Beyond the Basics

Customized Wealth Strategies



Mark Baniszewski, and Caitlin Falenski
Oppenheimer & Co. Inc.
385 S. Eton
Birmingham, MI 48009
248-593-3727
248-593-3712
mark.baniszewski@opco.com
caitlin.falenski@opco.com

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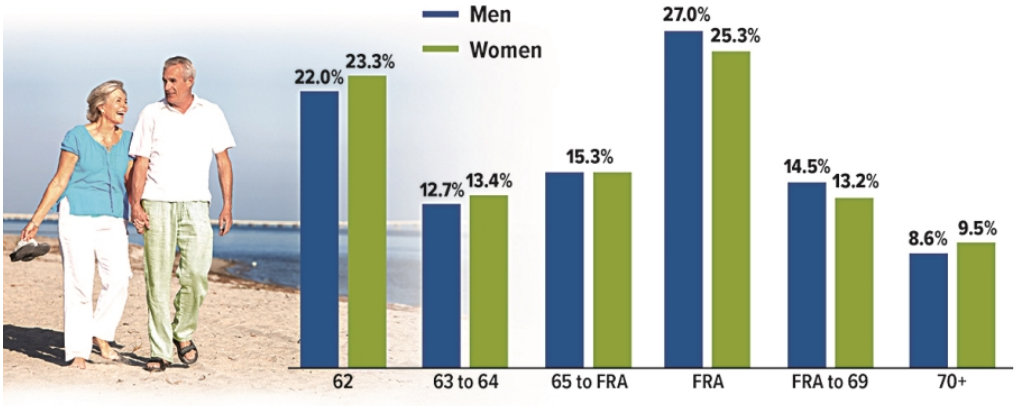
Percentage reduction in Social Security retirement benefits if claimed at age 62 rather than at age 67 (full retirement age). If benefits begin at age 70, they will be 24% higher than if claimed at age 67.

Source: Social Security Administration, 2026

When Do Americans Start Receiving Social Security Retirement Benefits?

When to begin receiving Social Security retirement benefits is a personal decision. There's no "right" age; it depends on multiple factors. These include how long someone wants to — or is able to — work and how much retirement income is needed.

Workers are entitled to full benefits at their full retirement age (FRA), which is 67 for anyone born in 1960 or later. Claiming before FRA (as early as age 62) will result in a permanently reduced benefit, while claiming later will result in a permanently increased benefit due to delayed retirement credits, which can be earned up to age 70.



Source: Social Security Administration, 2026 (based on 2024 data)

HSAs: A Triple-Tax Perk with Short- and Long-Term Benefits

A health savings account (HSA) is one of the most powerful savings and investment vehicles available to individuals and families; however, in order to take advantage of one, you must be enrolled in a qualified high-deductible health plan (HDHP). According to health policy research organization KFF, about 31% of companies that provide health benefits offered an HSA-eligible HDHP in 2025. In addition, people can purchase HDHPs via a health insurance marketplace.[1]

While many people view an HSA simply as a way to set aside money for current medical expenses, it can also serve as a valuable retirement-planning tool. Thanks to its unique triple-tax advantage, an HSA offers benefits that few other financial strategies can match.

Understanding the triple-tax advantage

HSAs offer three opportunities to save on taxes:

1. Tax-deductible contributions: Contributions made to an HSA are generally tax-deductible, helping reduce taxable income for the year. In many cases, they can be made through payroll deductions, which makes the tax-saving opportunity that much easier.

2. Tax-deferred growth: Earnings generated within the account, including interest, dividends, and any potential investment gains, grow on a tax-deferred basis. That means that, unlike a savings or traditional brokerage account, participants don't have to pay taxes on earnings each year.

3. Tax-free withdrawals for qualified medical expenses: Qualified withdrawals — i.e., those that pay for eligible health-care expenses — are not subject to federal income tax. Eligible expenses include doctor visits, prescriptions, dental care, vision care, and many other common health-care costs. (See IRS Publication 502 for a list of permissible expenses.)

Note that nonqualified withdrawals prior to age 65 are subject to income taxes and a 20% penalty tax.

Short-term benefits

With an HDHP, participants typically pay a lower monthly premium in exchange for a high out-of-pocket deductible (see table). An HSA is often used to help individuals manage eligible deductible expenses. Combined with the immediate tax deduction associated with contributions, an HSA can be an effective tool in an overall financial plan.

Because HSA money belongs to the account owner, unused funds do not expire at the end of the plan year. That means that if participants don't have many health-related expenses or need the money to help pay them, the account can continue to grow.

HDHP out-of-pocket deductibles

	Individual	Family
2026		
Minimum	$1,700	$3,400
Maximum	$8,500	$17,000
2027		
Minimum	$1,750	$3,500
Maximum	$8,700	$17,400

Long-term wealth-building potential

Participants can also use the account as a reserve fund for future health-care expenses, which tend to increase as a person ages. In fact, once a balance reaches a certain threshold, many HSA providers allow account holders to invest the money. Investment earnings can compound tax deferred over time, potentially creating a substantial pool of assets to help manage future costs.

Participants should consider investment objectives, risks, charges, and expenses associated with available investment options before making any decisions. In addition, there is no guarantee that any investment strategy will be successful.

After age 65, HSA funds can be withdrawn for non-medical purposes without the 20% penalty, although ordinary income taxes will still apply. Essentially, the HSA will be treated like a traditional retirement savings account, providing additional financial flexibility.

Contribution limits

The IRS adjusts HSA contribution limits annually for inflation. For 2026, individuals with self-only HDHP coverage may contribute up to $4,400, while those with family coverage may contribute up to $8,750. Individuals age 55 or older may contribute an additional $1,000 catch-up contribution. For 2027, the limits increase to $4,500 for self-only coverage and $9,000 for family coverage. The $1,000 catch-up contribution remains unchanged for eligible individuals age 55 and older.

A valuable tool for financial wellness

As health-care costs continue to rise, maximizing HSA contributions can be a smart way to help manage both current financial wellness and long-term financial security. For those who qualify, the HSA remains one of the most versatile and tax-efficient accounts available today.

1) CNBC, May 29, 2026

What's in Your 401(k)?

Almost 70 million Americans contribute to a 401(k) plan, and millions more contribute to similar workplace plans, such as a 403(b), 457(b), or federal Thrift Saving Plan. Together, these plans held an estimated $14.2 trillion in assets at the end of 2025.[1]

Contributing to a 401(k) can be a big step toward a more comfortable retirement. But it's important to understand what you are getting for your money.

Filling the envelope

A 401(k) is not an investment in itself. It is more like an envelope that holds investments under tax-advantaged rules. These plans usually offer a variety of funds as investment options, typically including domestic stock funds, international stock funds, domestic bond funds, and target-date funds — the most common investment, held by seven out of 10 401(k) participants.[2]

A simple approach

Target-date funds are often the default option in workplace plans, so you may have one without fully understanding what it is. These are "all-in-one" funds intended to be your only investment. They generally hold a mix of other funds containing stocks, bonds, and cash alternatives, selected for a time horizon — the target date — when an investor expects to retire or need access to the money. As the target date approaches, the fund typically shifts toward a more conservative asset allocation to help preserve the value it may have accumulated and potentially provide income.

These funds offer a simple approach to investing, but the allocation is based solely on the target date and does not take into account the investor's risk tolerance, personal goals, asset levels, sources of income, or any other factors that make an investor unique.

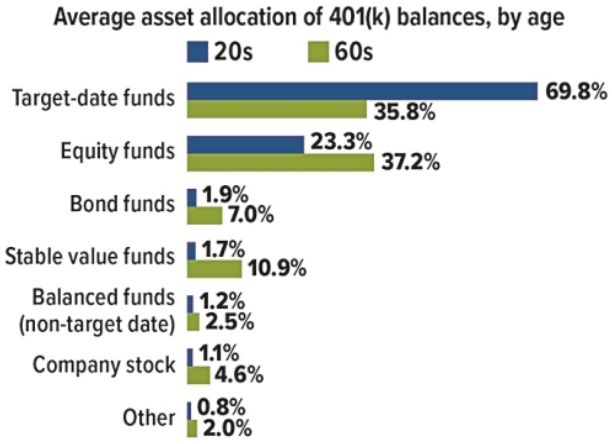
The principal value of a target-date fund is not guaranteed before, on, or after the target date. The return and principal value of these funds fluctuates with changes in market conditions. Shares, when sold, may be worth more or less than their original cost.

Choosing your own investments

The average 401(k) offers almost 30 different funds, so there are usually plenty of options for an investor who wants to take a more customized approach and spread investments among a variety of funds.[3] With this approach, you can create your own asset allocation and diversification strategy by directing your contributions to the funds you choose in the percentages you choose.

If you take this approach, it's important to understand the goals and underlying holdings of any fund you choose. You may want to check your portfolio's allocation periodically to see if it remains close to your targeted allocation. If you want to adjust your allocation, you could rebalance by buying and selling shares as appropriate and/or by changing the percentages of future contributions. Rebalancing in a 401(k) typically does not create tax consequences.

Investments Change with Age



Source: Investment Company Institute, 2026

Company stock

Some 401(k) plans also offer company stock as an investment option. This could be worth considering if you believe in your company's future prospects. But it's important to keep any company stock investments in perspective. Becoming overinvested in a single stock, whether it's your company or not, can throw off your strategy and expose you to additional risk.

Whatever investments you choose, know what you are buying and why these investments are appropriate for your situation. If you invest outside of the workplace, it's also important that your 401(k) investments be balanced with your other investments.

Asset allocation and diversification do not guarantee a profit or protect against investment loss. All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful. Investing internationally carries additional risks such as differences in financial reporting, currency exchange risk, as well as economic and political risk unique to the specific country. This may result in greater share price volatility. Bond funds are subject to the same inflation, interest rate, and credit risks associated with their underlying bonds. As interest rates rise, bond prices typically fall, which can adversely affect a bond fund's performance.

Funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained from your financial professional.

1–3) Investment Company Institute, 2026

Making It Make Sense: The Roth 5-Year Rule

The Roth five-year rule states that a distribution from a Roth IRA or Roth 401(k) is tax and penalty free only if the account has been held for five years and a qualifying event has occurred. Qualifying events include reaching age 59½, becoming disabled, and dying. For Roth IRAs only, a withdrawal of up to $10,000 for a first-time home purchase also qualifies. You can withdraw contributions (but not earnings) from a Roth IRA at any time without tax consequences.

The five-year holding period starts on January 1 of the year of your first contribution. So if you contribute in October 2026, the clock starts January 1, 2026, and ends December 31, 2030. This may seem simple, but there are nuances that can confound even the most seasoned investor.

1. One five-year clock applies to all your Roth IRAs. Once your first Roth IRA starts the clock, any future Roth IRAs share the same end date.

2. A Roth 401(k) clock does not transfer to a Roth IRA. If you open your first Roth IRA by rolling over a Roth 401(k), a new five-year period begins, no matter how long you held the Roth 401(k). For this reason, it may be wise to open a Roth IRA as soon as possible, even if it's just with the minimum amount.

3. Each Roth 401(k) has its own five-year clock, unless assets are rolled over directly. For example, if you make Roth contributions to one employer's plan starting in 2027 and a new employer's plan starting in 2030, each account has its own five-year timeline. But if you directly roll the old Roth assets into the new Roth account, the original clock will generally carry over, allowing all assets to satisfy the rule sooner. (Note: Not all plans accept rollovers.)

4. Roth conversions have a separate five-year rule. Converting a traditional IRA to a Roth triggers ordinary income tax on any tax-deferred amounts. No 10% penalty applies at conversion, even if you're under 59½. However, if you withdraw converted assets within five years — and are not yet 59½ or qualified for another exception — the 10% penalty will likely apply.

If you cash out a Roth 401(k) instead of leaving it in a former employer's plan or rolling it into a Roth IRA or new plan, and the distribution is unqualified, it will be subject to ordinary income tax and the 10% early withdrawal penalty.

Although IRAs typically provide more investment choices than employer plans, your plan may offer certain investments that are not available in an IRA. Further, the cost structure for the investments offered in the plan may be more favorable than those offered in an IRA. Generally, plan assets have unlimited protection from creditors under federal law, while IRA assets are protected in bankruptcy proceedings only. State laws vary in the protection of IRA assets in lawsuits. Investors should consult a qualified tax professional regarding their specific situation.

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