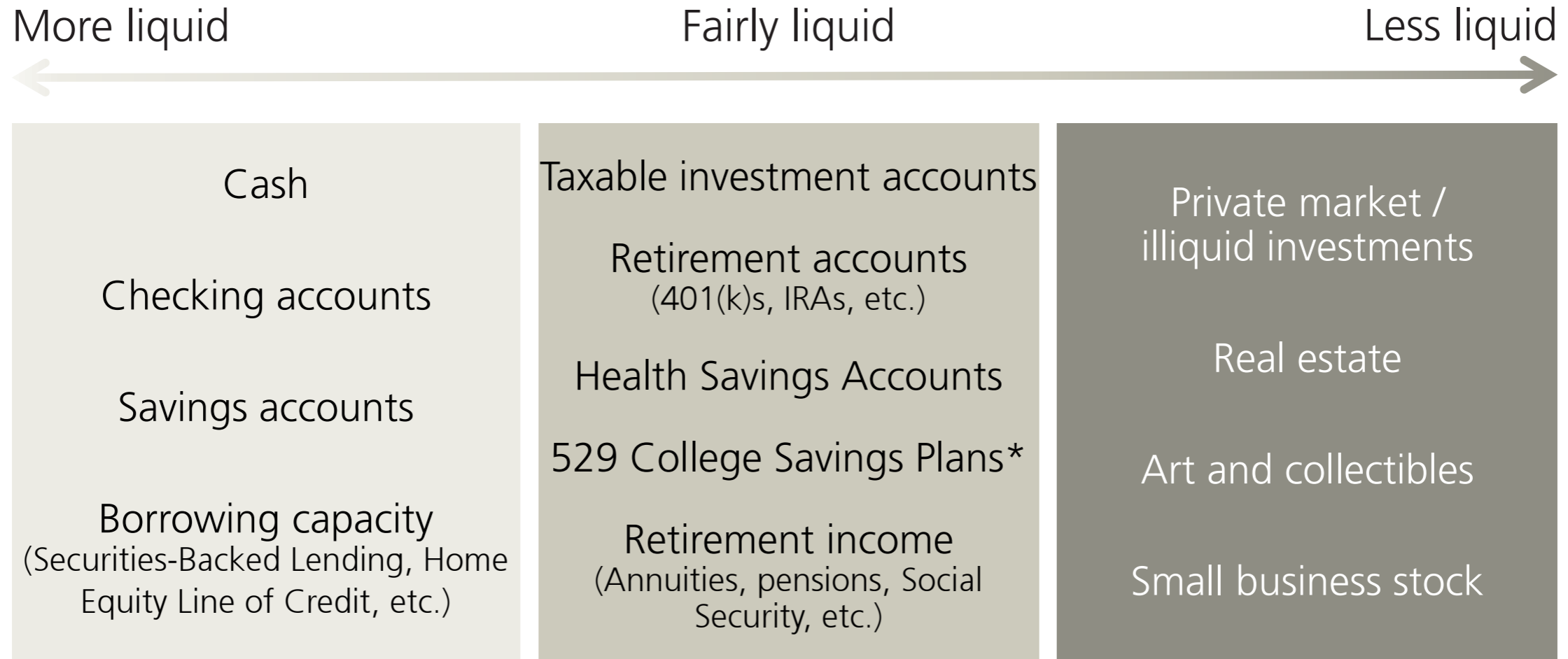
Source: IRS, UBS.

Retirement guidebook

In your retirement years...

Which assets are better to use in retirement?

Key consideration #1: Is there enough liquidity to use the asset for lifetime spending?



Which assets are better to use in retirement? (continued)

Key consideration #2: What are the tax implications of using the assets?

There are generally three characteristics that will factor into the tax efficiency of a family's assets

#1) Account type

- Taxable
- Tax-deferred
- Tax-exempt

#2) Type of tax

- Ordinary income tax rates (higher tax burden)
- Long-term capital gains tax rates (lower tax burden)
- Net investment income tax (NIIT)

#3) Account owner vs. beneficiary

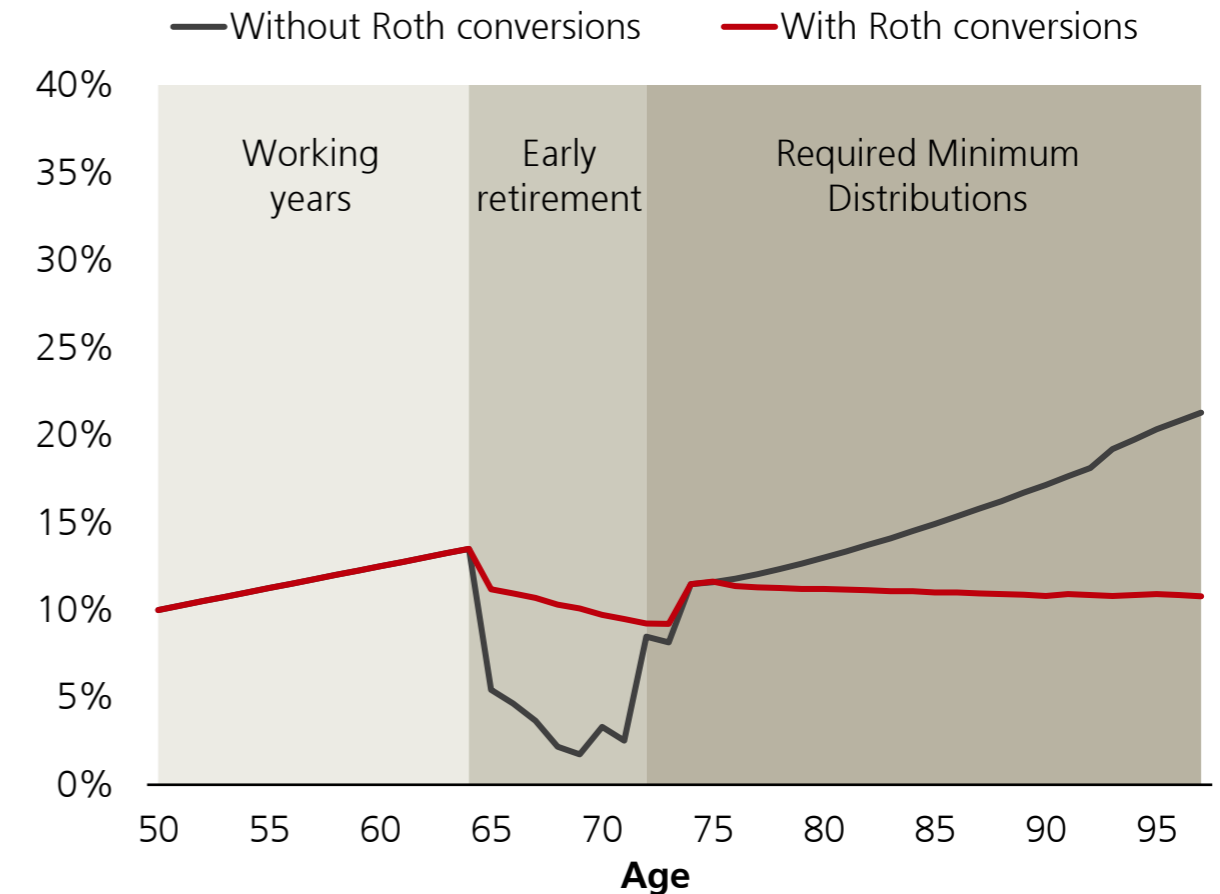
- Retirement accounts
- Health savings accounts
- Taxable accounts

Four reasons one may consider **partial Roth conversions** in early retirement

1. **If the family's estimated future tax rate will be higher** than their tax rate in the current year, then completing partial Roth conversions this year can help them do so at **a lower tax cost** (i.e., lower tax rate).
2. **Tax rates will probably be higher in the future, especially for high income families.** If the bulk of the family's wealth is saved in tax-deferred retirement accounts, higher tax rates in the future will likely have **an impact on their after-tax wealth**.
3. **Roth conversions can enhance tax diversification** which can help families decide how much taxable income and investment income they will have in a given year, allowing them to **manage their tax burden in retirement** more dynamically.
4. **If markets are down**, a partial Roth conversion can **allow families to get a "discount" on the tax cost** of converting a part of their Traditional 401(k)/IRA assets and enhance their portfolio's tax-free growth potential when markets rebound.

Partial Roth conversions can help families shift taxable income into years where they will face a lower tax rate

Effective tax rates with and without a series of partial Roth conversions during the early retirement "gap years"



Source: UBS. For illustration purposes.

Who may want to consider a **partial Roth conversion** this year?

The decision to convert depends on the family's current and anticipated future tax rates. Three possible scenarios may apply, relative to the current income tax rate:

Scenario 1: Today's tax rate higher than expected future tax rate

- Still working: Consider prioritizing pretax contributions to defer taxable income.
- Retired: Consider Roth IRA/401(k) distributions to stay out of higher tax brackets this year. A Roth conversion is unlikely to add value.

Scenario 2: Future tax rate the same as today

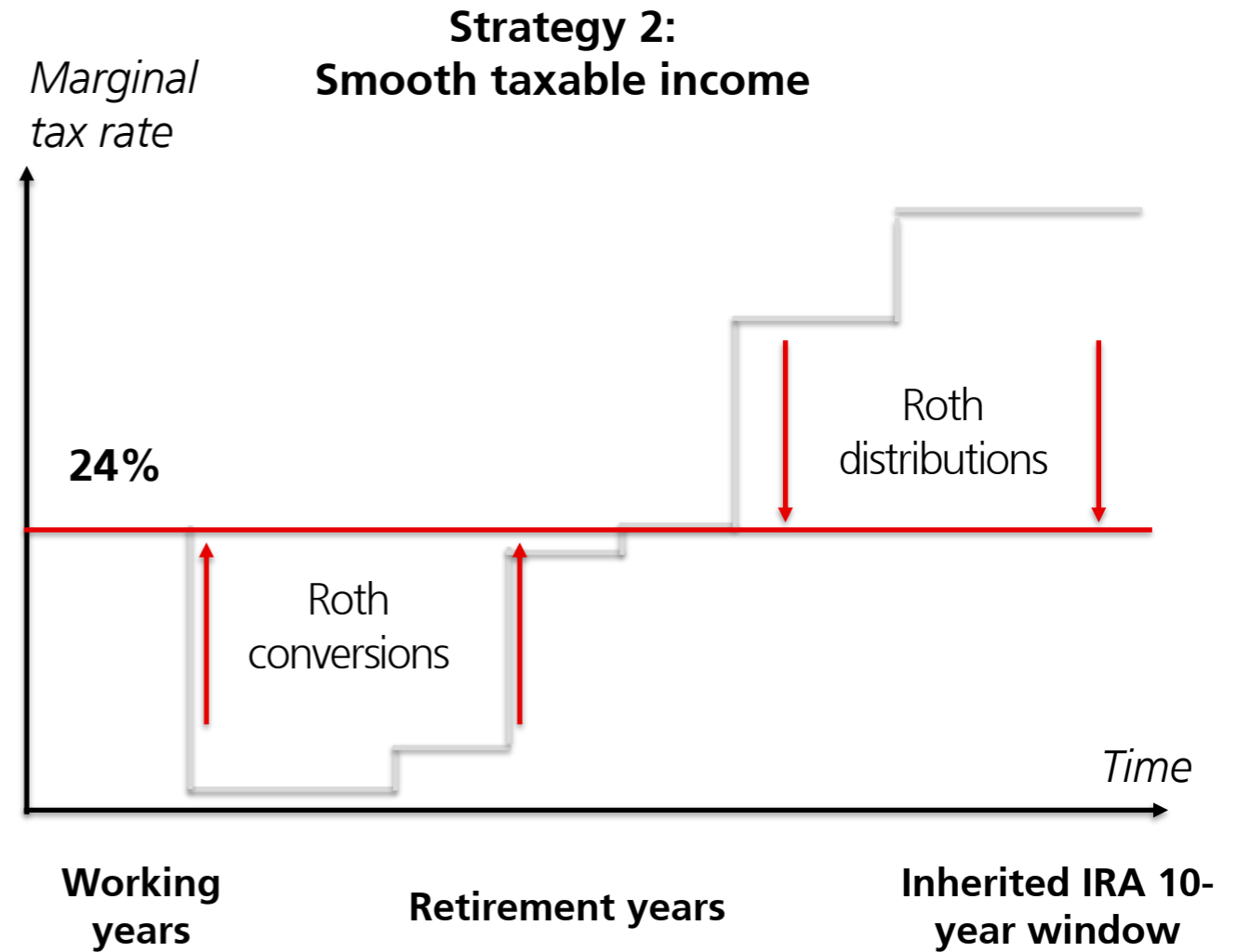
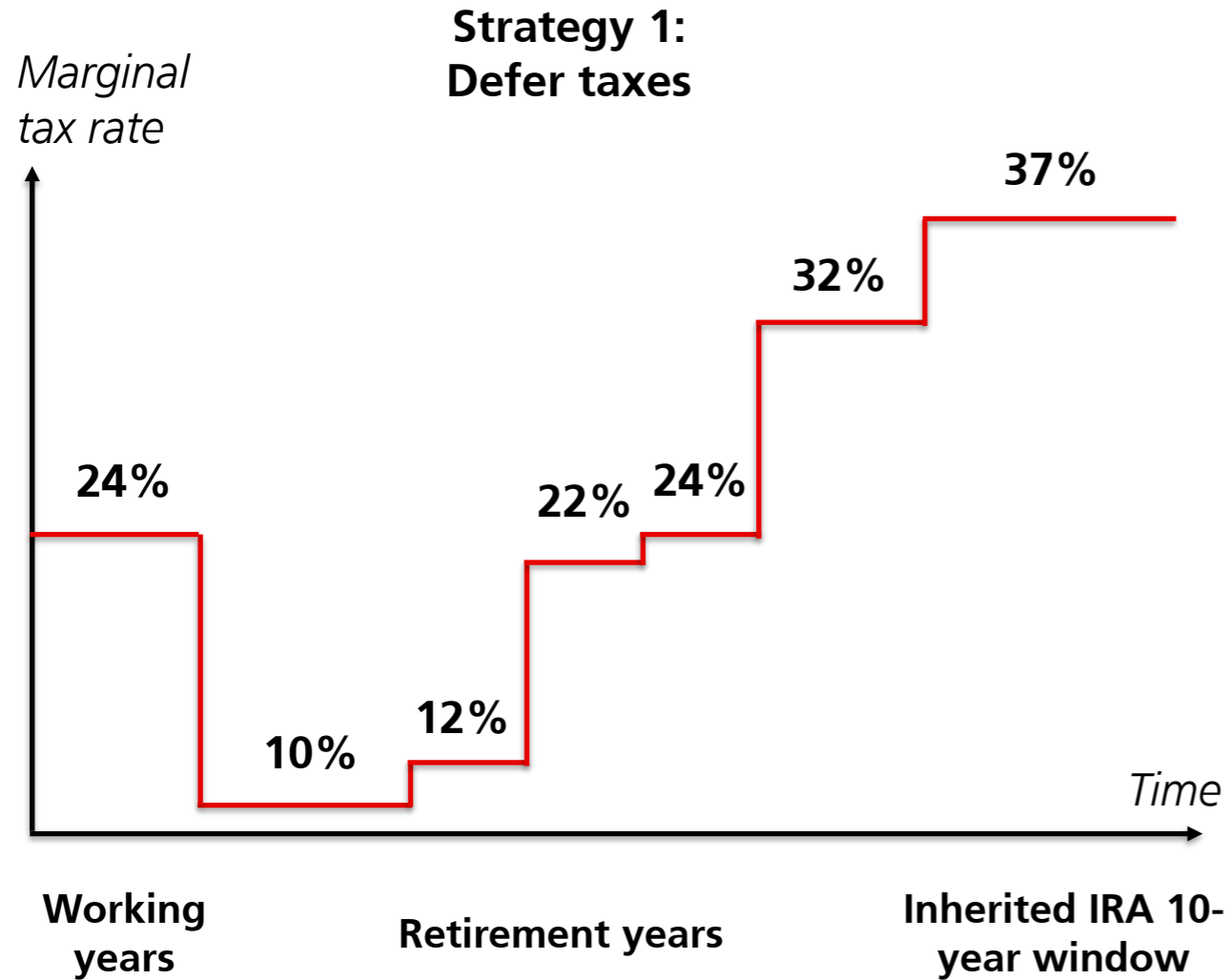
- Still working: Consider directing at least some savings to a Roth IRA or 401(k).
- Retired: Discuss your approach with a financial advisor and tax advisor. A partial Roth conversion this year may not save directly on expected taxes, but it could still help you improve tax diversification or protect against potential tax increases in the future.

Scenario 3: Future tax rate will be higher than it is currently

- Still working: Consider prioritizing Roth IRA or 401(k) contributions.
- Retired: A partial Roth conversion this year could help to reduce the tax cost of retirement account distributions; this benefit could grow if income tax rates go higher in the future.

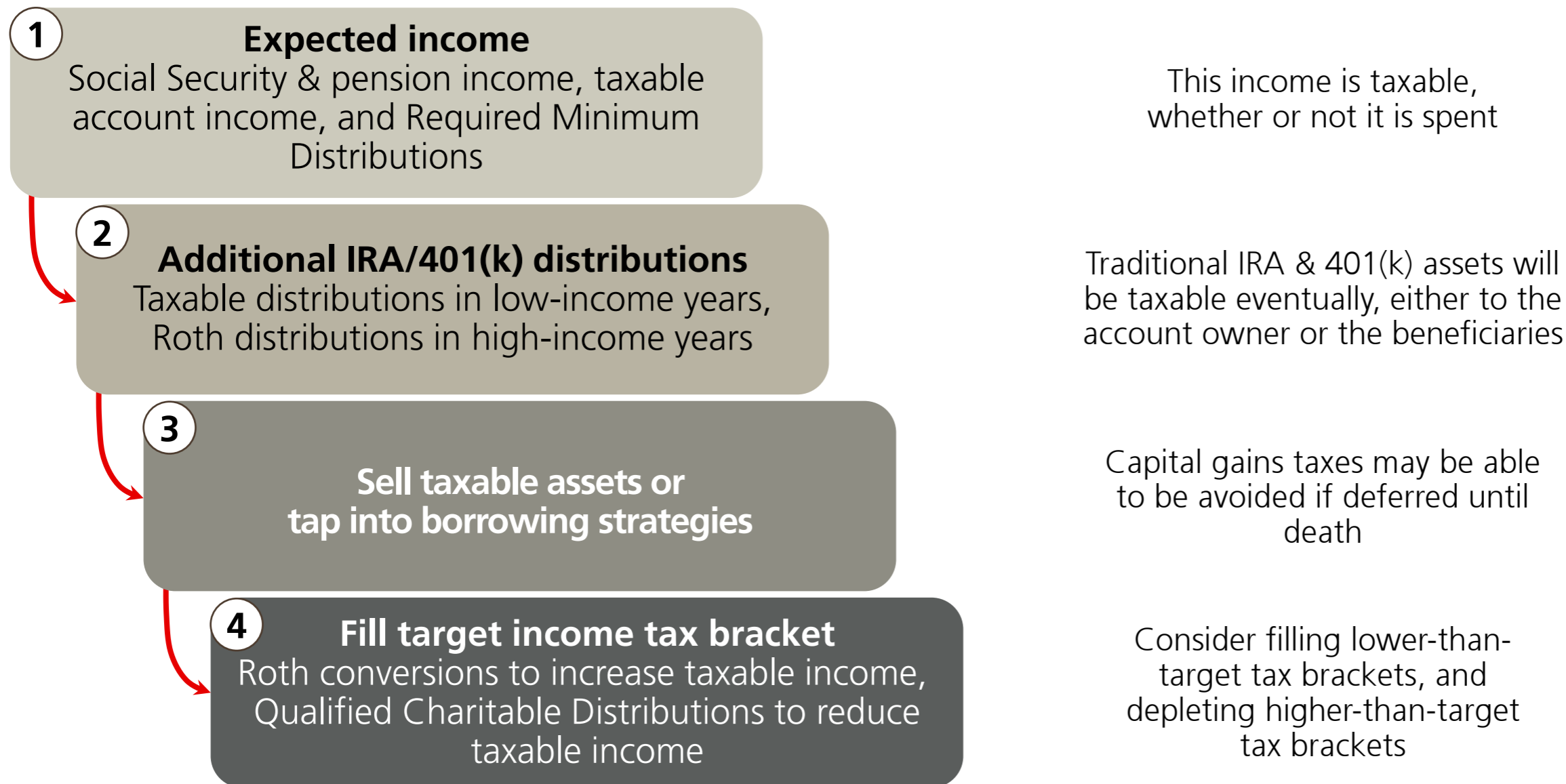
A "spending waterfall" to manage income taxes in retirement

Marginal income tax brackets during the account owner's working years, the account owner's retirement years, and the beneficiary's 10-year window for two withdrawal strategies



A “**spending waterfall**” to manage income taxes in retirement (continued)

Potential sequence of withdrawals to help improve tax efficiency



 Source: IRS, UBS. Hypothetical example, for illustrative purposes only.

For more information, see the CIO research report, [Managing taxes with a "spending waterfall"](#) (published 25 June 2025).

Required minimum distributions (RMDs) for account owners

When do you need to take your first RMD?

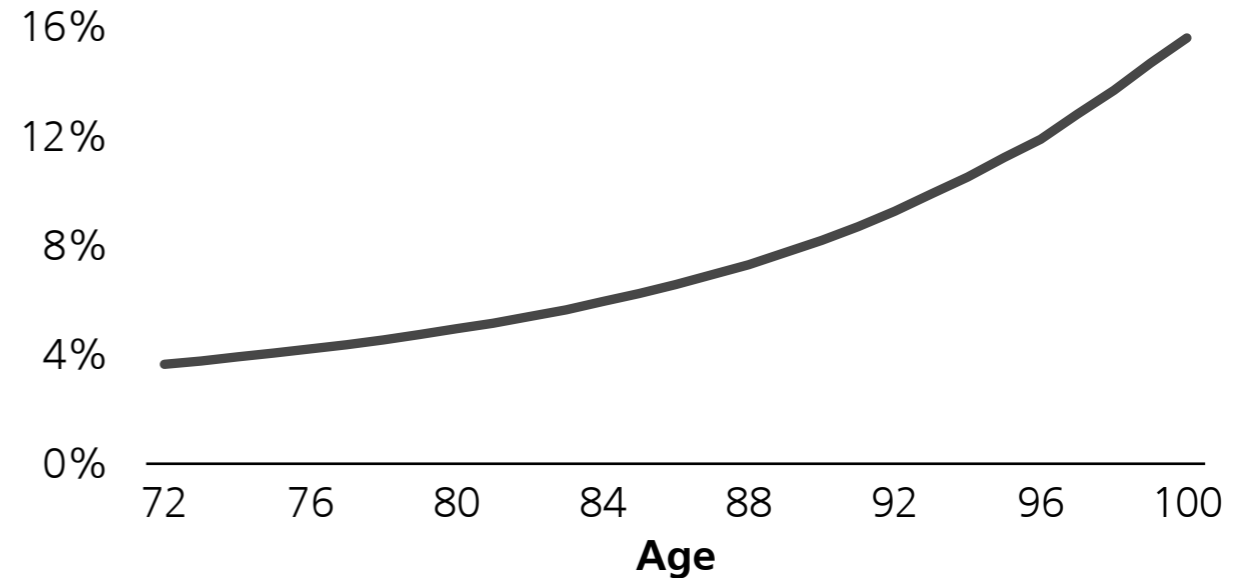
Account owners must take their first RMD by 1 April of the year after the year they attain their applicable RMD age.¹ For every subsequent year, they must take the RMD by 31 December.

Birth year	1951 – 1959	1960 or later
Age when RMD begins ¹	73	75

Example: If an IRA owner turns age 73 in 2026, they have until 1 April 2027 to satisfy their first RMD (2026's RMD). And they have until 31 December 2027 to take their second RMD (2027's RMD). Retirees should bear in mind that if they choose to take both RMDs in a single tax year, it could cost them more in taxes by pushing them into a higher tax bracket as both distributions will be taxable in 2027.

How much will the RMD be each year?

Required minimum distributions (RMDs), as a percentage of a Traditional IRA balance, at each age. Uses distribution periods based on the IRS's Uniform Lifetime Table.^{2, 3}



Source: IRS, UBS.

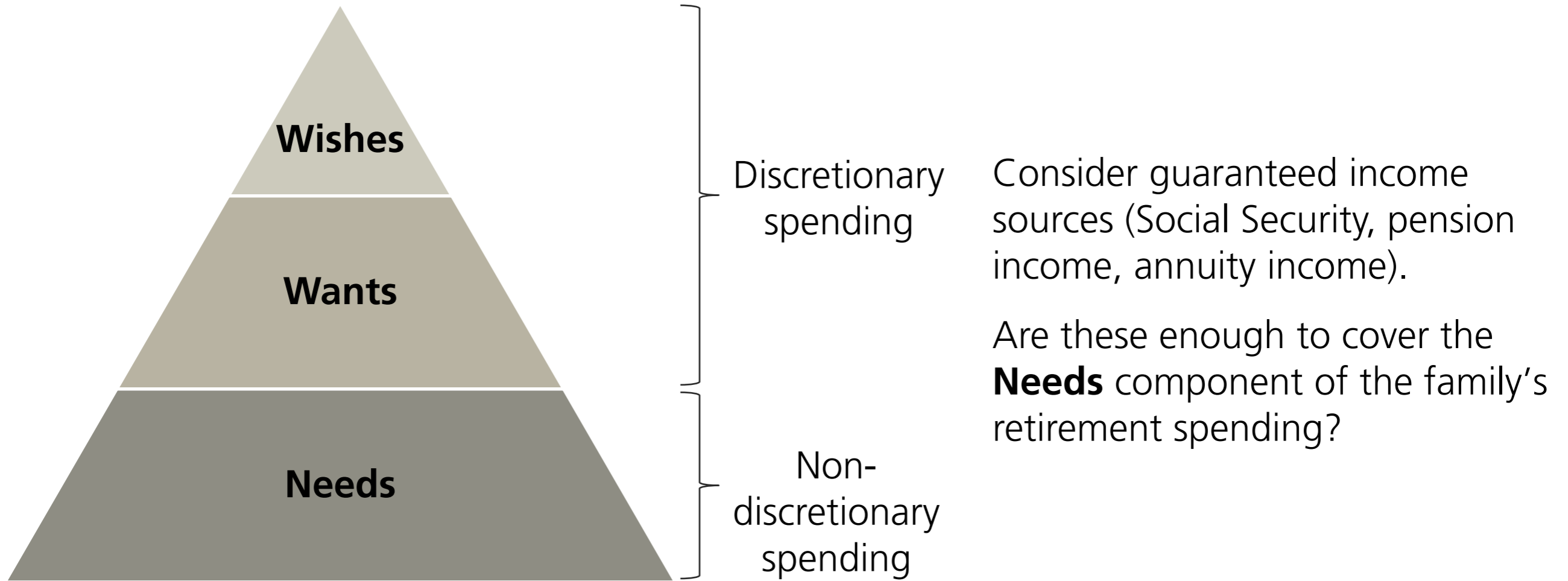
¹ If you have an employer-sponsored retirement plan, like a 401(k), and you're still working for that employer after your applicable age, your 401(k) assets will generally not be subject to RMDs. As long as you don't own more than 5% of the company where you work, you may be able to delay taking RMDs from that company's plan until 1 April following the year that you retire.

² Each year, you'll divide your account balance (as of 31 December of the prior year) by your Distribution period, and the result is your RMD for that year. For most IRA owners, your distribution period will be based on the [IRS's Uniform Lifetime Table](#). However, if one spouse is more than 10 years younger than the other and is the sole primary beneficiary of your IRA, you will find your Distribution period by looking up your age and your spouse's age in the [IRS's Joint Life and Last Survivor Table](#).

³ Roth IRAs are not subject to required minimum distributions during the Roth IRA owner's lifetime. Beginning in 2024, Roth 401(k)s are no longer subject to lifetime RMDs.

Annuities may give retirees confidence that their “Needs” spending can be met

A hierarchy of retirement spending objectives



Source: UBS. For illustration purposes.

Annuities may help boost a family's **spending potential** in retirement

Annual spending supported by a 60% US large-cap stocks and 40% US government bonds, based on 1,000 trials using UBS Equilibrium Capital Market Assumptions

Annuity allocation	Annual spending supported by \$5,000,000 portfolio (improvement versus portfolio without annuity)			
	35-year probability of success			
	85%	90%	95%	99%
No annuity	\$193,994	\$182,537	\$165,467	\$136,439
10%	\$199,226 (+3%)	\$188,405 (+3%)	\$173,01 (+5%)	\$146,119 (+7%)
20%	\$204,491 (+5%)	\$194,296 (+6%)	\$180,750 (+9%)	\$156,510 (+15%)
30%	\$209,750 (+8%)	\$200,836 (+10%)	\$187,500 (+13%)	\$166,500 (+22%)

- A married couple (70-year-old male, 65-year-old female) may be able to lock in a joint life immediate annuity with a payout rate of approximately **6.5%**, representing **~\$32,500** of annual income for a **\$500,000** annuity.
- Annuities help to protect against sequence-of-returns risk, managing the risk of needing to delay retirement or reduce spending during retirement due to poor returns.
- Annuity income can be a valuable addition to most financial plans and may be especially effective for families targeting a high probability of success in their financial plan.

Note: Expected portfolio return 6.9% per year, expected annual portfolio volatility 10.1%. Annuity payout is 6.5% rate, reflecting the terms for a joint life immediate annuity for a 70yr old male and 65yr old female as of 31 March 2025. In this analysis, we assume that the annuity income does not receive a cost-of-living increase, but spending rises by 2.4% each year to account for inflation.



Source: CANNEX, UBS Wealth Management USA Asset Allocation Committee, as of 31 March 2025.

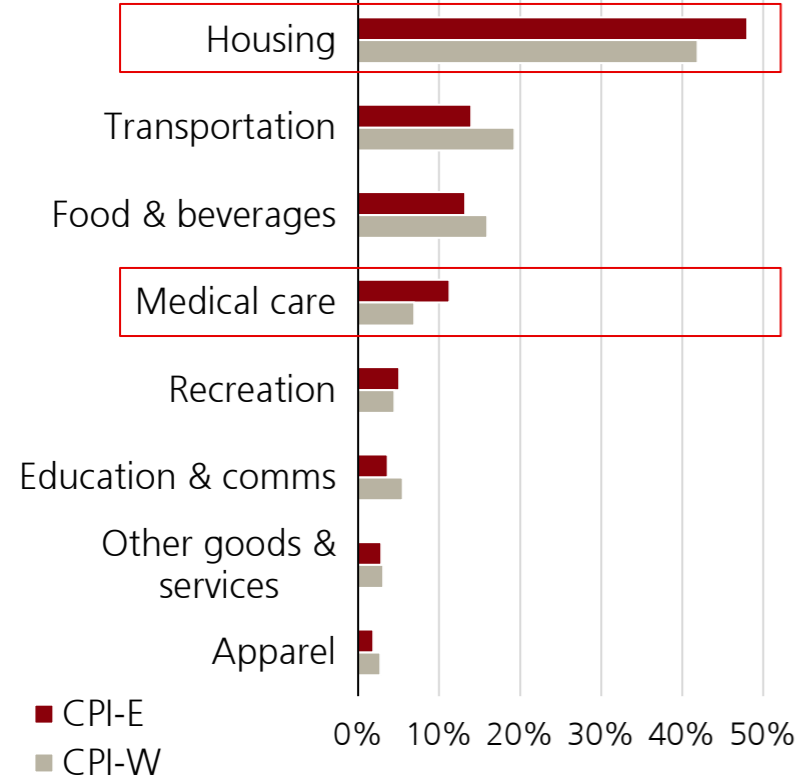
For more information, see the CIO research report, [What can annuities do for you?](#) (published 29 May 2025).

Social Security's COLA is intended to protect retirees' purchasing power

But there are three things retirees need to know:

1. Retirees spend differently than pre-retirees

Relative importance of expenditure categories for the Consumer Price Index for the Elderly (CPI-E) and the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)

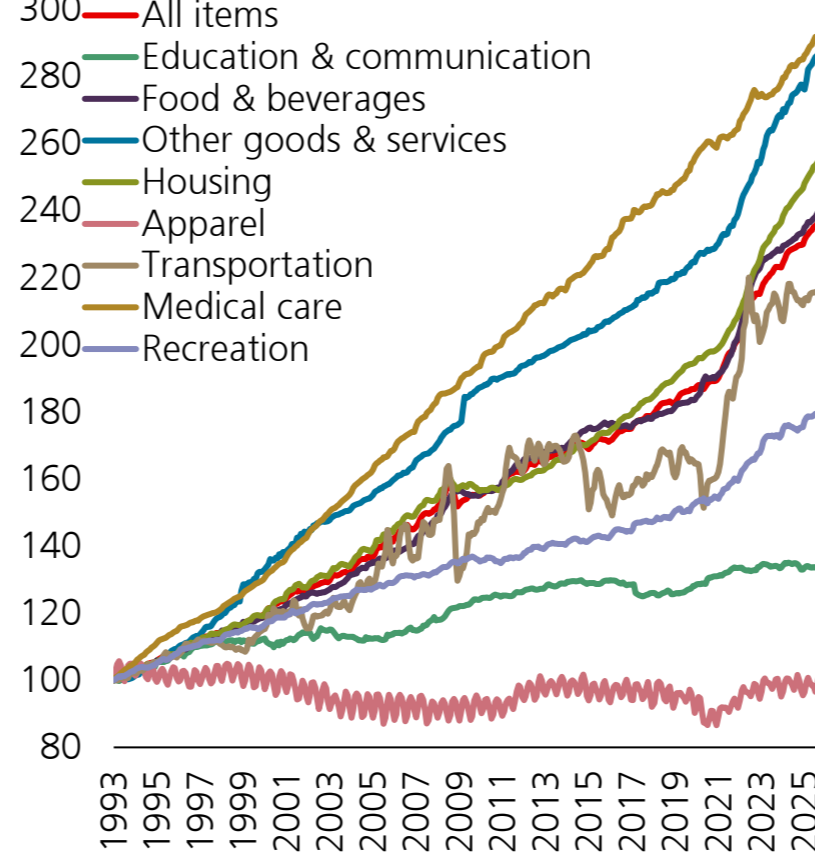


Source: Bureau of Labor Statistics, UBS.



2. Inflation isn't a single number

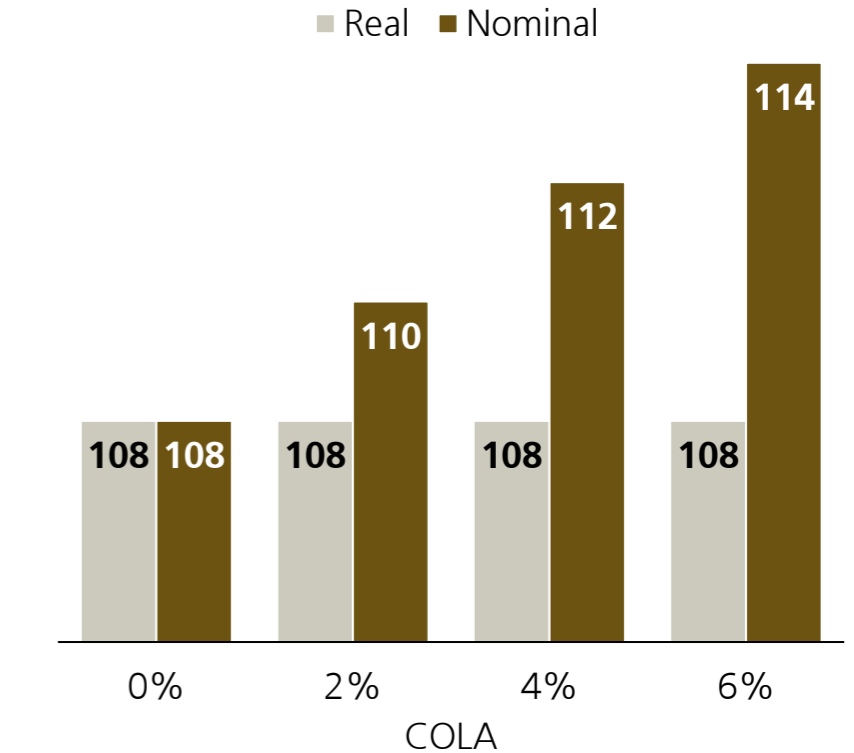
Components of the Consumer Price Index for the Elderly (CPI-E) indexed to January 1993



Source: Bureau of Labor Statistics, UBS as of 12 January 2026.

3. COLAs increase retirees' benefits value even before they claim Social Security

Real and nominal growth of \$100 from delaying one year beyond full retirement age (67), assuming various cost-of-living adjustments (COLAs)



Source: Social Security Administration, UBS.

Basics of Medicare

Option #1: Original Medicare

Included:

- Part A
 - Hospital insurance
- Part B
 - Medical insurance

Not included (purchased separately):

- Part D
 - Drug coverage
- Supplemental coverage (Medigap)

Option #2: Medicare Advantage (Part C)

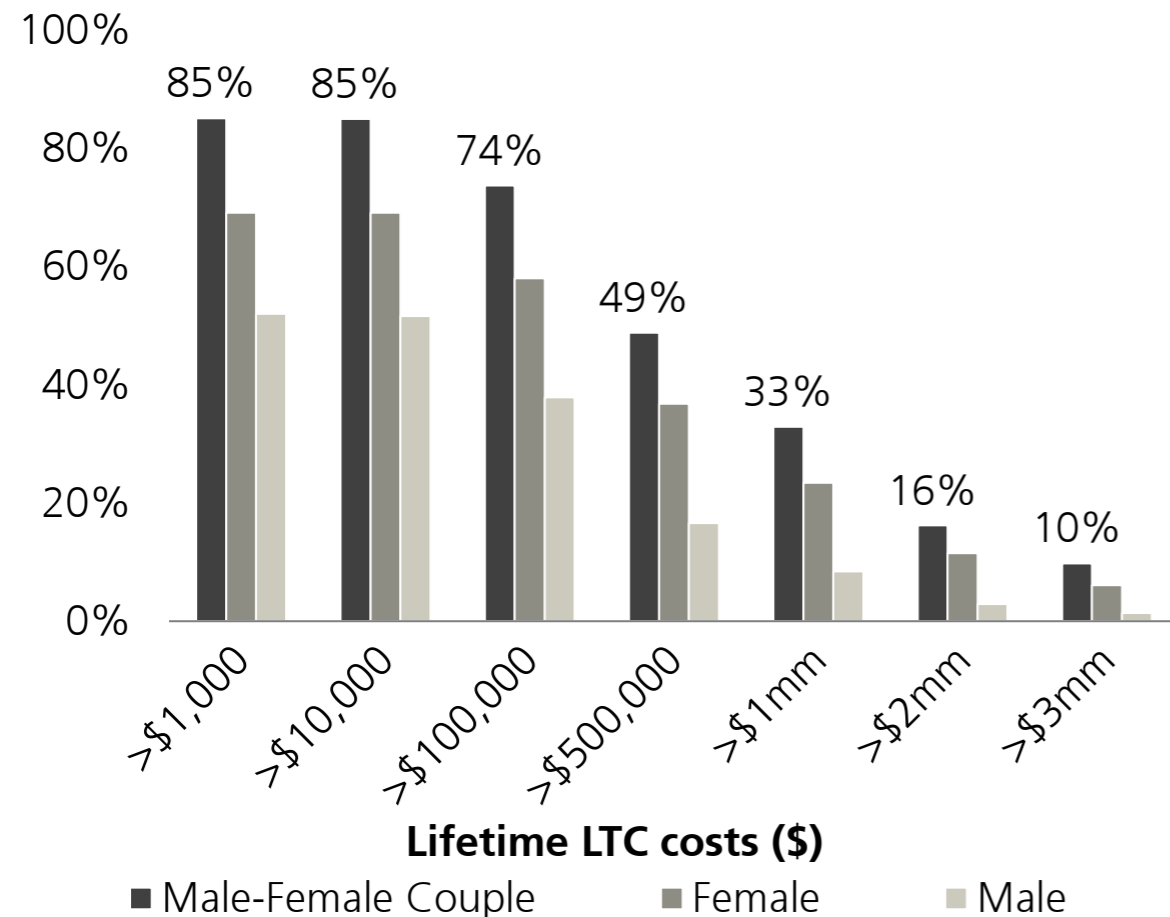
Included:

- Part A
 - Hospital insurance
- Part B
 - Medical insurance
- Part D (included in *most* plans)
 - Drug coverage
- Extra benefits (included in *some* plans)
 - Dental
 - Hearing
 - Vision

Consider including **potential long-term care costs** into the family's financial plan

How much will **long-term care cost**?

Estimated probability that long-term care (LTC) spending will exceed a specified amount, in %



- About 49% of 65-year-old couples will spend more than \$500,000 on LTC during their lifetime
- Costs vary significantly by location and the type of care received
- As a starting point, consider addressing the questions below:
 - If you need care, would you prefer to remain in your home?
 - If at home, who would provide the care?
 - What resources will you use to cover costs, if needed? (e.g., self-funding, HSA, LTC insurance, etc.)



Source: UBS. Strategies are subject to individual client goals, objectives and suitability.

For more information, see the CIO Global Investment Management team's report, [Long-term care costs and solutions](#) (published 29 October 2025).

Retirement guidebook

Planning the Legacy strategy



Strategies are subject to individual client goals, objectives and suitability.

Timing gifts: Will you **give during your life**, or as an end-of-life **bequest**?

"I want to leave my children enough so that they can do anything, but not so much that they can do nothing."

– Warren Buffett

Questions for families to consider:

- How do you want your wealth to impact the lives of your loved ones?
- How does the timing of the gift change the impact?
- Would any of your heirs benefit from using their inheritance now or at some point during your lifetime? Would you get joy from watching them use the assets?
- Which assets would your heirs value most?

Which assets are better for funding **lifetime spending** versus **wealth transfer**?

Subjective ranking of the value of different assets and account types for funding lifetime spending versus gifting based on tax efficiency and liquidity considerations

Better for lifetime spending

Better for inheritance & philanthropy



Health Savings Accounts

Disability insurance

Long-term care insurance

Retirement income
(Annuities, pensions, Social Security, etc.)

Life insurance

Retirement accounts
(401(k)s, IRAs, etc.)

Taxable accounts

529 college savings plans

Private market /
illiquid investments

Small business stock

Estate planning vehicles
(e.g., irrevocable trusts)

Philanthropic vehicles
(e.g., Donor Advised Funds)

Real estate & real assets

Which assets are better for heirs vs. charity?

For those who are planning to leave assets to improve the lives of others, consider the possible tax treatment that non-spouse beneficiaries will face. There are three possibilities:

Beneficiaries in a higher tax bracket

Tax-free retirement accounts
(Roth 401(k)s, Roth IRAs, etc.)

Life insurance proceeds

Taxable accounts, including trusts
(receive a step-up in cost basis at death)

Beneficiaries in a lower tax bracket

Tax-deferred retirement accounts
(Traditional 401(k)s, Traditional IRAs, etc.)

Charity – **no taxes** are paid

Tax-deferred retirement accounts
(Traditional 401(k)s, Traditional IRAs, etc.)

Health Savings Accounts*



Source: UBS. For illustration purposes. * Health Savings Accounts lose their tax-free status if inherited by a non-spouse beneficiary, so the second-to-die-spouse may want to leave assets to a charity (or to a beneficiary with a low tax bracket)

For more information, see the CIO research report, [Which assets are better to use in retirement?](#) (published 5 February 2024).

Strategies for giving to family

Strategy	Description & Benefits
Annual gift tax exclusion	Allows gifts up to \$19,000 per spouse per recipient each year, free of gift tax and without using lifetime exemption.
Medical and education gifts	Payments made directly to providers for tuition or medical expenses, are excluded from gift tax and do not use the lifetime exemption.
Lifetime exemption gifts	Larger gifts that use part of the lifetime exemption, removing future appreciation from the estate.
Tax-efficient irrevocable trusts	Irrevocable trusts (e.g., SLATs, GRATs, ILITs) can be funded with exemption gifts, providing control, asset protection, and potential estate tax benefits.
Transfer of discounted interests	Gifts of minority or non-controlling interests in family entities (LLCs, partnerships, corporations), fractional real estate, or investment holding companies may qualify for valuation discounts, reducing the lifetime exemption being used.
529 plan “superfunding”	Allows up to five years of annual exclusions to be contributed at once per beneficiary without using the lifetime exemption.

Strategies for giving to charities

“Brady bunching” charitable contributions

The One Big Beautiful Bill Act introduces changes to charitable deductions starting in 2026:

- For those who itemize deductions, only charitable contributions that exceed **0.5%** of adjusted gross income (AGI) will be deductible.
- Cash gifts to qualified charities will also remain subject to a limit of **60% of AGI**.
- The maximum tax benefit from itemized deductions will be capped at **35%**, reduced from the previous 37% (in line with the highest marginal federal income tax bracket).
- Taxpayers claiming the standard deduction will be allowed to deduct up to **\$1,000** (single filers)/**\$2,000** (married couples filing jointly) in charitable donations.

Families may want to consider funding a Donor Advised Fund.

Qualified Charitable Distributions

- Qualified Charitable Distributions (QCDs) may allow individuals age 70½ or older to donate up to **\$111,000** per person in 2026 from IRAs directly to eligible charities (**\$222,000** per married couple if each owns an IRA).
- QCDs may count toward required minimum distributions (RMDs) and may be excluded from federal taxable income, making them a tax-efficient strategy for making charitable gifts.

Inherited IRAs: Distribution rules for non-spouse beneficiaries

Distribution rules for some non-spouse beneficiaries who inherit retirement assets on or after 1 January 2020:

If the original account owner died before their required beginning date (RBD)¹:

- The “10-year rule” applies for most non-spouse beneficiaries, which means the beneficiary must withdraw all assets by 31 December of the year containing the 10th anniversary of the owner’s death.² This 10-year rule applies to both Traditional IRA and Roth IRA assets.
- In this case, beneficiaries can, but are not required to, take distributions in years 1-9.

If the original account owner died on or after their RBD:

- Most non-spouse beneficiaries will be subject to the “10-year rule,” which requires annual distributions in years 1-9 after the IRA owner’s death and a full withdrawal by 31 December of the year containing the 10th anniversary of the IRA owner’s death.^{2,3}
 - The required annual distributions in years 1-9 do not apply to assets inherited from a Roth IRA.

¹ RBD: The Required Beginning Date is April 1 of the year after the year the IRA owner attains age 73 (or age 75, if they were born in 1960 or later).

² There are a few exceptions to the 10-year rule. For example, it does not apply to beneficiaries who at the time of the IRA owner’s death are disabled or chronically ill; it does not apply to minor children of the IRA owner (in which case the 10-year rule applies when they reach the age of majority); and it also does not apply to those who are not more than 10 years younger than the account holder (e.g., slightly younger or older siblings). These beneficiaries generally need to take annual distributions beginning in the year after the IRA owner’s death over their non-recalculated life expectancy.

³ Per IRS Notices 2022-53, 2023-54, and 2024-35, the IRS will not assess penalties for missed 2021, 2022, 2023, and 2024 required minimum distributions for beneficiaries (including successor beneficiaries) who are subject to annual distributions in years 1-9 of the 10-year rule. However, the IRS still requires that all assets in these accounts must be withdrawn by 31 December of the year containing the 10th anniversary of the owner’s death.

Inherited IRAs: Strategies for owners and beneficiaries

For those who are planning to leave retirement assets (IRA, 401(k), etc.) to beneficiaries, taxes can be an important factor—especially due to the “10-year rule.” Here are some of the ways to manage the income tax burden that the account owner or the beneficiaries may face.

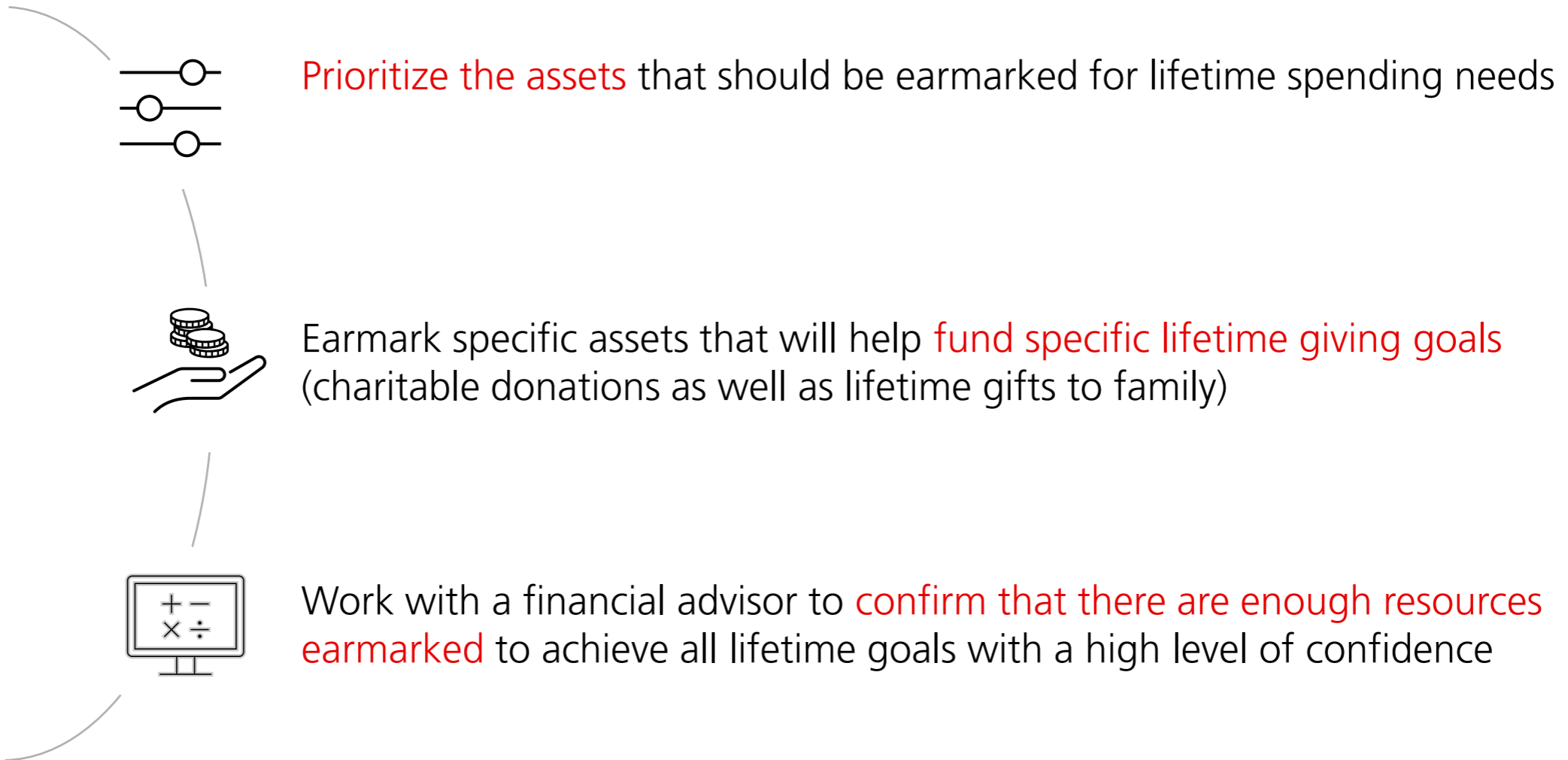
Strategies for IRA owners

- Decide which assets to leave, and to whom.
- Leave Traditional IRA assets to multiple beneficiaries.
- Split the IRA inheritance into two parts (by naming a spouse and their children as primary beneficiaries, for example).
- Consider dedicating a portion of the Traditional IRA assets to philanthropy.

Strategies for IRA beneficiaries

- Spread distributions over time.
- Time taxable distributions to mitigate taxes.
- Defer Roth IRA distributions to maximize tax-exempt growth potential.

Planning for the Legacy strategy: Next steps



Retirement guidebook

Appendix

Summary of key tax information for 2026

2026 tax rates, income levels in \$

Earned income, ordinary income, and short-term capital gains tax rates

Marginal tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
10%	0 to 12,400	0 to 17,700	0 to 24,800	0 to 12,400
12%	12,400 to 50,400	17,700 to 67,450	24,800 to 100,800	12,400 to 50,400
22%	50,400 to 105,700	67,450 to 105,700	100,800 to 211,400	50,400 to 105,700
24%	105,700 to 201,775	105,700 to 201,775	211,400 to 403,550	105,700 to 201,775
32%	201,775 to 256,225	201,775 to 256,200	403,550 to 512,450	201,775 to 256,225
35%	256,225 to 640,600	256,200 to 640,600	512,450 to 768,700	256,225 to 384,350
37%	640,600 or more	640,600 or more	768,700 or more	384,350 or more

Standard deduction*

16,100

24,150

32,200

16,100

* For single or head of household filers, the standard deduction increases by \$2,050 if you are age 65 or older or blind (\$4,100 if both). For married couples, it increases by \$1,650 for each spouse who is 65+ or blind (e.g., \$3,300 if one spouse is both).

Note: Seniors age 65+ may also qualify for a “bonus deduction” of up to \$6,000, with eligible joint filers able to claim up to \$12,000. This deduction is subject to an income phase-out, reduced by \$0.06 per \$1 of income exceeding the modified adjusted gross income (MAGI) limits of \$75,000 (single/head of household) or \$150,000 (joint). This deduction is fully phased out for those with MAGI over \$175,000 (single/head of household) or \$250,000 (joint), and is not available for married couples filing separately.

Long-term capital gains and qualified dividend tax rates

Maximum tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
0%	0 to 49,450	0 to 66,200	0 to 98,900	0 to 49,450
15%	49,450 to 545,500	66,200 to 579,600	98,900 to 613,700	49,450 to 306,850
20%	545,500 or more	579,600 or more	613,700 or more	306,850 or more
3.8% surtax**	200,000	200,000	250,000	125,000

**Some investment income may be subject to a 3.8% surtax. The tax is applied to the lesser of: 1) net investment income or 2) the amount of modified adjusted gross income (MAGI) that exceeds these thresholds. Net investment income includes “passive” sources of income such as taxable interest, dividends, realized capital gains, annuities, royalties, and rental income.

Additional Medicare tax

Tax rate	Single	Head of Household	Married Filing Jointly	Married Filing Separately
0.9%	200,000	200,000	250,000	125,000

Note: The 0.9% surtax applies to wages, railroad retirement compensation, and self-employment income over these thresholds.

Source: IRS, UBS. MAGI is computed using different rules depending on the eligibility criteria of the tax credit, deduction, or program. For more details, visit the IRS’s website [here](#).



For more information, see the CIO Global Investment Management team’s report, [2026 Tax fact sheet](#) (published 15 January 2026).

Summary of key tax information for 2026 (continued)

2026 tax rates, income levels in \$

Social Security

Wage base limit	184,500	Note: The Old-Age, Survivors, and Disability Insurance (OASDI) tax—commonly called “the Social Security tax”—is based on a worker’s earned income. This 12.4% tax (6.2% paid by the employee, 6.2% paid by the employer) only applies to earned income up to the “wage base.” There is also a Medicare withholding tax of 2.9% (1.45% paid by the employee, 1.45% paid by the employer)—this tax applies to all earned income (no wage base limit).
Earnings test exemption (below Full Retirement Age)	24,480	Note: For workers receiving Social Security benefits before reaching full retirement age, Social Security applies a “retirement earnings test” and withholds benefits based on “excessive” income in the years leading up to full retirement age. The test only counts earned income, not “passive” income sources such as capital gains, dividends, interest income, or retirement plan distributions.
Earnings test exemption (at Full Retirement Age)	65,160	For individuals younger than their full retirement age, Social Security withholds \$1 for every \$2 of income exceeding the exemption amount. For individuals attaining full retirement age in the year of the earnings test, Social Security withholds \$1 for every \$3 of income exceeding the exemption amount.

Gift and estate tax

	Unmarried	Married	
Gift tax annual exclusion	19,000 per recipient	38,000 per recipient	
Lifetime unified gift and estate tax exemption	15,000,000	30,000,000	Note: Some states impose a state-level estate and/or inheritance tax. The top state-level estate tax rate is 35%, and state-level taxes can affect estates as small as \$1 million.
Maximum federal gift/estate tax rate	40%	40%	



Source: IRS, UBS.

For more information, see the CIO Global Investment Management team’s report, [2026 Tax fact sheet](#) (published 15 January 2026).

Tax implications for account owners and beneficiaries will vary by account type

Tax characteristics and considerations by account type for owners and beneficiaries

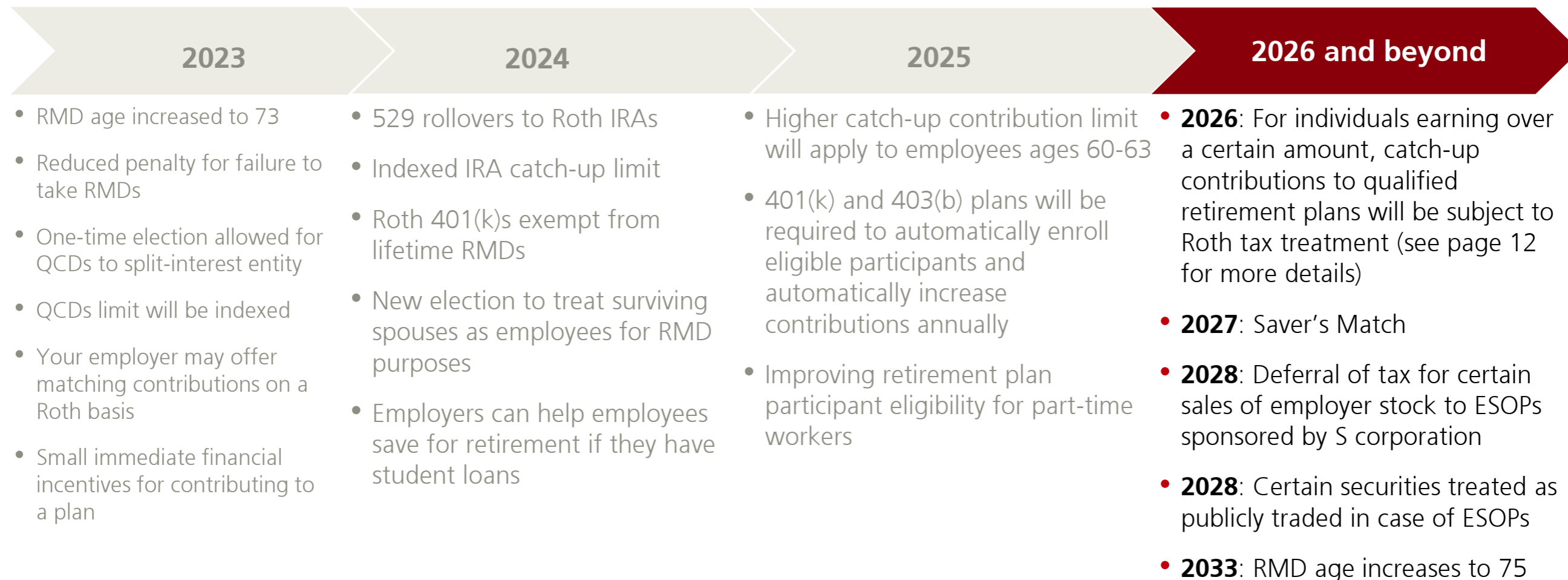
	Tax on growth	Tax treatment on liquidation	Tax treatment on beneficiary distributions
Tax-advantaged	Traditional IRA/401(k)	Deferred	Ordinary income
	Roth IRA/401(k)	Tax-free	Qualified distributions are tax-free**
	Health savings account (HSA)	Tax-free	Tax-free distributions for qualified medical expenses; ordinary income tax rate for all other distributions and a 20% penalty may apply***
Taxable	Capital gain	Deferred	Long-term capital gains rate if realized after 1 year
	Interest	Ordinary income	Step-up in basis, so taxes on unrealized capital gains are effectively “forgiven” for beneficiaries
	Qualified dividend	Qualified dividend tax	

- Ordinary income (higher income tax burden)
- More favorable tax rates (lower income tax burden)
- May be income tax-free (no income tax burden)

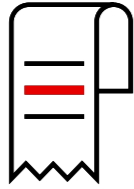
Source: UBS. This table does not address federal and state gift, estate, and inheritance tax implications. *See page 54 for more details. **You cannot withdraw earnings from Roth retirement accounts on a tax-free basis until at least five years after your first contribution to a Roth IRA account and you are age 59½, disabled or for a first-time home purchase (\$10,000 lifetime limit). The clock starts ticking on 1 January of the tax year when the first contribution was made. Failure to follow the five-year rule can result in paying income taxes and a 10% penalty on any earnings that are withdrawn. Please also note that if you withdraw funds from a retirement account before age 59½, the funds may be subject to a 10% tax for an early distribution. ***Distributions for non-medical expenses are taxed as ordinary taxable income that year; a 20% penalty will also apply unless you are disabled, have reached age 65, or if the distribution is after the account owner’s death.



What's in the SECURE 2.0 Act?

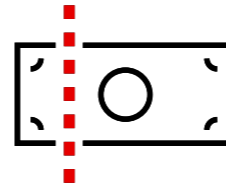


Seasonal planning checklist: Winter



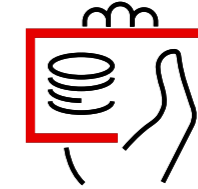
Spending and saving review

- Review last year's spending, estimate next year's spending.** How did your spending change year over year? Were there any unexpected expenses that should be factored into the plan going forward?
- Fill the Liquidity strategy.** Those in their working years may want to keep an emergency fund to cover around six months of spending. In retirement, consider setting up a Liquidity strategy to cover three to five years' of net portfolio withdrawals.
- Automate savings.** The "[savings waterfall](#)" (published 11 December 2025) can help investors prioritize where to direct savings. Then direct deposits can be used for automated investment strategies to put cash to work straight away.



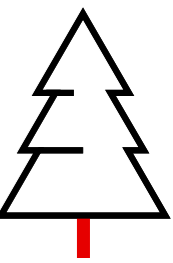
Income tax

- Estimate taxable income.** A financial advisor and tax advisor can help to estimate the family's taxable income and marginal tax bracket for this year.
- Manage the family's tax burden.** Before the year-end deadline, consider actions that could affect the family's tax bill: realizing capital gains or losses, making IRA distributions, or implementing Roth conversions. Taxpayers may have until they file taxes in April to make "carryback contributions" that count as prior-year IRA contributions.
- Pay the tax bill or invest the tax refund.**



Retirement income

- Review Social Security statements to check for discrepancies.** Inaccurate earnings records could result in reduced benefits.
- Review and estimate retirement income** from Social Security, pensions, and annuities, and consider whether these sources of income will be enough to cover the family's "Needs" in retirement. Speak with a financial advisor about an annuity review to confirm whether the family's existing annuity contracts continue to provide their originally intended benefit.
- Consider the family's retirement readiness.** A financial advisor can help families to make sure that their assets will be enough to fund spending needs for all of their retirement years.



Seasonal planning checklist: Spring



Financial education

- Learn something new.** Ask a financial advisor to explain a finance topic of interest. Some employers offer financial wellness programs, which can be another resource to consider.
- Teach others.** Explaining these topics to family and friends can be an effective way to solidify knowledge. As a bonus, encourage them to ask questions and share their perspectives.



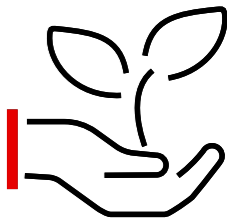
Estate planning

- Review beneficiary designations.** Make sure retirement accounts, insurance and annuity policies, and “transfer on death” reflect the account owner’s wishes.
- Who’s in charge?** A living will and written documents can establish who will oversee decisions in the event of death or incapacitation. For example, individuals should have a health care proxy, a durable power of attorney, an executor, a guardian for their minor children, and a conservator to manage their financial affairs. Individuals may also want to designate someone to manage their digital presence.



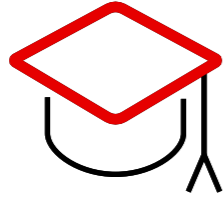
Insurance

- Calculate disability and life insurance need.** How much is needed to protect your family against income loss?
- Assess long-term care risk.** If you need care, would you prefer to remain in your home? If at home, who would provide the care?
- Compare the insurance need with current coverage and consider options for closing the gap.** If current coverage falls short of the family’s insurance need, a financial advisor can help them determine the right approach to close the coverage gap, such as purchasing supplemental insurance coverage either through their employer (if available) or through an insurance provider.



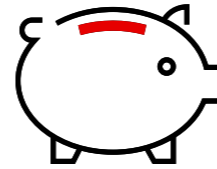
Source: UBS. For illustration purposes. Strategies are subject to individual client goals, objectives and suitability.

Seasonal planning checklist: Summer



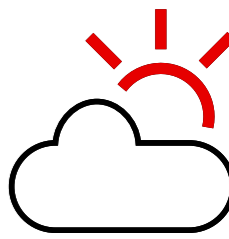
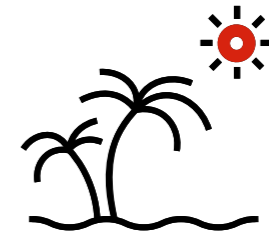
College savings

- ❑ **Start to save.** Thanks to the power of compounding, the earlier families start saving and investing, the easier it will be to afford those high costs of college education.
- ❑ **Develop an education saving and spending strategy.** Financial advisors can help families determine how much to set aside in education-specific saving accounts and to develop a strategy to account for the risk that these accounts will be over- or under-funded relative to their college spending needs.



Saving for retirement

- ❑ **Check on savings progress.** Are you taking full advantage of your saving options, and all your workplace benefits? Are your savings diversified across accounts with different tax characteristics (e.g., taxable, tax-deferred, and tax-exempt)?
- ❑ **Review the overall investment strategy** with a financial advisor and ask if there is anything that should be changed. Remember: If there's something in the portfolio that isn't working right now, that's a good sign that it's diversified!

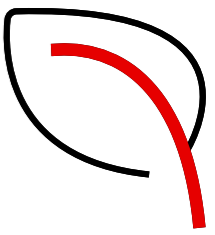


Preparing to transition to retirement

- ❑ **Reflect on retirement expectations.** Work provides more than just a paycheck, and a successful retirement involves more than just financial security. Identify activities and hobbies that will fill newfound free time and provide fulfillment, consider a gradual transition that will give the family time to adjust.
- ❑ **Consider a “practice run.”** Either during summer vacation, or while working remotely, families can try out a place that they're considering for retirement. For example, rent a beach front home or a house closer to the kids. This practice run can help to assess the cost of living in the area, and experience what life may be like in the new community before committing to making it a new home.

Source: UBS. For illustration purposes. Strategies are subject to individual client goals, objectives and suitability.

Seasonal planning checklist: Fall



Open enrollment

- ❑ **Choose a health insurance plan.** Review the terms for each plan option, considering next year's expected health care costs.
- ❑ **Choose disability and life insurance coverage.** How much is needed to protect your family against income loss?
- ❑ **Review equity compensation.** Gather the plan details and discuss them with a financial advisor who can help decide when to exercise or sell shares and options.
- ❑ **Automate savings.** The "[savings waterfall](#)" (published 11 December 2025) can help investors prioritize where to direct savings and direct deposits can be used for automated investment strategies to put cash to work straight away.



Gift giving

- ❑ **Put stocks in stockings.** Giving investments to the next generation can be a great way to introduce them to investing. Giving appreciated stocks can also help families reduce capital gains taxes.
- ❑ **Giving while living.** An individual may make lifetime transfers of up to \$15 million (\$30 million per married couple) before incurring gift or estate taxes. They can also use an annual gift tax exclusion (up to \$19,000 per recipient).
- ❑ **Help with education costs.** 529 college savings plans allow families to "front-load" contributions with up to 5 years' worth of annual exclusions.



Philanthropy

- ❑ **Use QCDs to donate efficiently.** Those who are at least age 70½ may donate up to \$111,000 from their Traditional IRAs to one or more charitable organizations through a Qualified Charitable Distribution (QCD). QCDs count toward lifetime Required Minimum Distributions (RMDs) but aren't subject to federal income tax. Please note that QCDs cannot be made to a Donor Advised Fund or a private foundation.
- ❑ **Give now, grant later.** Families can "bunch" several years of charitable gifts into a single year which can make it worth itemizing taxes. Using a Donor Advised Fund (DAF), families can make deductible donations while retaining flexibility as to where and when a charitable cause receives the donation.



Source: UBS. For illustration purposes. Strategies are subject to individual client goals, objectives and suitability.

For more information, see the CIO Global Investment Management team's report, [Give to others, not the IRS](#) (published 20 October 2025).

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