

# SONORAN RETIREMENT ADVISOR



December 2025

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*Don't look back unless you're planning to go that way.*

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Hi,

The Medicare Annual Enrollment Period (AEP) has finished. We have reviewed over 400 clients' Medicare plans and written over 200 applications. This year, as in past years, we were slowed down considerably by clients who tried to bypass or skip our process, by not returning the required Medicare scope of appointment form, or the medication and doctor lists. For next year, we are asking all of you to send in your Medication and doctor lists so we can accurately review your plan.

My feature article will focus on 2026 investment limits, while my second article will focus on the 2026 overall stock market.

We would love it if you would leave us a google review:

[https://linktr.ee/futurityfirsttucson?utm\\_source=linktree\\_profile\\_share&ltid=dd96f394-c4cf-4a92-a912-076175d8ff17](https://linktr.ee/futurityfirsttucson?utm_source=linktree_profile_share&ltid=dd96f394-c4cf-4a92-a912-076175d8ff17)

Stay safe and healthy.

Your Tucson Team



*From Medicare to Retirement Planning. We provide the tools, and expertise to protect your retirement and lifestyle.*

## **FEATURE STORY**

### **New Retirement Contribution Limits for 2026**

The Internal Revenue Service (IRS) has released new limits for certain retirement accounts for the coming year. Please, keep in mind that this update is for informational purposes only, so please consult with an accounting or tax professional before making any changes to your 2026 tax strategy. You can also contact your financial professional, who may be able to provide you with information about the pending changes.

#### **Individual Retirement Accounts (IRAs)**

Traditional IRA contribution limits are up \$500 in 2026 to \$7,500. Catch-up contributions for those over age 50 are up \$100 to \$1,100, bringing the total limit to \$8,600.

Remember, once you reach age 73, you must begin taking required minimum distributions from a Traditional IRA in most circumstances. Withdrawals are taxed as ordinary income and, if taken before age 59½, may be subject to a 10 percent federal income tax penalty.

#### **Roth IRAs**

The income phase-out range for Roth IRA contributions increases to \$153,000-\$168,000 for single filers and heads of household, a \$3,000 increase. For married couples filing jointly, the phase-out will be \$242,000-\$252,000, a \$6,000 increase. Married individuals filing separately see their phase-out range remain at \$0-10,000.

To qualify for the tax-free and penalty-free withdrawal of earnings, Roth 401(k) distributions must meet a five-year holding requirement and occur after age 59½. Tax-free and penalty-free withdrawals

can also be taken under certain other circumstances, such as the owner's death.

#### **Workplace Retirement Accounts**

Those with 401(k), 403(b), 457 plans, and similar accounts will see a \$1,000 increase for 2026, the limit rising to \$24,500. Those aged 50 and older will continue to have the ability to contribute an extra \$8,000, bringing their total limit to \$32,500. Those aged 60, 61, 62, and 63 may enjoy a higher catch-up contribution of \$11,250, raising their total contribution limit to \$35,750.

Once you reach age 73 you must begin taking required minimum distributions from your 401(k) or other defined-contribution plans in most circumstances. Withdrawals are taxed as ordinary income and, if taken before age 59½, may be subject to a 10 percent federal income tax penalty.

#### **SIMPLE Accounts**

A \$500 increase in limits for 2026 gives individuals contributing to this incentive match plan a \$17,000 stoplight. Pursuant to the SECURE Act 2.0, certain applicable plans have an increased limit of \$18,100.

Much like a traditional IRA, once you reach age 73, you must begin taking required minimum distributions from a SIMPLE account in most circumstances. Withdrawals are taxed as ordinary income and, if taken before age 59½, may be subject to a 10 percent federal income tax penalty.

As a reminder, this article is for informational purposes only. Consult with an accounting or tax professional before making any changes to your 2026 tax strategy.



### Clients of the Month

**We appreciate your referrals so much ....**

We are happy and grateful for each referral. The only things your friends have to lose are high premiums and that sinking feeling that they just lost money when the market dips again. I'm happy to offer a gift card for every referral that leads to an appointment.

**Myrna C.** referred her friend **Ricardo Q.** Thank you so much!

**Mark S.** referred his friend **Herbert S.** Thank you so much!

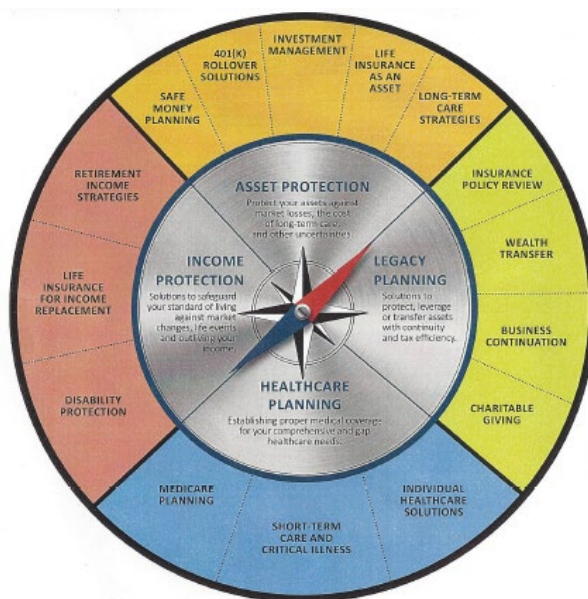
**Toni M.** referred her friend **Isaac F.** Thank you so much!

**Tamara B.** referred her friend **Sarah H.** Thank you so much!

**Rosemary M.** referred her friend **Alice W.** Thank you so much!

**Cindy K.** referred her friend **Sharon L.** Thank you so much!

### *The Retirement Planning Compass*



### **Will There Be a Major Market Correction in 2026**

While a major market crash is not universally predicted, many experts and banking institutions like Goldman Sachs and Morgan Stanley anticipate a potential market correction of 10% to 20% over the next 12 to 24 months.

The current S&P 500 index is trading around 6,835.81 as of December 8.

#### **Factors Contributing to Potential Volatility**

- **High Valuations:** The market is currently at record highs, and some valuations, like the

S&P 500's forward P/E ratio of over 21x (compared to a 10-year average of 18.7x), are considered stretched by historical standards. High valuations can make the market more susceptible to significant pullbacks if negative news emerges.

- **Economic Uncertainty:** There are mixed economic signals, including slowing job growth, persistent inflation above the Fed's 2% target, and high U.S. public debt levels. The market is currently expecting further rate cuts from the Federal Reserve, and any deviation from these expectations could cause volatility.
- **Artificial Intelligence (AI) Technology Bubble Concerns:** A significant portion of recent market gains has been driven by a few mega-cap AI stocks. Some analysts warn of a potential "AI bubble" that could burst in 2026, especially if the massive capital expenditures in AI infrastructure do not deliver the expected returns.
- **Geopolitical and Policy Risks:** Ongoing trade tensions, potential tariff impacts, and U.S. domestic policy uncertainty (e.g., around the Fed's independence and government spending) create a volatile environment.

### Counterarguments and Reasons for Optimism

- **Strong Corporate Earnings:** Despite the risks, corporate earnings growth has been a powerful driver of the market in 2025 and is

expected to continue with double-digit growth forecasts for 2026.

- **Economic Resilience:** The U.S. economy has shown resilience in absorbing economic shocks, and the combination of potential interest rate cuts and tax benefits could provide further tailwinds for corporations and consumers.
- **Diversification and Global Growth:** Opportunities are expected in non-U.S. markets, smaller-cap stocks, and cyclical sectors, which are seen as more attractively priced than the highly valued U.S. large-cap market, offering diversification benefits.

Most experts view a potential correction as a normal and healthy part of a long-term market cycle, rather than an imminent sign of a crisis.

## **UPCOMING MEDICARE WORKSHOPS**

*For all workshops please email Marilyn at:*

*[marilyndeluca@ffig.com](mailto:marilyndeluca@ffig.com) or call her at*

*520-668-9662 to Reserve your free seat.*

**Tuesday December 9<sup>th</sup> - 11:00 AM**

**HILTON EL CONQUISTADOR:**

10000 N Oracle Rd, Tucson, AZ 85704

**Tuesday December 9<sup>th</sup> - 6:00 PM**

**HILTON EL CONQUISTADOR:**

10000 N Oracle Rd, Tucson, AZ 85704

**Tuesday January 13<sup>th</sup> - 11:00 AM**

**FUTURITY FIRST - TUCSON OFFICE:**

4400 E Broadway Blvd, Suite 712, Tucson, AZ  
85711

**Tuesday January 13<sup>th</sup> - 6:00 PM**

**FUTURITY FIRST - TUCSON OFFICE:**

4400 E Broadway Blvd, Suite 712, Tucson, AZ  
85711

**Tuesday January 27<sup>th</sup> - 11:00 AM**

**MARRIOTT COURTYARD TUCSON  
AIRPORT:**

2505 E Executive Dr, Tucson, AZ 85756

**Tuesday January 27<sup>th</sup> - 6:00 PM**

**MARRIOTT COURTYARD TUCSON  
AIRPORT:**

2505 E Executive Dr, Tucson, AZ 85756

**Tuesday February 10<sup>th</sup> - 11:00 AM**

**FUTURITY FIRST - TUCSON OFFICE:**

4400 E Broadway Blvd, Suite 712, Tucson, AZ  
85711

**Tuesday February 10<sup>th</sup> - 6:00 PM**

**FUTURITY FIRST - TUCSON OFFICE:**

4400 E Broadway Blvd, Suite 712, Tucson, AZ  
85711

**Tuesday February 24<sup>th</sup> - 11:00 AM**

**HILTON EL CONQUISTADOR:**

10000 N Oracle Rd, Tucson, AZ 85704

**Tuesday February 24<sup>th</sup> - 6:00 PM**

**HILTON EL CONQUISTADOR:**

10000 N Oracle Rd, Tucson, AZ 85704

**Tuesday March 10<sup>th</sup> - 11:00 AM**

**FUTURITY FIRST - TUCSON OFFICE:**

4400 E Broadway Blvd, Suite 712, Tucson, AZ  
85711

**Tuesday March 10<sup>th</sup> - 6:00 PM**

**FUTURITY FIRST - TUCSON OFFICE:**

4400 E Broadway Blvd, Suite 712, Tucson, AZ  
85711

## **RETIRMENT PLANNING WORKSHOPS**

**FUTURITY FIRST - TUCSON OFFICE:**

4400 E Broadway Blvd, Suite 712, Tucson, AZ  
85711

**Tuesday January 20<sup>th</sup> at 11:00 am or 6:00 pm**

**Tuesday March 17<sup>th</sup> at 11:00 am or 6:00 pm**