Randall & Associates Wealth Management

2026 Q3

Summer Reads!

Obtaining the CFP® Certification

Earlier this year, our advisor Donovan Slater earned his CFP® (CERTIFIED FINANCIAL PLANNER™) certification. He joins our firm's other advisor and president, Collin Randall, in this regard, as Collin has the CFP® certification as well as the CFA® (Chartered Financial Analyst®) designation. So, what exactly is a CFP®?

A CERTIFIED FINANCIAL PLANNER™ professional has completed extensive education in financial planning, passed a comprehensive national examination, satisfied experience requirements, and commits to high ethical standards established by the CFP Board. CFP® professionals also complete continuing education to maintain their certification. The CFP® certification demonstrates a commitment to competent, ethical financial planning—it does not guarantee investment results or future performance.

How income can affect healthcare costs

In regard to retirement planning, there are many variables that are not only impactful to the health of the retirement plan on their own but also overlap with and impact other variables within the plan, creating a compounding effect that can be quite substantial. Take, for example, a simple variable like income. As we have talked about in prior articles and newsletters, what income someone needs on a monthly and annual basis in retirement is a big variable in retirement planning, and the chances of never running out of money can highly depend on what exactly that number is. What that retirement income need is and the sources of the cash flow to obtain it, however, can also greatly impact healthcare costs. Take someone, for example, that retired and is on the healthcare exchange prior to being eligible for Medicare. Their healthcare costs are likely based on their modified adjusted gross income (MAGI). This means if they are living off of cash flows that are included in MAGI, such as pre-tax IRA distributions, they may be losing healthcare subsidies they otherwise would have been eligible for, causing their monthly premiums for their healthcare to rise. To note, if the source of income was not included in their MAGI, such as a savings account, they would potentially still have access to healthcare subsidies.

On Medicare, there lives something called the Income Related Monthly Adjustment Amount (IRMAA). Here, based on MAGI from two years prior, part B and D Medicare premiums may be higher for individuals and couples whose income are beyond a certain threshold. To note, IRMAA is tiered, so depending on what MAGI is recognized in a given year, the individual or couple may fall into a higher tier of Medicare costs and will pay higher premiums in two years. Also to note, IRMAA can sometimes be challenged depending on certain qualifying life events. Say, for example, someone in 2026 happened to retire in 2025. Their Medicare premiums would be based off of their 2024 income, but they may be able to challenge those adjustments to their premiums and say they had a life event in the meantime (retirement). There are more nuances intertwined in the topic, but the takeaway here is that, like many variables, healthcare costs do not always act independently and can be greatly affected by other elements of the financial plan.

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It All Begins With a Plan!

Our Services …

Retirement Planning

- *Retirement Goal Setting*
- *Cash Flow Analysis*
- *RMD and Withdrawal Strategies*
- *Roth Conversions*
- *Socials Security and Pension Analysis*

Investment Planning

- *Asset Allocation*
- *Withdrawal Strategies*
- *Account Consolidation*

Tax Planning

- *Tax Sensitive Investing*
- *Review of Realized and Unrealized Gains*
- *Tax Loss Harvesting*
- *Roth Conversion Opportunities*
- *Tax Return Review*

Trust & Estate Planning

- *Minimize Estate Taxes*
- *Analyze Trust Needs*
- *Analyze stepped up cost-basis for highly appreciated assets*

Assistance to Others

- *Charitable giving through Qualified Charitable Distributions (QCDs)*
- *Charitable giving of appreciated assets*
- *529 College Saving Plans*
- *Donor-Advised Funds*

Should I Consolidate?

Some folks going into retirement may contemplate whether it makes sense to consolidate their investment accounts at one firm or with one advisor. The rationale for not doing so is often the idea that keeping accounts at different places adds a level of diversification. Though there may be circumstances where that is true, it often makes sense for individuals and couples to keep their investments in one place. From a planning perspective, it is easier to align risk objectives if accounts are held under one advisor. For example, if the goal is to have a certain ratio of equities to fixed-income for the plan, it is more difficult for an advisor to align accounts to that risk objective if the allocation of the accounts held elsewhere are outside of their control. In a similar sense, there could also be risk of being overly concentrated in one or more asset classes, as advisors are not coordinating their allocations with funds elsewhere. Further, it may be difficult to implement certain planning techniques. For example, if an advisor is looking for a tax-loss harvesting opportunity (selling a position at a loss), they may be unaware of certain losses in accounts held elsewhere that they otherwise may have been able to utilize by selling to offset a gain. Other elements of tax planning become more difficult as well. If an IRA distribution occurred outside of accounts an advisor holds, they may be unaware of potential tax consequences with things like distributions from accounts held with them or Roth conversion amounts that they strategically chose in order to not jump into a higher tax bracket. Other considerations, such as how fees may be affected, may be relevant as well. Thus, there may be times where having accounts in multiple places makes sense, but often times the best way to align investment accounts with your financial plan is to consolidate them in one place.

Q&A…

Q: Do my 401(k) catch-up contributions have to be Roth now?

A: For anyone 50 or older making 401(k) catch-up contributions in 2026, those contributions must be Roth if their plan offers Roth contributions and their prior year wages with the plan sponsor exceeded $150,000. This means they will recognize the taxes on those dollars today, but the growth on those dollars will grow tax-free. This rule also applies to various other employer-sponsored retirement plans with catch-up contributions, such as 403(b) plans and 457(b) plans.

Q: What is the benefit of delaying Social Security past full retirement age?

A: For every year you delay past your full retirement age until age 70, you will get an 8% increase in your benefit. Delaying beyond 70 however will not result in any increase in benefit.

Q: Can I do a Roth conversion to satisfy my required minimum distribution?

A: No, you may not utilize a Roth conversion to satisfy your required minimum distribution. Depending on your financial plan however, it may still make sense to do a conversion after satisfying your required minimum distribution.