

LET'S TALK FINANCIAL WELLNESS®

January/February 2026

OBBBA and Businesses

The One Big Beautiful Bill Act (OBBBA), enacted on July 4, 2025, introduces significant tax and financial changes that reshape the landscape for small business owners. This legislation offers opportunities for growth but also presents challenges, requiring strategic planning to maximize benefits.

Qualified Business Income (QBI)

A cornerstone of the OBBBA is the permanent extension of the 20% Qualified Business Income (QBI) deduction for pass-through entities like sole proprietorships, partnerships, and LLCs. With increased income phase-out thresholds (\$75,000 for single filers, \$150,000 for joint) and a \$400 minimum deduction for businesses earning at least \$1,000 in QBI, this provision enhances tax savings, provided 75% of gross receipts come from qualifying activities.

Expensing

The act also boosts investment through enhanced Section 179 expensing, raising the deduction limit to \$2.5 million with a \$4 million phase-out, and reinstating 100% bonus depreciation for assets acquired after January 19, 2025. These measures enable small businesses to deduct equipment and property costs upfront, improving cash flow for expansion.

Research-focused businesses benefit from immediate expensing of domestic Research & Experimental costs starting in 2025, with retroactive relief for 2022–2024 for firms with under \$31 million in receipts. The state and local tax (SALT) deduction cap increases to \$40,000 through 2029, aiding owners in high-tax states, while pass-through entities can



leverage Pass-Through Entity Taxes to bypass individual caps.

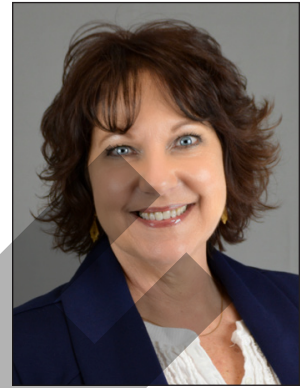
Compliance

Compliance burdens ease with simplified reporting. The 1099-MISC and 1099-NEC threshold rises to \$2,000 starting in 2026, and third-party payment reporting reverts to a \$20,000/200-transaction threshold, reducing administrative tasks for small businesses and gig workers.

Qualified Small Business Stock

The OBBBA enhances Qualified Small Business Stock (QSBS) exclusions (50% at three years, 100% at five) and offers credits for employer-provided childcare (up to \$600,000 for small businesses) and paid family leave, benefiting service industries. However, challenges include stricter 1099 compliance, the rollback of clean energy credits, and potential cost increases from tariffs, which could strain supply chains. Social program cuts may also raise healthcare costs.

Small business owners should consult tax professionals to navigate the OBBBA's complexities, optimize tax benefits, and prepare for economic shifts.



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Small Business Version



Understanding Tariffs

Tariffs are taxes imposed by governments on imported or exported goods, primarily to regulate trade, protect domestic industries, or generate revenue. They play a crucial role in international economics, influencing prices, supply chains, and global relations. There are several key types of tariffs, each designed for specific objectives.

Ad Valorem the most common, is calculated as a percentage of the imported good's value. For instance, a 10% tariff on a \$100 item adds \$10, making it flexible with fluctuating prices.

Specific tariffs charge a fixed fee per unit, regardless of value—such as \$5 per barrel of oil. This provides predictability but can disproportionately affect cheaper goods.

Compound tariffs combine both by applying a percentage plus a fixed amount, offering balanced protection.

Other variants include **protective tariffs**, which shield local producers from foreign competition by raising import costs, and **revenue tariffs**, aimed at funding government without restricting trade heavily. **Prohibitive tariffs** are extremely high, effectively banning imports to safeguard strategic sectors.

Overall, tariffs shape economic policies, but they can spark trade wars if misused.



Time to Review Your Withholdings

As 2026 begins, reviewing your tax withholdings is a critical financial step. Withholdings determine how much income tax is deducted from your paycheck, directly impacting your cash flow and tax refund or liability. Life changes—marriage, a new job, or having children—can shift your tax bracket or eligibility for credits, making last year's settings outdated.

Incorrect withholdings may lead to owing a hefty sum or receiving a large refund, which means you've overpaid and missed investment opportunities. Use the IRS Tax Withholding Estimator to adjust your W-4 form accurately, ensuring your withholdings align with your 2026 financial goals. This tool accounts for income, dependents, and deductions.

Checking early avoids surprises during tax season, optimizes your budget, and ensures compliance with evolving tax laws. Consult your trusted advisors for complex situations to maximize savings and minimize errors.



Getting Your Finances Back on Track

The holiday season often leaves wallets strained, but 2026 can start with financial recovery.



Review Spending

First, assess your spending by reviewing bank and credit card statements to identify holiday overspending. Create a budget prioritizing essentials like rent and utilities while allocating funds to pay off high-interest debt, such as credit cards, which averaged 20% interest in 2025.

Take Action

Cut discretionary expenses—dining out or subscriptions—temporarily to free up cash. Rebuild your emergency fund, aiming for 3–6 months' expenses, by setting aside small,

consistent savings. Adjust tax withholdings using the IRS Tax Withholding Estimator to avoid surprises and optimize cash flow. If eligible, explore tax deductions (e.g., charitable donations) or credits to reduce your tax burden. Consider a side hustle to boost income and accelerate debt repayment.

Meet with your financial professional to refine your budget and investment strategy, ensuring long-term goals like retirement savings stay on track. Act promptly to regain control.

Understanding Beneficiary Designations

Your will is an important document for passing assets to loved ones when you die, but it doesn't apply to everything. Life insurance proceeds, retirement accounts, annuities and similar accounts pass through beneficiary designations and are not governed by your will.



Review Your Selections

You chose a beneficiary when you initially set up your accounts. But things can change. Divorce, death of a beneficiary or even a change in your intentions can affect your selections. Revisit your designations periodically to ensure they're up to date.

Check Old Accounts

Forgetting about 401(k)s or other retirement accounts held with former employers can result in outdated beneficiary designations. Remember to include these accounts in your review.

Avoid Mistakes

Take special circumstances into account when you're naming

beneficiaries. Minors will not be able to claim assets until they turn 18 or 21 (depending on the state). Individuals with special needs can lose valuable government benefits if they receive an inheritance directly. Setting up a trust to receive the assets may help in both situations.

Keep in mind that godparents are not the same as legal guardians but could be a good choice to serve as trustees.

Integrate with Estate Planning

Your financial professional can help you review your beneficiary designations as an integral part of your estate plan.

Building an Emergency Fund

Having an emergency fund is essential to help ensure funds are available when unexpected financial hardships occur. Aim to save 3–6 months' worth of living expenses to provide peace of mind.

Put It in Writing

For many people, writing it down makes saving money for an emergency fund real, not theoretical. Talk with your loved ones to discuss how much you need and solicit ways to find the extra dollars that can add up over time. Make a chart and track how much you're able to save each month toward your goal.

Show Me the Money

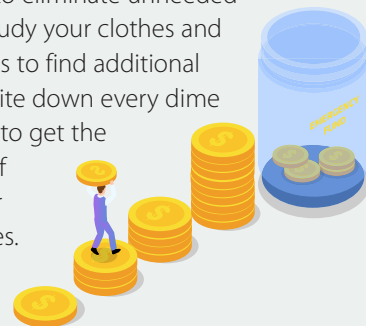
Whether part-time gigging or selling unwanted items via the Internet or smartphone apps, you can potentially increase your disposable income — and your emergency funds — quickly. Same thing goes for raises and bonuses from work. Keep your car an extra year or two to go without monthly car payments. Keep your phone, too, with new smartphone prices soaring.

Make Small Sacrifices

Passing on one \$5 designer latte, one \$10 lunch and one \$75 dinner every two weeks are other ways to help increase your funds quickly.

Make Bigger Sacrifices

Still looking for free money to increase your emergency funds? Maybe you need to free it up by first creating a budget that includes your income and itemized expenses. Little adjustments add up. Scour your phone and cable bills to eliminate unneeded services. Study your clothes and grocery bills to find additional savings. Write down every dime you spend to get the best idea of where your money goes.



Protecting Your Business

If you read this newsletter regularly, you know that we talk about how life insurance can help fund various business agreements and fill out an attractive employee benefits menu. Life, health and disability income insurance play prominent roles, but as a business owner you likely need to insure your company in several other ways. These are some ways businesses protect their financial investment:

The Foundation

If you run a business, you'll need property insurance and general liability insurance. Property insurance protects your premises and business equipment financially if certain types of losses occur due to fire, theft and some weather events. General liability insurance protects you in case a person receives a bodily injury at your business site. Many insurers will offer a Business Owner Policy (BOP) that combines this and other coverage.

Specialized Coverage

Some BOPs offer insurance to protect your business against losses caused by business interruption, employee theft and other liabilities. Depending on your business, you may also need Directors & Officers (D&O) insurance, Errors & Omissions (E&O) insurance, which may also be sold as professional liability insurance, cyber and identity theft insurance and product liability insurance.

If you have employees, your state will likely require you to cover them with worker's compensation insurance, and it will probably mandate that your company vehicles have liability coverage, which you can find in a commercial auto package. You'll need separate policies or endorsements for flood and earthquake coverage, and you may want to have an umbrella policy for extra coverage.

Core Offerings

Whether you run a one-person business or have 100 employees, you may want to consider how your business can help meet individual life, disability income and health protection needs. Health insurance is among the most important benefits you can offer prospective and current employees, while life insurance and disability income insurance financially protect employees and their loved ones against two potentially large exposures.

As we enter 2026, now is not only a good time to talk to your property and casualty insurance professional, but to discuss with your insurance professional the individual and business challenges health, life and disability income insurance can help meet.



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

The attached has been given an 'Approved As Is' status by the Corporate Advertising Compliance Team. Advisors who are interested in using and/or customizing pre-approved materials should ensure an understanding of the **Pre-Approved Communications** section of the **Advisor Compliance Manual** posted on the Resource Center. This section of the compliance manual includes instructions on how to use pre-approved materials and meet the necessary Books and Records requirements.



ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

September 9, 2025

Reference: **FR2025-0825-0188/E**

Org Id: 23568

1. LTM - Jan Feb 2026 Small Business
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

Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail service. We request that you do not send documents or other communications via email.

NOTE: *We assume that your filed communication doesn't omit or misstate any fact, nor does it offer an opinion without reasonable basis. While you may say that the communication was "reviewed by FINRA" or "FINRA reviewed," you may not say that we approved it.*