Beyond the Basics

Customized Wealth Strategies

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60 million

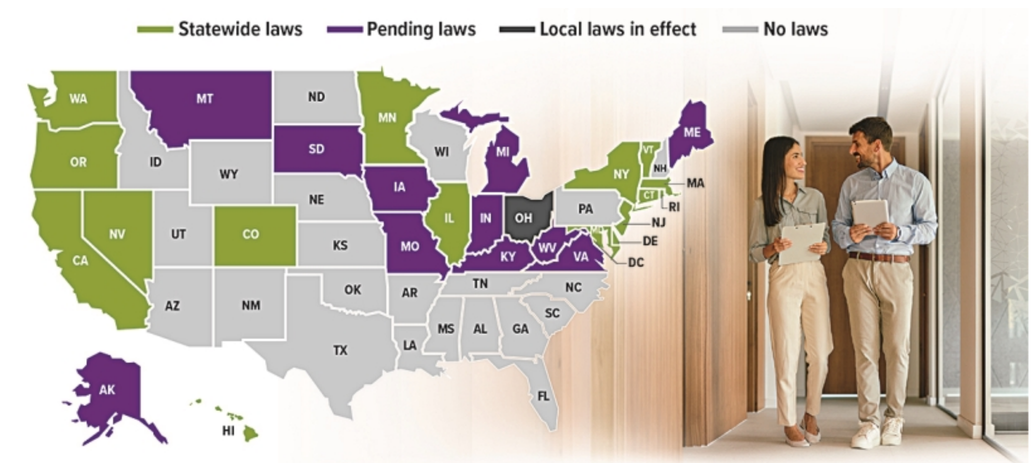
Number of workers covered by pay transparency laws. Less than 10 years ago, zero workers were covered.

Source: beqom, July 2025

Pay Transparency Laws by State

Pay transparency laws require employers to disclose salary ranges at various stages of the employment process, such as in job postings or upon request by job candidates. They may also prohibit employers from asking job candidates about their salary history. The intent of these laws is to make job searches more transparent and to prevent historical wage gaps from following workers throughout their careers.

As of November 2025, 16 states and the District of Columbia have enacted pay transparency laws, and 11 states have pending legislation.



Source: Paycor, November 2025

August 2026

Phased Retirement Can Help Smooth the Transition

Two-thirds of Gen X and 56% of millennials would prefer to gradually decrease their hours or work a more flexible schedule as they transition to retirement. About half of baby boomers and Gen Z have similar preferences.[1]

The federal government has offered a formal phased retirement program since 2014, allowing eligible full-time employees to collect half their pensions while working half time. Typically, at least 20% of their remaining work hours must be spent mentoring younger workers. And their pensions continue to grow based on part-time work.[2]

Private industry has been slower to adopt formal programs. Only 16% of employers, mostly larger companies, have regular phased retirement programs. However, 61% of companies have some experience with phased retirement, and with strong employee interest, it's likely that more will adopt formal programs.[3]

Win-win-win solution

A phased retirement program can be a positive experience for employees, employers, and customers.

For older employees, a reduced schedule offers a more gradual financial transition, maintaining a steady, if reduced, income that can help delay taking Social Security benefits and/or tapping retirement savings. Trying to live on 80% of salary, for example, might also be good practice for retirement budget management. And staying engaged in the workplace can offer mental and psychological benefits.

For employers, older workers provide experience and institutional knowledge that can help maintain and improve current quality while mentoring younger workers to help ensure a smoother transition.

For customers, older workers can provide dependability and continuity. In some cases, customers are also older, and long-time relationships can help maintain customer comfort levels.

Build your own program

If your company does not offer such a program, you might suggest an arrangement. Emphasize what you can continue to contribute and how it could help the company in the present and the future. But also be sure that the program will work for you. Here are some ideas to keep in mind.

- Make sure you understand the effect of reduced hours on your benefits, such as health insurance and employer pension or retirement plan contributions.
- If you cannot live on your reduced wages, you may have to use other sources of income, but you probably would not have to tap them as much as if you retired completely.

Valuing Older Employees

Percentage of employers who agree completely or somewhat with the following statements.

77% Older employees' company knowledge is crucial to our business's success.

69% We want to keep good employees as long as possible but struggle to find ways to continually advance their career path.

67% We have plans for how employees nearing retirement can transfer knowledge to our business before they leave.

62% We are concerned with our employees' career development.

55% We have hired people who had previously retired from another company.

55% We have asked employees who want to retire from full-time work to stay on part time.

47% We have asked employees who have retired from our business to come back for a specific need (temporary work).

44% We have asked employees who have retired to come back on a full- or part-time basis for the long term.

Source: The Principal Financial Well-Being Index, 2024 (most recent data)

- One of the greatest benefits of phased retirement is that you could delay claiming Social Security, with your benefit increasing 8% annually after full retirement age (FRA), up to age 70. However, if you do claim Social Security before FRA and continue to work, you will receive a permanently reduced benefit for claiming early and be subject to the retirement earnings test, which may temporarily reduce your benefit payments until you reach FRA. Once you have reached FRA, the lost benefits from the earnings test will be added to your benefit amount.

If you phase out of your current job, make sure you don't end up trying to do all of your former work in fewer hours. This could be especially problematic for salaried workers in project-oriented positions. Be sure you and your supervisor are clear on the requirements of your reduced workload.

1) Kiplinger, January 7, 2026

2) U.S. Office of Personnel Management, August 7, 2014

3) *Fortune,* March 22, 2024 (most recent data)

What Are the Tax Implications of a Spouse's Death?

Losing a spouse is an emotionally distressing time, and not surprisingly, tax-related concerns may not be a priority for a surviving spouse. However, failure to take appropriate steps can lead to a survivor paying more in tax than necessary. Here is an overview of some things the survivor may need to do.

Determine filing status

Selecting an appropriate tax filing status after a spouse's passing can help manage tax liability. For the year of death, survivors can typically use the married filing jointly status, which may lower tax rates and provide an opportunity to claim more deductions. If the survivor has a dependent child, has not remarried, and meets other requirements, the survivor can use the qualifying surviving spouse status for the following two years. This allows the spouse to maintain favorable joint tax rates while claiming the highest standard deductions to prevent a "widow's penalty," which is a tax increase caused by a sudden shift to a single filing status with reduced options for tax breaks. Choosing the right status also may help qualify the survivor for tax credits and determine if a return is even required.

To help mitigate the "widow's penalty" and potentially higher taxes, a survivor should evaluate their withholding, estimated payments, and the timing of income and deductions.

Reevaluate income

The loss of a spouse will probably impact household income. Some income sources may stop, such as employment income, while other sources may start, such as survivor benefits from Social Security or a pension. To help mitigate the "widow's penalty" and potentially higher taxes, a survivor should evaluate their withholding, estimated payments, and the timing of income and deductions. Adjustments may help prevent unexpected liabilities, manage spending, and minimize taxes through investment restructuring or retirement account planning.

Consider step-up in basis

When a spouse dies, certain inherited assets, such as real estate or stocks, are generally subject to a step-up in basis, which is a tax provision that adjusts the cost basis of an inherited asset to the asset's fair market value at the time of death. By "stepping up" the asset's value, capital gain accumulated during the spouse's lifetime is reduced or even eliminated for the surviving spouse.

For jointly owned property, whether there is a full step-up in basis or a partial step-up in basis depends on the specific ownership type of the property and state law. A tax professional can help with your specific circumstances.

Review retirement accounts

A deceased spouse may have various retirement accounts, such as an IRA, Roth IRA, or 401(k). Unlike real estate and stocks, retirement accounts do not receive a step-up in basis. Instead, their tax treatment generally depends on the type of account, its holdings, and any named beneficiary(ies). A surviving spouse who is named as the sole beneficiary generally has more tax-favorable options than others.*

Plan for gift and estate taxes

Although the federal gift and estate tax may not apply to most estates, surviving spouses with estates exceeding the federal $15 million gift and estate tax exclusion for 2026 should consider consulting a tax or estate planning professional to help manage tax liability. If an estate is less than the exclusion, a survivor may file an estate tax return to elect portability, allowing the spouse to use the deceased spouse's unused exclusion, potentially reducing taxes.

All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful. Rebalancing involves selling some investments in order to buy others. Selling investments in a taxable account could result in a tax liability.

**The rules governing inherited retirement account assets are complex, and mistakes can be costly. Distributions prior to age 59½ are generally subject to a 10% penalty in addition to ordinary income tax, unless an exception applies. It may be wise to consult a tax professional before making any decisions.*

Travel Tips for Globetrotters

About 76% of Americans surveyed by Pew Research Center said they have traveled outside of the United States at least once; 50% have visited one to four countries, while 26% have been to five or more. Nearly one-fourth of respondents (23%) have never traveled internationally.[1]

If you're planning a foreign vacation, here are some suggestions to help keep your trip on track.

Obtain required documents. A passport (or in some cases a passport card) is required to enter and return from all foreign countries, including Canada and Mexico. Your passport should have at least six months of validity beyond the dates of your trip. It can take several months to obtain or renew a passport, so procrastinating on this task could put you in a serious bind and/or force you to pay costly rush fees. U.S. citizens can travel to many foreign countries without obtaining a visa, but be sure to follow the rules for all countries on your itinerary. Some countries require travelers to complete an electronic pre-screening process prior to entry.

Alert your bank and credit card company. Financial institutions monitor international transactions, so it's wise to inform them that you will be traveling and ask about applicable fees. Carry at least two cards: a debit card that will allow you to withdraw money from foreign ATMs and a chip-enhanced credit card with a PIN set up before you leave. Although the credit card may only require a signature in the United States, it might require a PIN overseas.

Pay like a local. Know the exchange rate to convert dollars to local currency, and vice versa. Foreign bank ATMs may offer better exchange rates than a currency exchange, but be aware of fees wherever you exchange money. Merchants, restaurants, and hotels might accept payment or quote prices in U.S. dollars, but you will typically get a better price if you pay in the local currency, whether using cash or a credit card.

Consider your health needs and coverage. Some countries may recommend, or in some cases require, vaccinations for diseases that are rare in the United States (such as typhoid, yellow fever, and polio). To help protect your health and your finances, you should be aware of the public health situation in any country you visit and determine whether your medical insurance will cover you overseas. If not, consider purchasing a short-term travel policy. Bring enough prescription medicine, plus extras, in original labeled containers in your carry-on luggage. A note from your doctor listing medications may be helpful.

For in-depth information on foreign travel, including passports and visas, visit [travel.state.gov.](travel.state.gov) For health guidelines and country-specific public health information, see [cdc.gov/travel.](cdc.gov/travel)

1) Pew Research Center, December 6, 2023 (percentages rounded to the nearest whole number)
