

LET'S TALK FINANCIAL WELLNESS[®]

March/April 2026

Tax Credits for Retirement Plans

Small businesses can greatly benefit from tax incentives that encourage the creation of employee retirement plans. Recent updates show that small business owners starting a new retirement plan can claim a tax credit of up to \$5,000 annually for the first three years. This credit offsets the costs of setting up and administering these plans, making it easier for small businesses to provide valuable retirement benefits to their employees.

Automatic Enrollment

Businesses that implement automatic enrollment for new hires can qualify for an extra \$500 tax credit per year, for up to three years. The One Big Beautiful Bill Act (OBBBA) has enhanced this incentive by

increasing the credit to cover up to 100% of plan startup costs, a substantial improvement from the previous 50% limit.

For plans with auto-enrollment, the maximum contribution in the first year is set at 10% of an employee's compensation. Employees must have the option to opt out of this automatic enrollment to maintain flexibility and choice. After the first year, safe harbor plans can incrementally increase contributions up to 15% of compensation, with the opt-out option still available. This structure encourages consistent retirement savings while respecting employee choice.

Time

Business owners also have flexibility in timing. You can establish a retirement plan and claim the related tax credit for the previous year as late as the due date of your



company's tax return, including extensions. This extended timeline allows businesses to make strategic profit-sharing contributions and maximize tax benefits. These credits and flexible

options make 2026 an ideal time for small businesses to explore or expand their retirement plan offerings.

Plan Compliance

To support new deductions and credits, businesses may face additional documentation rules, including: Enhanced reporting for employee wage types (e.g., tip income, overtime tracking), verification for green or domestic-use incentives, and additional due diligence standards for tax preparers. Additionally, fines and penalties for non-compliance with ERISA requirements have increased annually, ranging from a few hundred dollars to several thousand dollars.

Consult your trusted advisors to ensure compliance and maximize these opportunities for your business and employees.



Karen Petrucco
Account Manager

**The Prudential Insurance
Company of America**
1060 Broadway #1161
Albany, NY 12204

Tel: 800-243-5334
Fax: 800-720-0780
karen.petrucco@prudential.com
www.prudential.com

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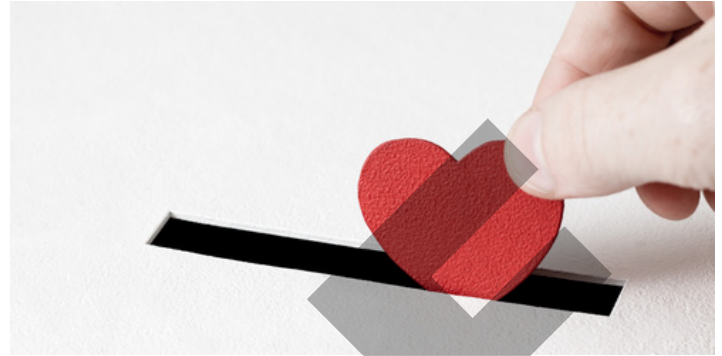
Small Business Version



Making Charitable Contributions in 2026

OBBBA introduced several significant changes for individuals who deduct charitable contributions. Starting in 2026, you may deduct itemized charitable contributions if the total exceeds 0.5% of your adjusted gross income (AGI). This change effectively limits the deductibility of smaller contributions, particularly for lower- and middle-income taxpayers.

However, OBBBA also brings some good news for individual donors. It makes permanent the 60% AGI limit for cash contributions to public charities, a provision originally enacted by the Tax Cuts and Jobs Act (TCJA). TCJA increased the AGI limit from 50% to 60%, allowing taxpayers to deduct cash contributions to public charities up to 60% of their AGI in a single year. Without the change under OBBBA, the limit would have gone back to 50% of AGI after 2025.



When donating to a charity, ensure the organization is qualified by searching the IRS database, <https://www.irs.gov/charities-non-profits/search-for-tax-exempt-organizations>. Only donations qualified by the IRS are eligible for tax deductions.

Preparing for Tax Day: Tips to Stay Ahead

Tax Day 2026 is April 15, and early preparation ensures a stress-free tax filing experience. Start by organizing key documents, including W-2s, 1099s, receipts, and records of deductible expenses. Avoid last-minute chaos by gathering these now.

Review your previous year's return to identify potential deductions or savings. Major life changes—such as a new job, home purchase, or investments—may affect your taxes. Consult a tax professional to maximize credits and minimize liabilities.

Check withholdings and estimated payments to avoid surprises. Set up direct deposit for faster refunds or plan early payments to dodge penalties. If you owe, consider a payment plan.

Stay updated on 2026 tax law changes affecting deductions or credits. By staying organized and proactive, you'll approach Tax Day confidently, potentially saving money and reducing stress. Start now for a smoother filing experience.



Financial Literacy in America



73% of US adults believe they would be further ahead financially if they'd had early personal finance education.

72% of US college students admit to making financial decisions based on social media advice.

Financial literacy scores among first-year college students dropped 3 points year over year, averaging 56% in 2025.

Source: *Financial Literacy Crisis in America*, Ramsey Solutions, 2025

Family Tax Credits

In 2026, there are some changes to the credits related to families and children, most notably the Child Tax Credit and the Child and Dependent Care Tax Credit. These credits include a phase-out structure based on certain income thresholds.

The Child Tax Credit

For 2026, the amount is \$2,200 per qualifying child. In the future, under OBBA, the credit amount will be adjusted annually for inflation. The credit phases out for higher-income taxpayers, starting at \$400,000 for couples filing jointly and \$200,000 for single filers. The phase-out reduces the credit amount by 5% for every dollar earned above these thresholds.

Child and Dependent Care Tax Credit

OBBA introduced two key changes to the Child Dependent Care Tax Credit that take effect in 2026. The tax credit calculation increased from 35% to 50% of qualifying dependent care expenses. Also, there's a new phase-out structure with two tiers based on adjusted gross income (AGI).

In the first tier, the credit percentage is reduced by 1% for each \$2,000 of AGI over \$15,000. The rate cannot be reduced below 35% in this phase. In the second tier, for AGIs above \$75,000 (\$150,000 for joint filers), the percentage is further reduced by 1% for each \$2,000 (\$4,000 for joint filers) over that threshold. The floor remains at 20%. The qualifying dependent care expense cap remains \$3,000 for one child and \$6,000 for two or more dependents.



Understanding EBITDA

EBITDA, or Earnings Before Interest, Taxes, Depreciation, and Amortization, is a financial metric used to evaluate a company's operating performance. It measures profitability from its core business activities by excluding non-operating expenses, such as interest and taxes, as well as non-cash charges, including depreciation and amortization. This provides a clearer view of a company's cash flow and operational efficiency, making it easier to compare firms across industries.

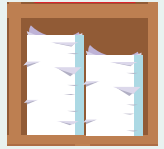
To calculate EBITDA, start with net income, then add back interest, taxes, depreciation, and amortization expenses from the income statement. It's widely used by investors and analysts to assess a company's financial health, especially for businesses with high debt or significant assets. However, EBITDA

has limitations—it doesn't account for capital expenditures or changes in working capital, which can impact actual cash flow.

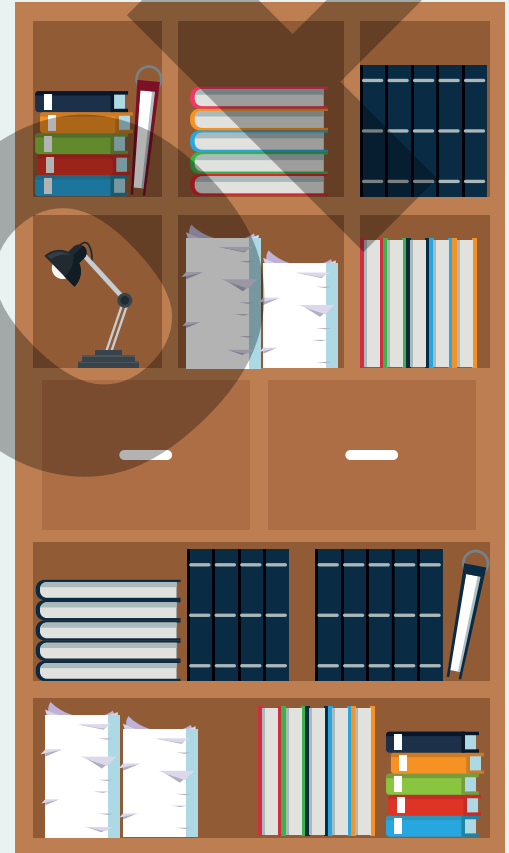
Understanding EBITDA is essential for spring financial reviews to gauge business performance and plan strategically.



Spring Clean Up



Many of us think of Spring as a time to refresh our homes —decluttering rooms, sorting closets, or deep cleaning neglected areas—but it's also a great time to get your documents and files in order.



Get Organized and Energized

Create a streamlined system for your documents and filing. Gather tax-related papers (W-2s, 1099s, receipts) and file them securely for easy access during tax season. Shred outdated documents to reduce clutter and protect sensitive information. You may even have access to a local "Shred Day" event hosted in your community, which you can take advantage of. Use labeled folders or a digital scanning system for bills, warranties, and insurance policies. Set aside an hour weekly to maintain organization.

A tidy home and organized paperwork reduce stress, prepare you for a productive year, and energize you to enjoy life and focus on what matters most to you and your family.

March Mastery: Essential Checklist for Small Business Owners

As the last snowflakes melt and cherry blossoms tease the horizon, March arrives like a double-edged sword for small business owners. It's a pivotal point—bridging winter's quiet reflection with spring's explosive growth. Miss the mark here, and you risk a cascade of compliance headaches, financial blind spots, or missed seasonal opportunities. You'll emerge stronger, leaner, and primed for a thriving quarter. Let's break down the must-dos to make this month your launchpad for the second quarter of 2026.

Nail Those Tax Deadlines: No Extensions, No Excuses

March 15th looms large for partnerships and S-corporations, marking the deadline for filing Form 1065 and issuing Schedule K-1s to partners. Unlike C-corporations, which have a grace period until April, these entities demand precision—late filings trigger penalties that can snowball into thousands. If your fiscal year ends December 31st, use this window to reconcile 1099s and gather W-2s early.

Consult your trusted advisors; tools like QuickBooks or TurboTax Business can streamline prep, but human oversight catches nuances that algorithms miss. Remember, accurate filings aren't just about compliance—they're intelligence for smarter deductions next year.

Quarterly Reviews: Unearth Hidden Insights

With Q1 wrapping up, March is prime for performance reviews. Dive into your P&L statements: What's driving revenue? Where are margins eroding? Using dashboard tools makes this painless—



track KPIs like customer acquisition cost and inventory turnover. Celebrate wins and review flops. These reviews aren't busywork; they're your crystal ball, informing Q2 budgets and pivots. Set a one-day "finance Friday" to knock it out, freeing mental bandwidth for growth.

Spring Clean and Declutter

Spring signals a business deep clean. Audit your physical space: Organize your inventory, purge outdated stock, and refresh your storefront to attract warmer foot traffic. Digitally? Scrub your CRM for stale leads, optimize your website for mobile spring searches, and secure backups against cyber threats. This renewal boosts efficiency—think 20% faster operations—and signals professionalism to clients. Bonus: It reignites your passion, combating founder fatigue.

March isn't a sprint; it's your strategic setup. Tackle these tasks with intention and watch your small business bloom.

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<<Approved Broker/Dealer securities disclosure to be added>>

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ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

December 2, 2025

John Mulkern

Reference: **FR2025-1113-0213/E**

Org Id: 23568

1. Lets Talk Money Small Business March April 2026
Rule: FIN 2210
5 Pages

Our review is based on your representation that the final version of this communication will prominently disclose the name of the member, pursuant to FINRA Rule 2210(d)(3)(A).

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

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