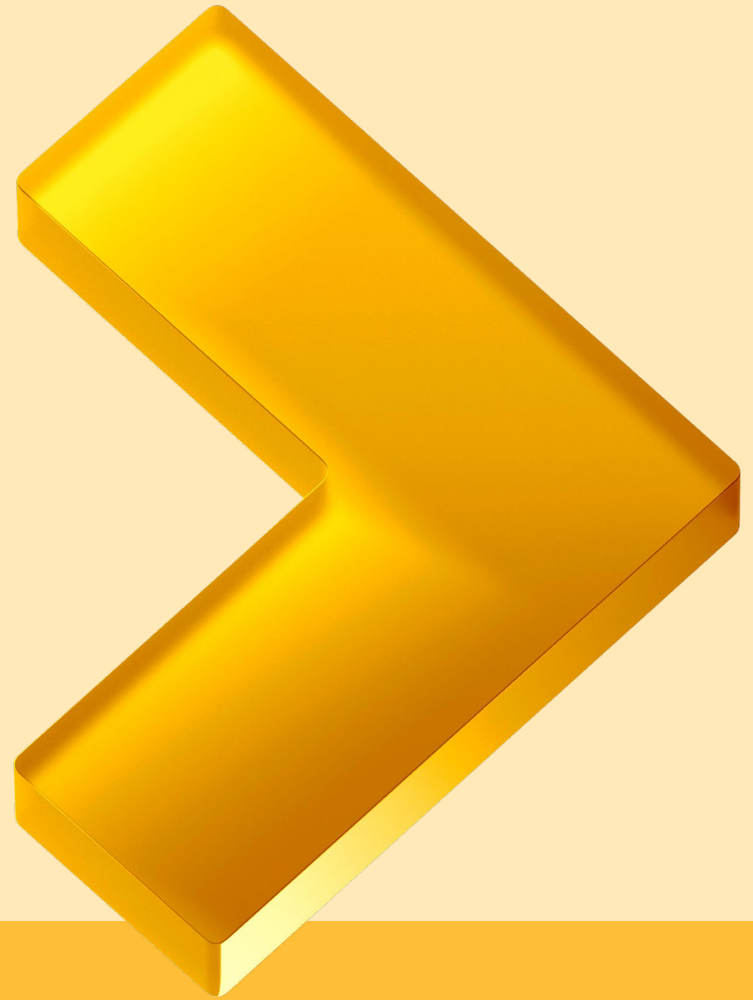


# On the Bench





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4. Percentage of households with a pension
5. Access to employer-sponsored retirement benefits
6. Access and participation in workplace retirement plans

### Saving

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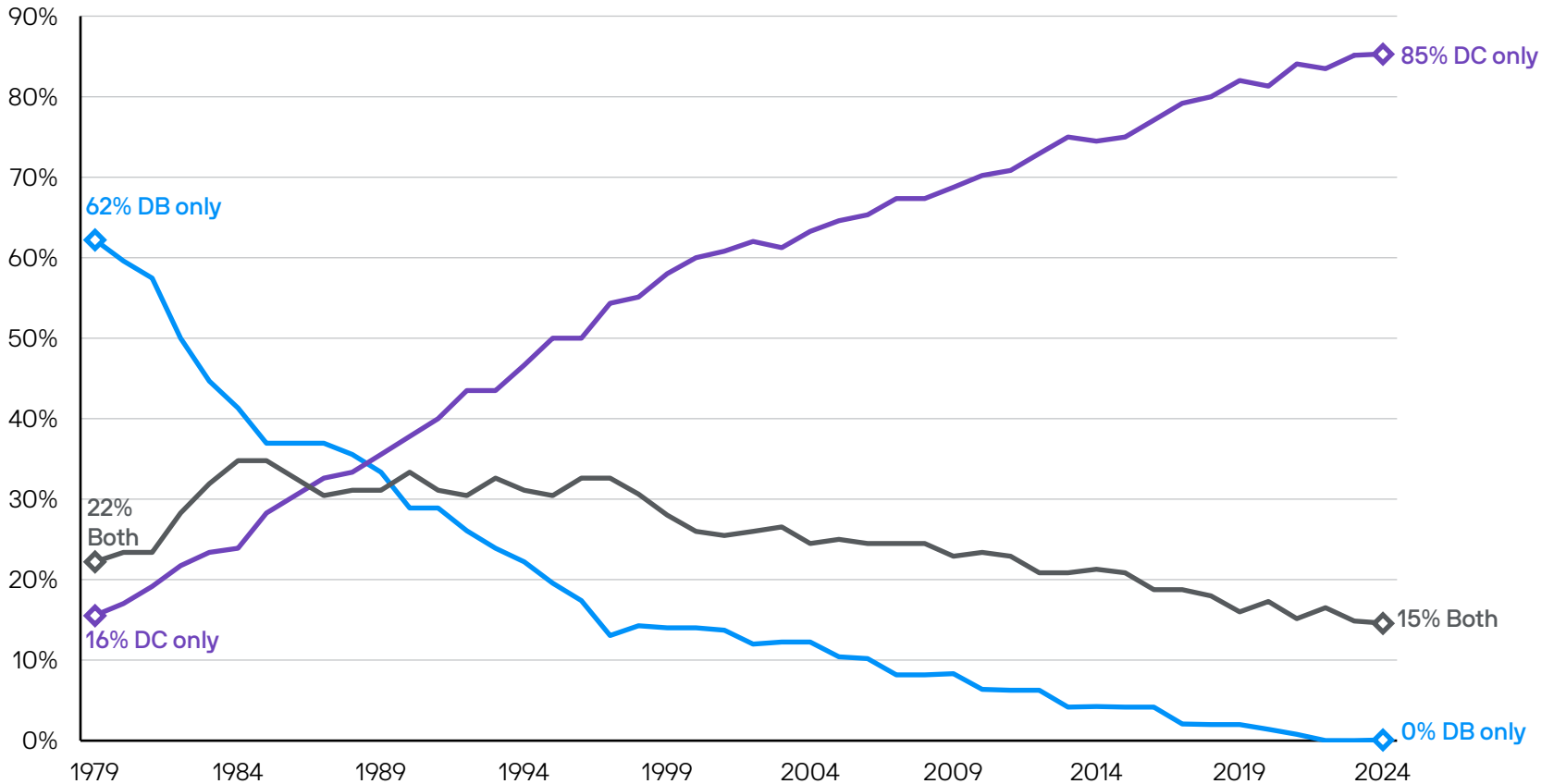
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47. Disclosures



# Retirement plan coverage

Retirement Landscape

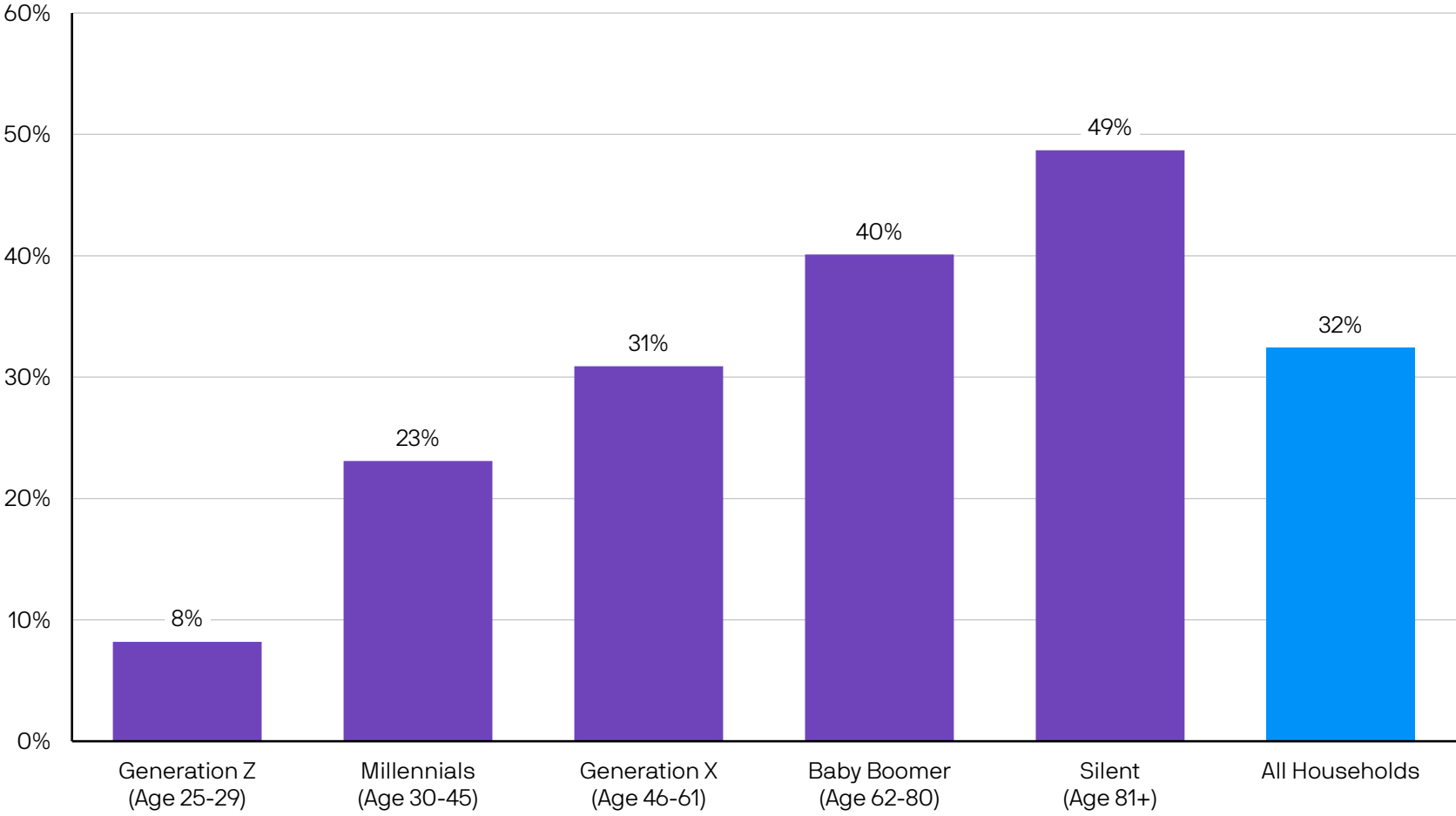
### Access by plan type for private sector workers 1979-2024



Source: Employee Benefit Research Institute. Latest available data as of December 31, 2025.



# Percentage of households with a pension

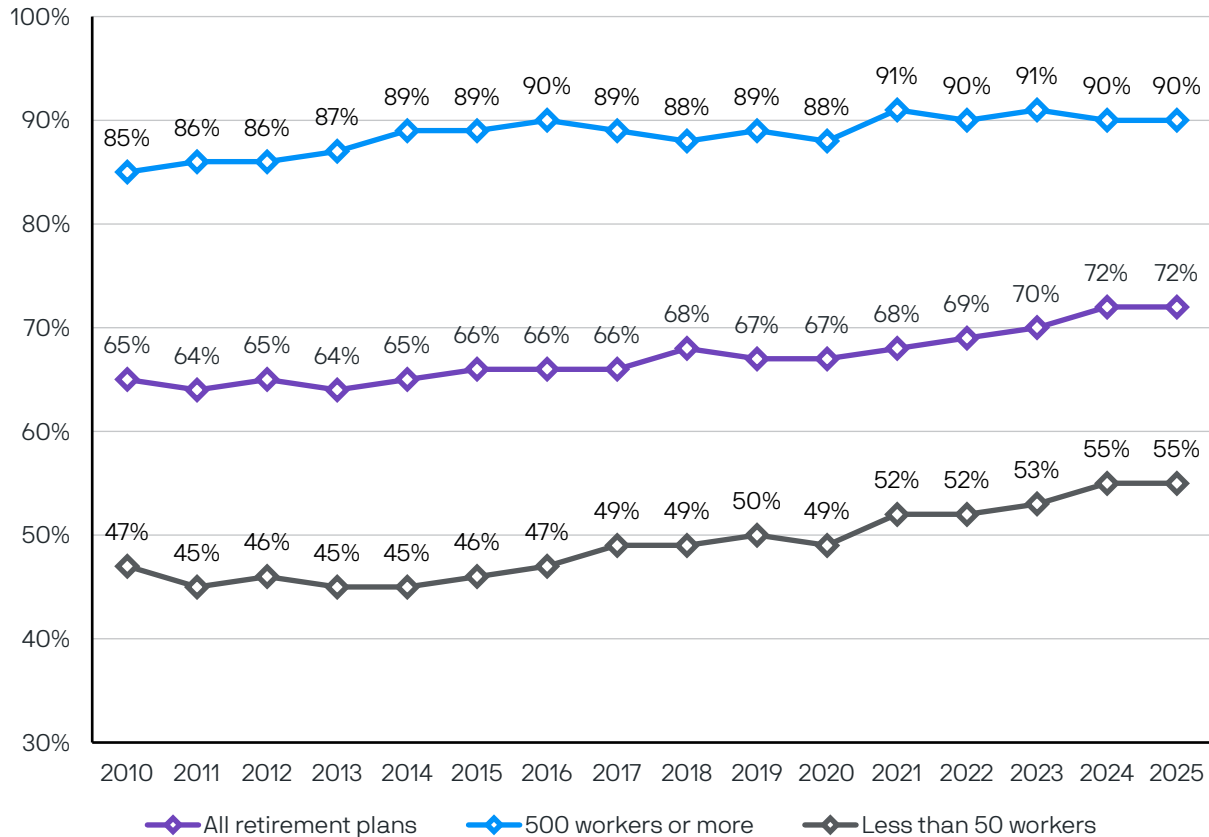


Age is for head of household in 2026. A pension is also referred to as a Defined Benefit (DB) pension plan. Percent of households having access to a DB plan denotes either survey respondent or spouse: A) has DB pension at current job; B) had accrued a DB pension benefit from a former job but has not yet claimed benefits; or C) is currently receiving benefits from DB pension.  
Source: Analysis of 2022 Survey of Consumer Finances, Federal Reserve Board, 2023. Latest available data as of December 31, 2025.



# Access to employer-sponsored retirement benefits

### Percentage of private industry workers with access to retirement benefits 2010-2025



## Small business opportunity

The overall trend is a slight increase in access since 2010 and flat since 2024.

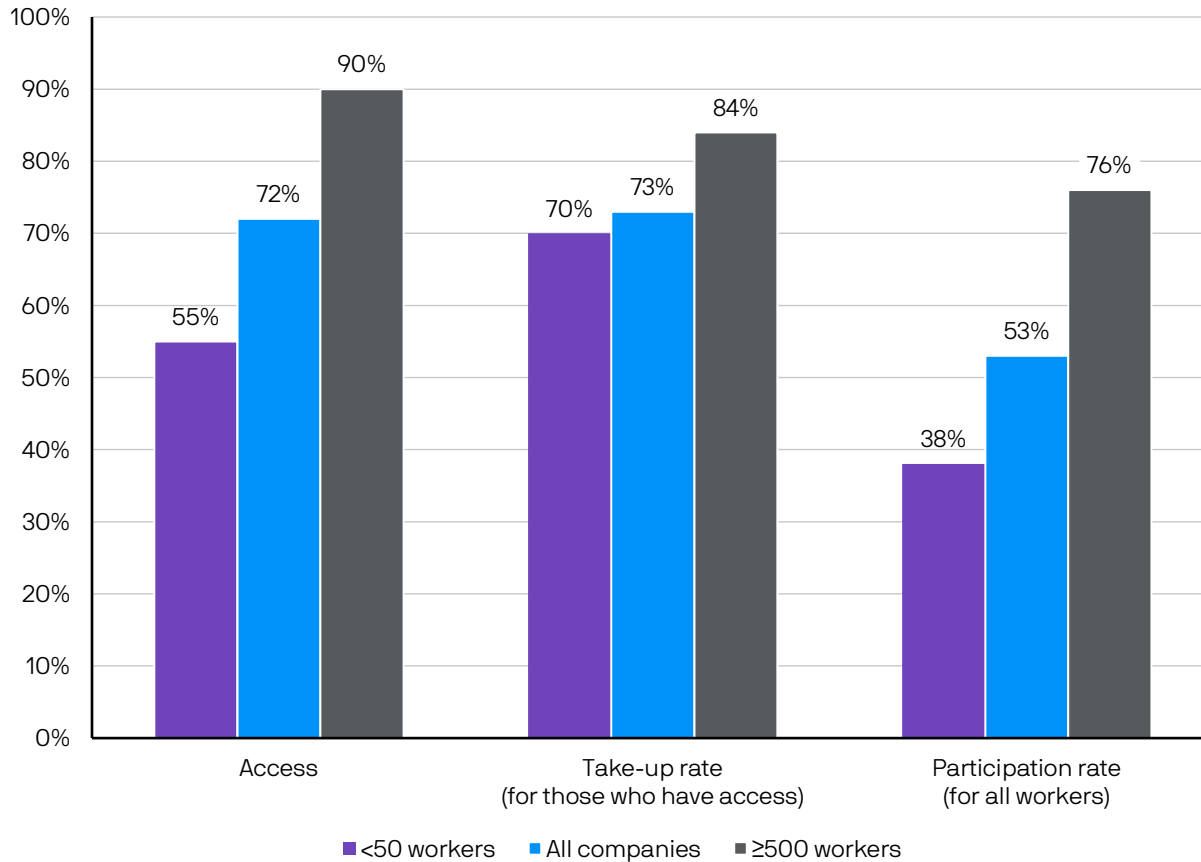
Legislation such as state-specific mandates and SECURE 2.0 aims to broaden access for those who work for smaller companies.

Source: Employee Benefit Research Institute Retirement Confidence Survey, 2025; U.S. Bureau of Labor Statistics, Employee Benefits in the United States.



# Access and participation in workplace retirement plans

## Private industry workers



### Small business opportunity

Workers in larger companies are much more likely to have access to retirement plans.

Smaller companies without plans should consider adding one to help give their workers financial security.

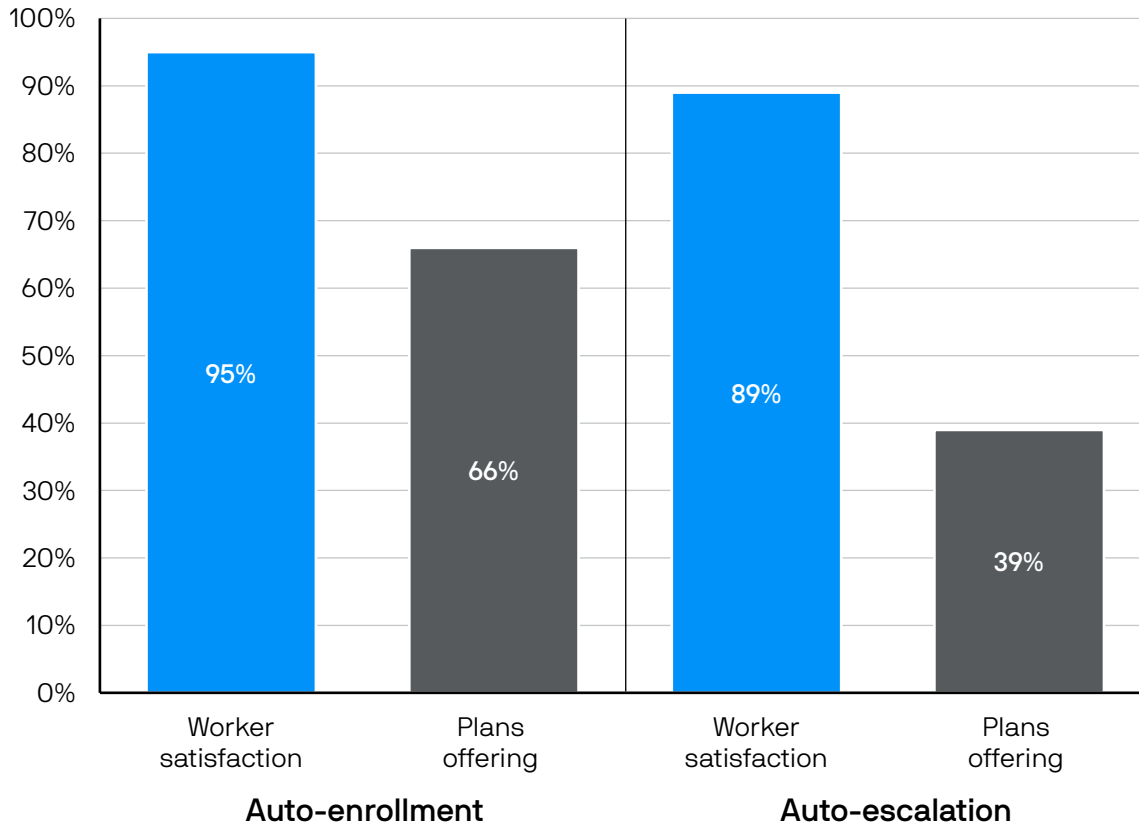
Source: U.S. Bureau of Labor Statistics, Employee Benefits in the United States Supplemental Tables, data as of March 2025.



# Opportunity for increased implementation of auto features

Saving

Workers are highly satisfied with automatic features in their employer retirement plan



### Pair auto-enrollment with auto-escalation

While automatic enrollment helps workers start saving, many assume the default contribution is sufficient for retirement.

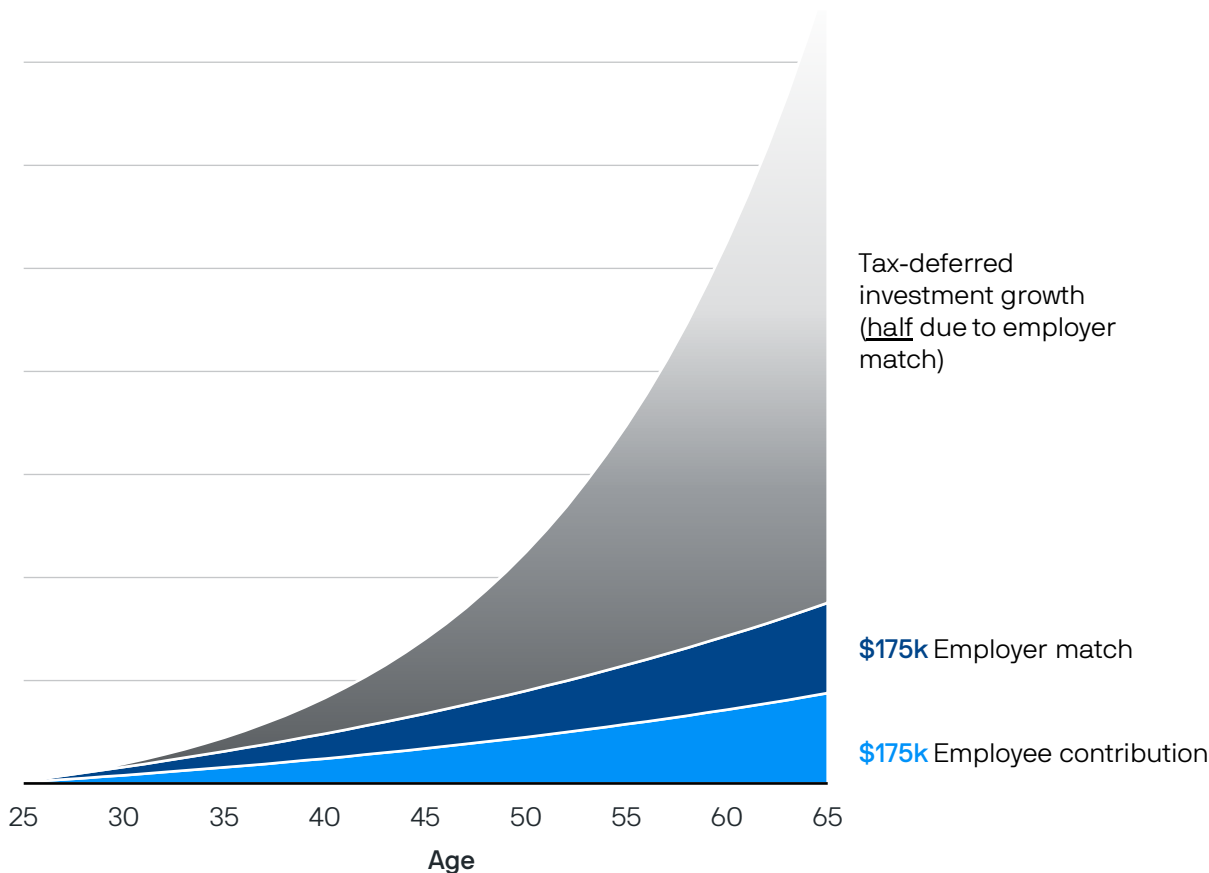
To help workers stay on track, consider an automatic annual 1% increase in contributions. This simple step can make a meaningful difference in helping them build adequate savings for retirement.



# Maximize your employer match

Saving

## Account growth from contributions, employer match and investment returns



### Get the free money

Take full advantage of your employer match if available and consider contributing even more to build your portfolio.

### Model assumptions

Starting age: 25

Retirement age: 65

Starting salary: \$50,000

Employee contribution: 5%

Employer match<sup>1</sup>: 5%

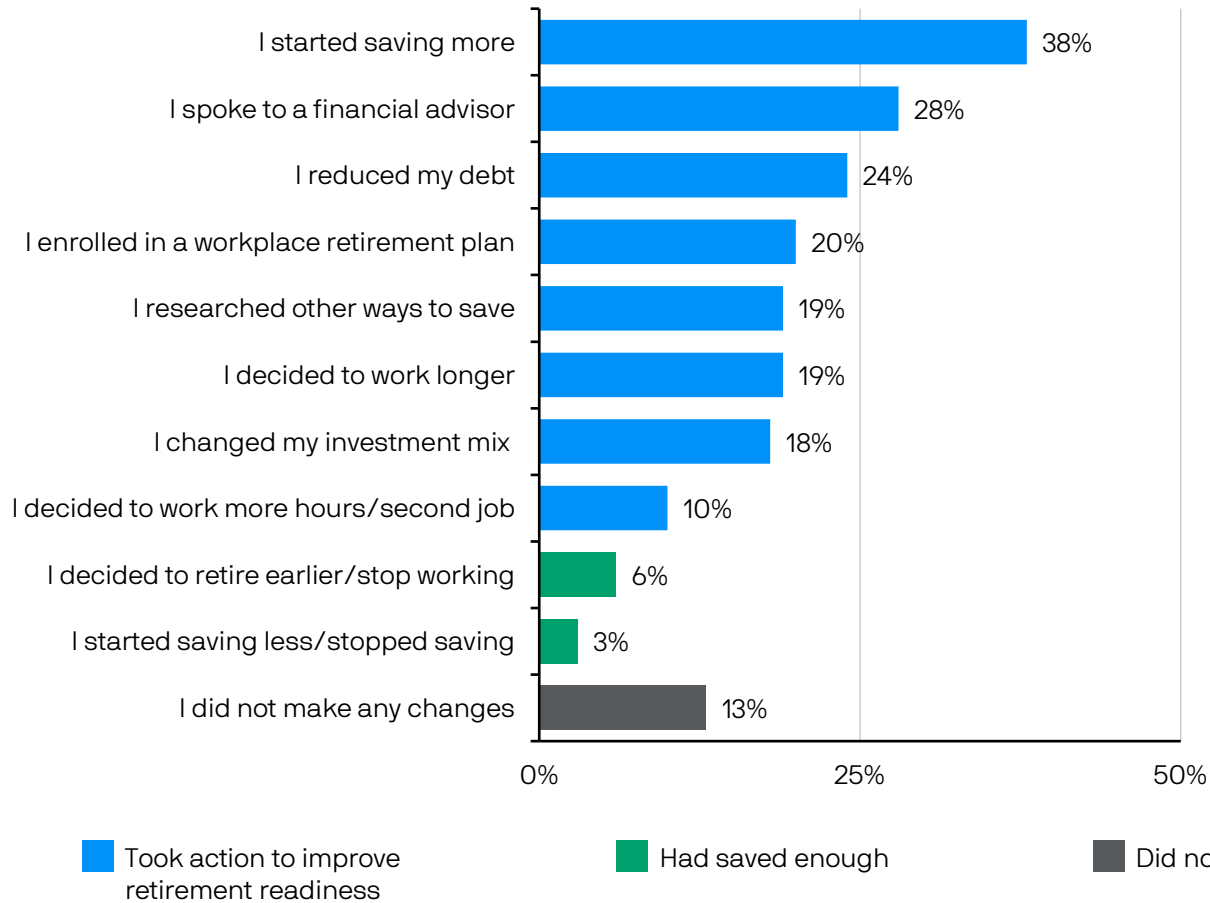
<sup>1</sup>Assumes employer match of 100% of employee contribution, up to 5%. Inflation and wage growth is 2.5%. Growth of portfolio is tax deferred; ending portfolio may be subject to tax. The above example is for illustrative purposes only and not indicative of any investment. Source: J.P. Morgan Asset Management, Long-Term Capital Market Assumptions.



# Actions taken after calculating retirement savings needs

Saving

Nine in 10 took action



**Top actions include saving more, speaking to an advisor and reducing debt**

Most took positive action to improve retirement readiness.

Also, nearly twice as many said they felt more confident after doing the calculation.

Q: What, if any, changes did you (or your spouse/partner) make as a result of trying to figure out the amount you will need to have saved by the time you retire?

Source: Employee Benefit Research Institute Retirement Confidence Survey, 2025.

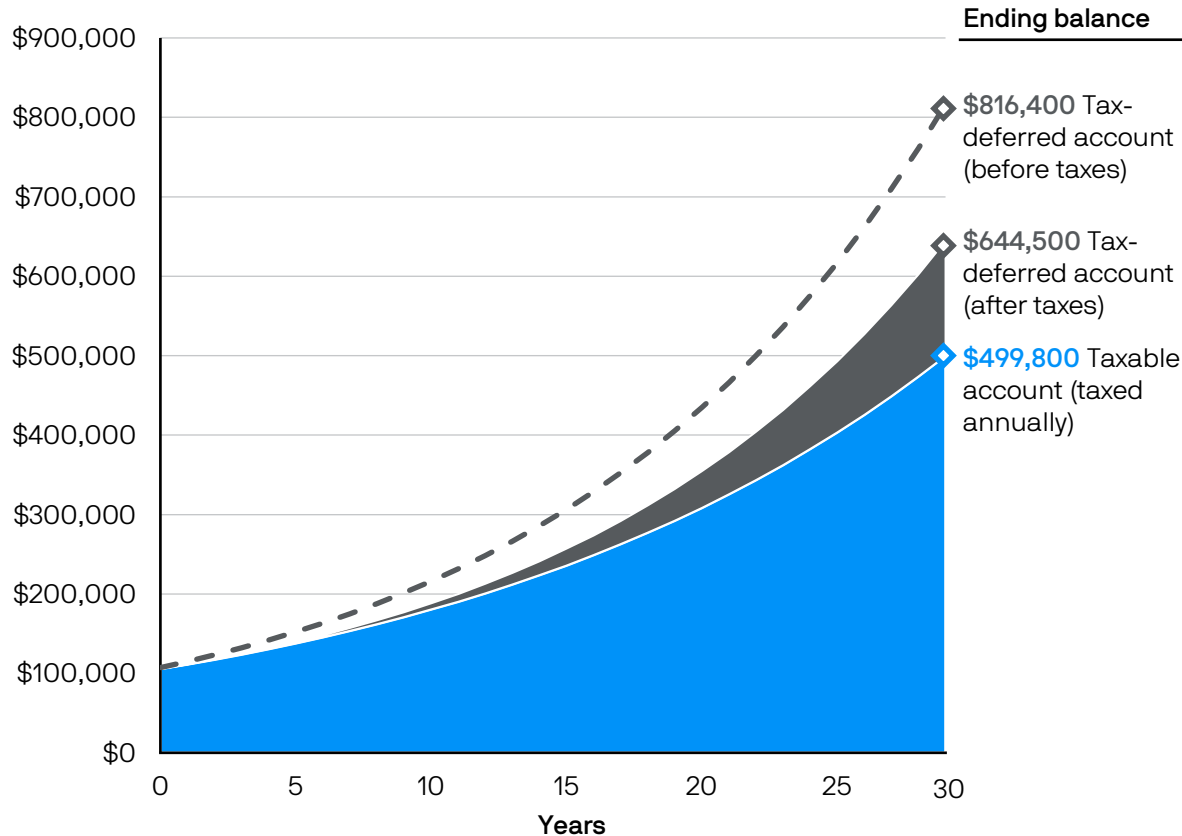


# The power of tax-deferred compounding

Saving

## Taxable vs. tax-deferred investing over a 30-year timeframe

Growth of \$100,000 for a household in the 24% tax bracket



### Taxes can wait

Sheltering investment growth in tax-deferred accounts over the long term may result in more wealth for retirement. The value of tax deferral in this example is equivalent to a 0.9% higher annual return over the time period.

Chart assumes an initial after-tax account value of \$100,000 for each account type. Assumes a 7.25% annual return for both accounts. Investment returns in taxable account are taxed annually at 24% (capital gains and qualified dividends are not considered in this analysis). Tax-deferred account balance is taken as a lump sum after year 30 and investment returns (account balance net of initial investment) are taxed at 24% federal tax rate. If tax-deferred account is taken as lump sum at other tax rates, the after-tax balance would be \$730,500 (12%), \$658,800 (22%), \$587,200 (32%), \$565,700 (35%) and \$551,400 (37%). This hypothetical illustration is not indicative of any specific investment and does not reflect the impact of fees or expenses. This chart is for illustrative purposes only. Past performance is no guarantee of future results. Source: J.P. Morgan Asset Management.



# Roth conversion? Factors to consider

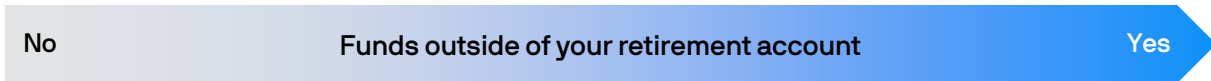
Saving

No Conversion

Roth Conversion



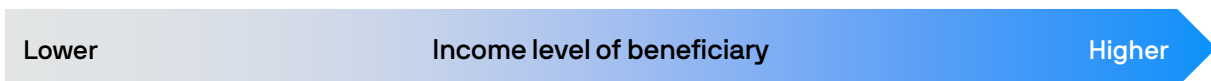
If you expect **your tax rate will be higher in the future**, you may want to convert and pay taxes now.



**Pay taxes with funds from outside your retirement account** to preserve your balance; avoid penalties if younger than 59½.



**The longer your time horizon**, the more time you have to recoup taxes paid on the conversion.



**Roth conversions may reduce income taxes for beneficiaries** if the original account has been open for 5 years.<sup>1</sup>

### Be aware of possible health care cost and income tax ramifications

- A Roth conversion may temporarily trigger Medicare surcharges and loss of Marketplace (Affordable Care Act) health care insurance subsidies.
- Check impact on eligibility for State and Local Tax (SALT) and senior tax deductions.

Even with drawbacks in some cases, the conversion may still be worth it, but it will depend on your situation; partial conversions or conversions over multiple years may be also considered. Consult a tax advisor.

<sup>1</sup>Estate taxes may apply.

This material has been prepared for general informational purposes only and should not be relied on for accounting, legal or tax advice.

Consult with your tax professional for advice that will apply to your personal situation.

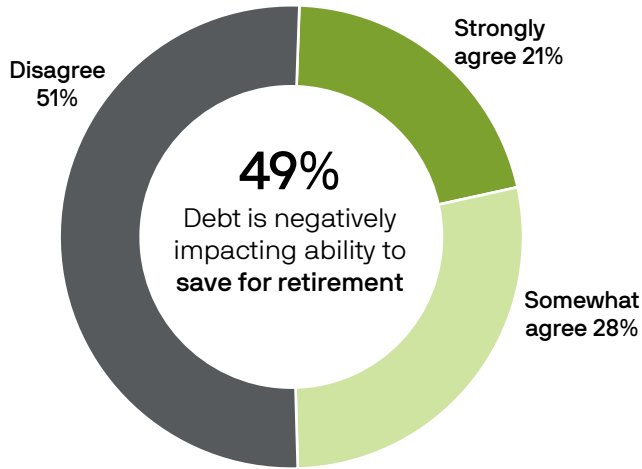
Source: IRS Publication 590-A, J.P. Morgan Asset Management.



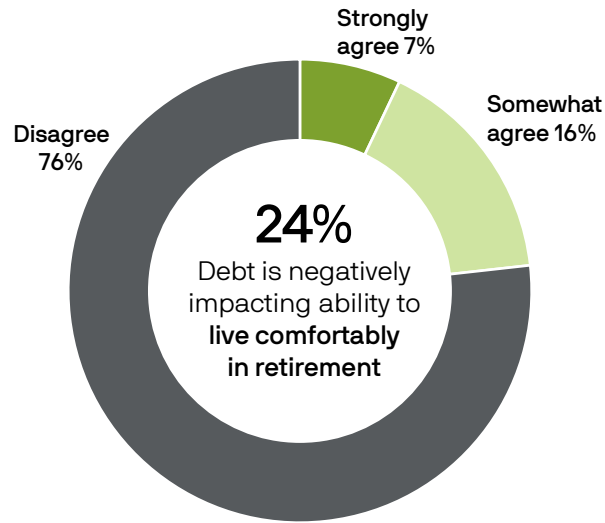
# Debt is problematic for workers and retirees

Spending

## Workers



## Retirees



### Take a holistic approach to retirement planning

While taking on debt may help you reach your goals such as a house purchase or furthering your education, it can also be burdensome, especially if it is for unexpected expenses.

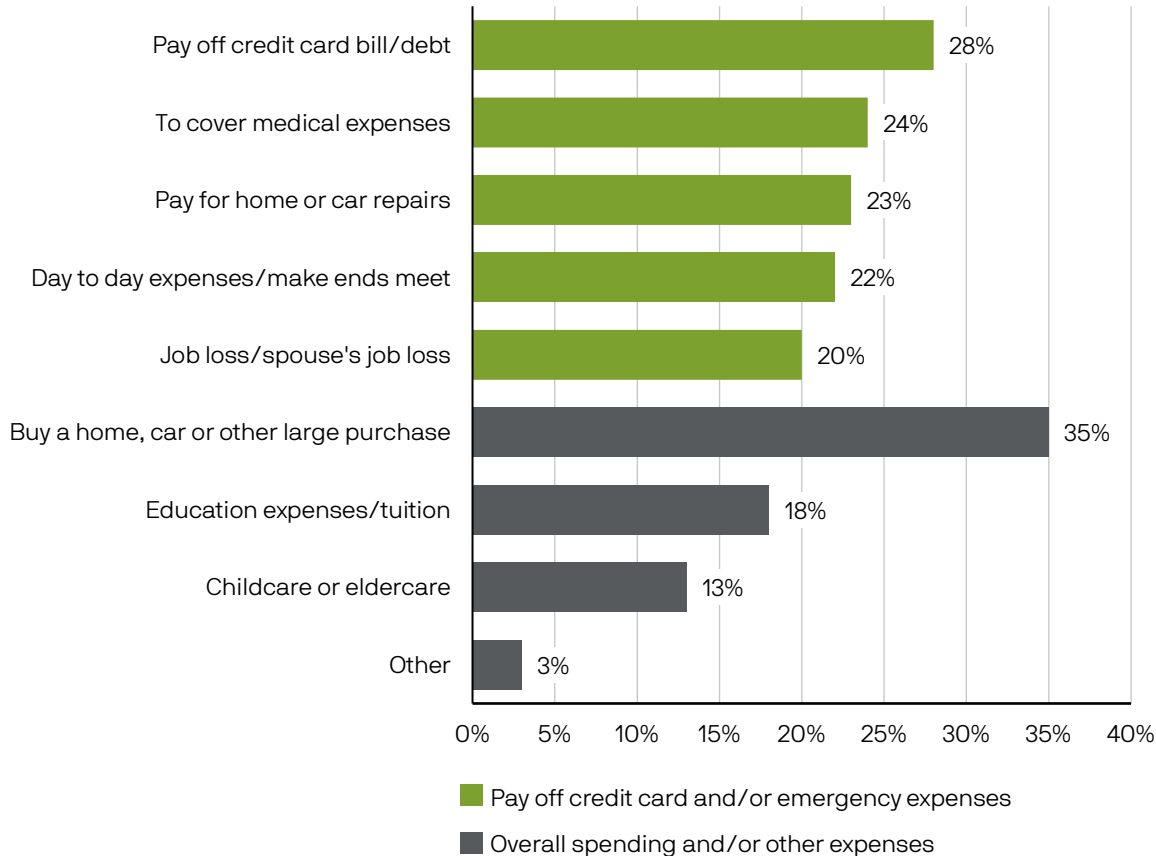
Planning for emergencies and saving for large purchases may help you reach your retirement goals.

Source: Employee Benefit Research Institute Retirement Confidence Survey, 2025. Total may not add to 100% due to rounding.



# Reasons for 401(k) plan loans and withdrawals

Spending



**Build emergency savings and contribute to health savings accounts to help you avoid a 401(k) loan**

Some of the reasons for 401(k) loans are to pay off credits cards or for unexpected reasons.

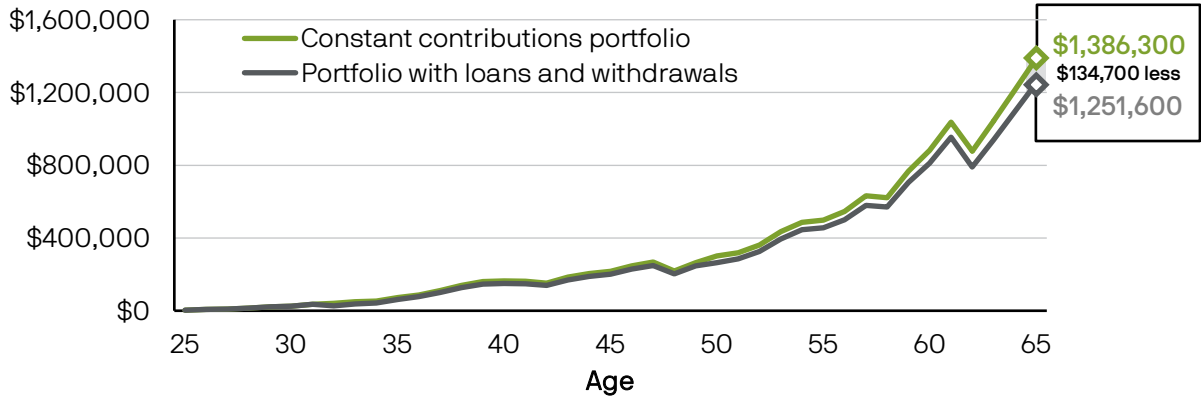
An emergency fund may be able to help you avoid credit card debt and keep you on track for retirement.



# Mitigating the effect of loans and withdrawals

Spending

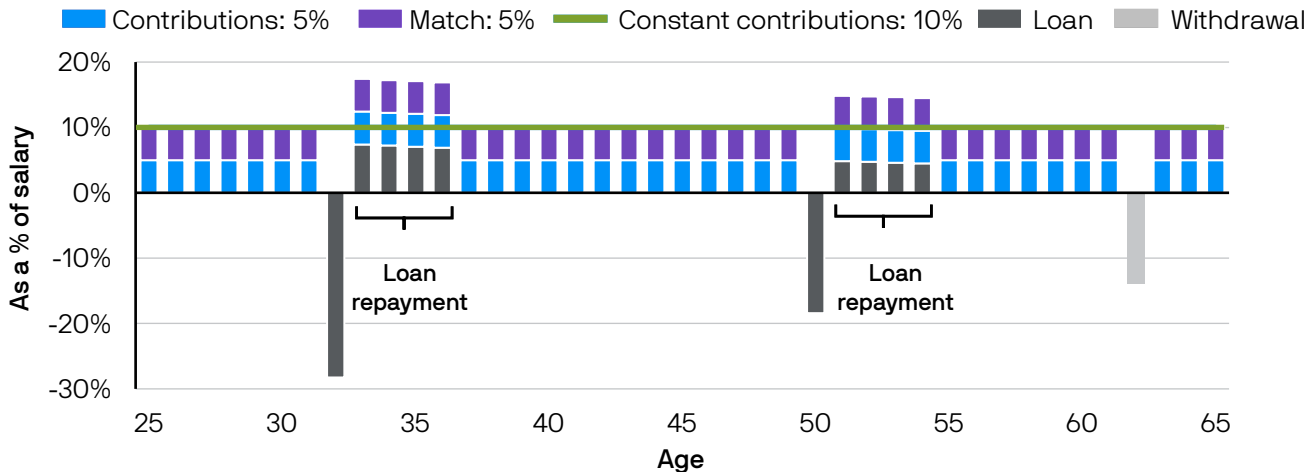
## Growth of 401(k) investment



## Mitigate the effects of loans

If taking a loan from your 401(k) is unavoidable, try to mitigate the impact by continuing contributions while repaying the loan. It is especially important to ensure you continue to receive an employer match, if available.

## Assumed cash flows: 401(k) contributions, loans and withdrawals



For illustrative purposes only. Hypothetical portfolio is assumed to be invested 60% in the S&P 500 and 40% in the Bloomberg Capital U.S. Aggregate Index 1985-2025. Starting salary of \$30,000 increases by 2.5% each year. Loan and withdrawal amounts are assumed to be \$10,000. Loan interest rate is assumed to be 7.5% and is paid off over 4 years. Source: J.P. Morgan Asset Management.

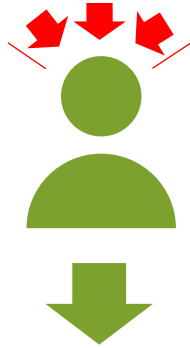


# Employee financial precarity cost to business

## Academic study: Emergency savings program for short-haul truck drivers

Spending

Persistent worry about money adds to cognitive load



Poor well-being and worse job performance

### Program demographics

- Nearly 800 in sample
- Average income: \$70,000 + benefits
- Over 1/3 had no emergency savings
- Almost half had credit card debt
- Over 1/3 worried about their finances more than half the time

### Study methodology

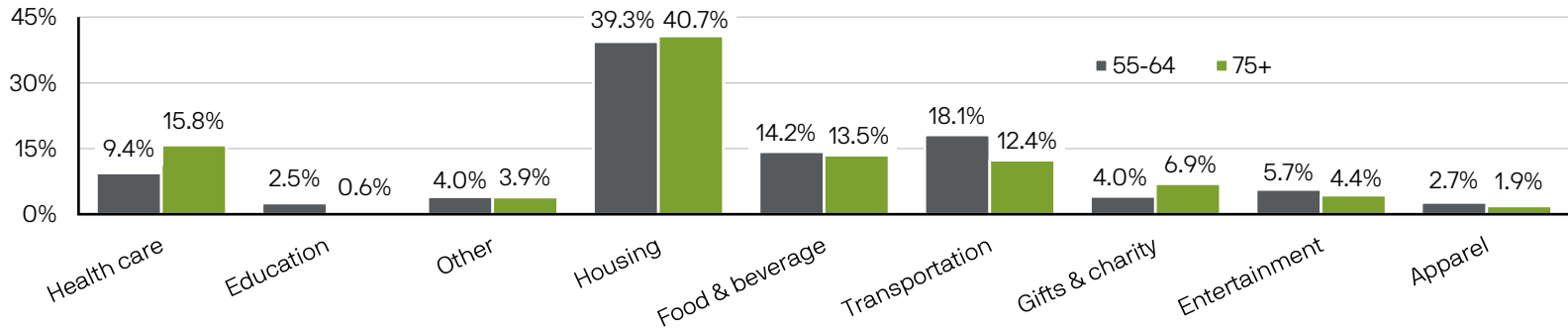
- 1. Established the program**
  - 58% participated
  - Employer matched 12% of pay (up to \$1,100) if employee saved \$19 per week for a year
- 2. Created control group**
  - Matched with like group (income, health, driving history, family status) that did not participate
- 3. Measured results**
  - Participants in the program had fewer traffic citations and avoidable accidents than the control group



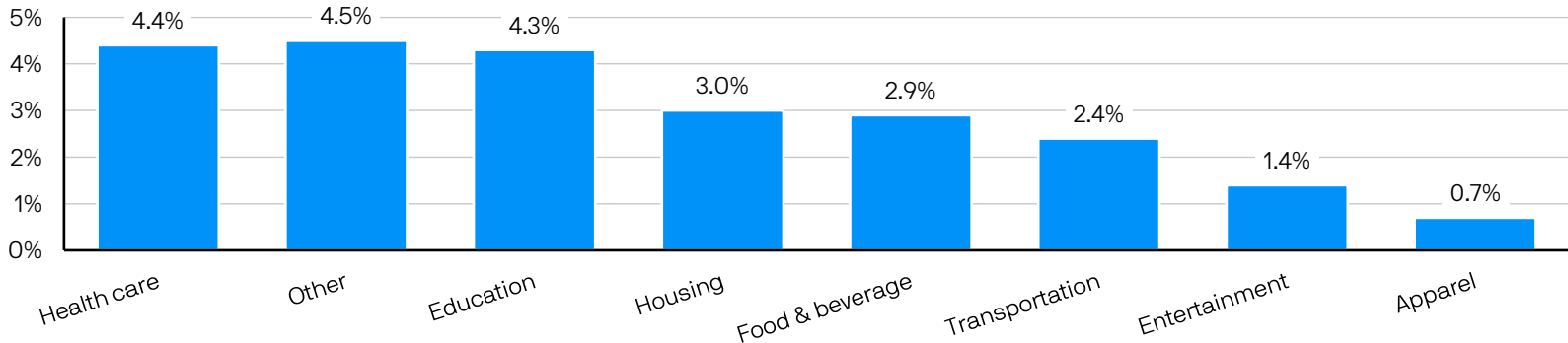
# Spending and inflation

Spending

### Average annual spending by age and category 2017-2024



### Annual average inflation by spending category 1982-2025



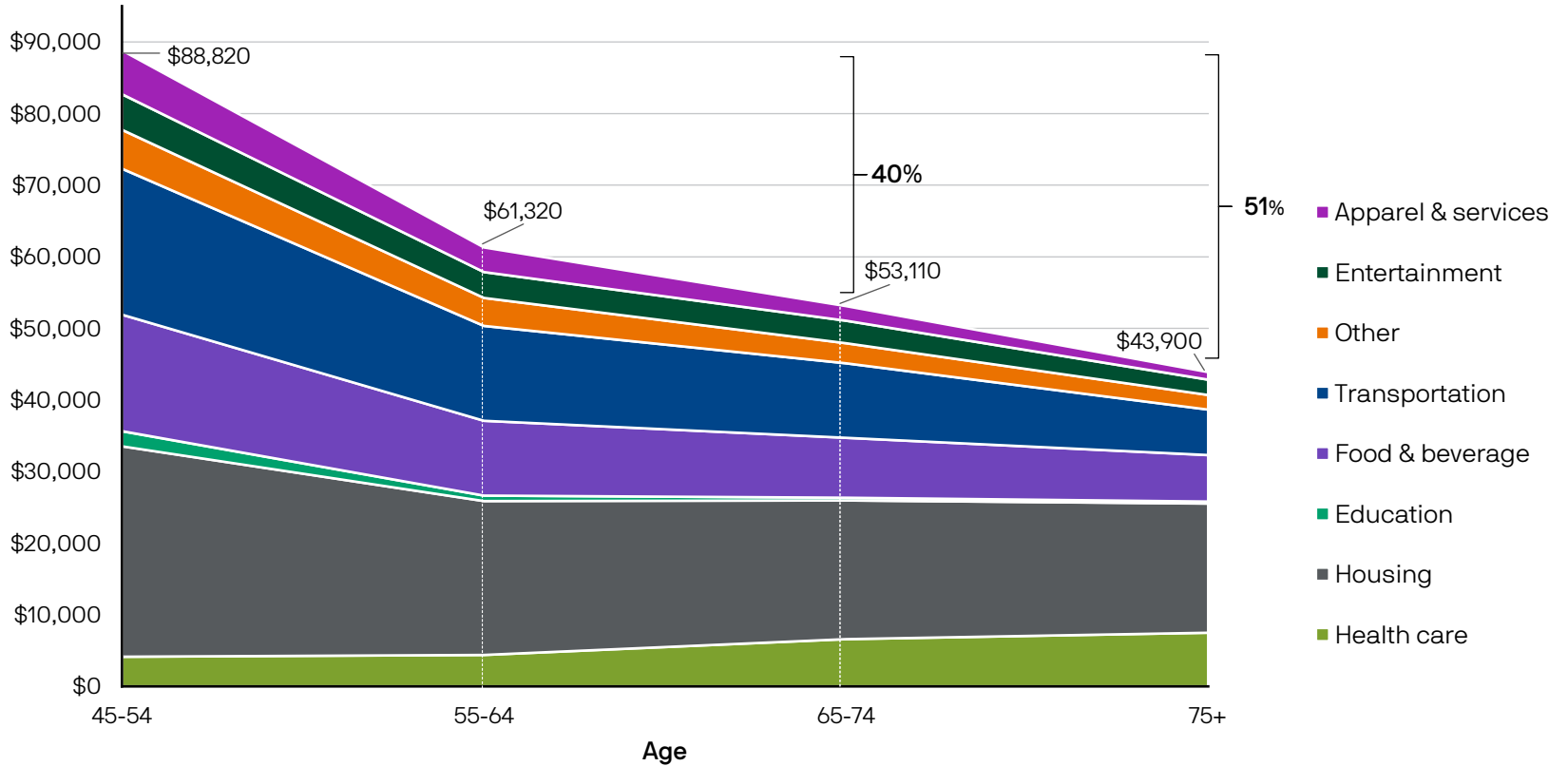
Data represent annual percentage increase from December 1981 through December 2025 except for entertainment and education, which date back to 1993. The inflation rate for the Other category is derived from personal care products and tobacco. Tobacco has experienced 6.8% inflation since 1986. Spending percentages may not equal 100% due to rounding.  
 Source: (Top chart) U.S. Bureau of Labor Statistics, 2017-2024 annual average Consumer Expenditure Survey, adjusted to December 2025 dollars. Housing inflation includes imputed rent (the amount a household would pay to rent the house they own); (Bottom chart) U.S. Bureau of Labor Statistics, Consumer Price Index, J.P. Morgan Asset Management.



# A historical view: The Silent Generation

### Annual average household spending by age

Spending



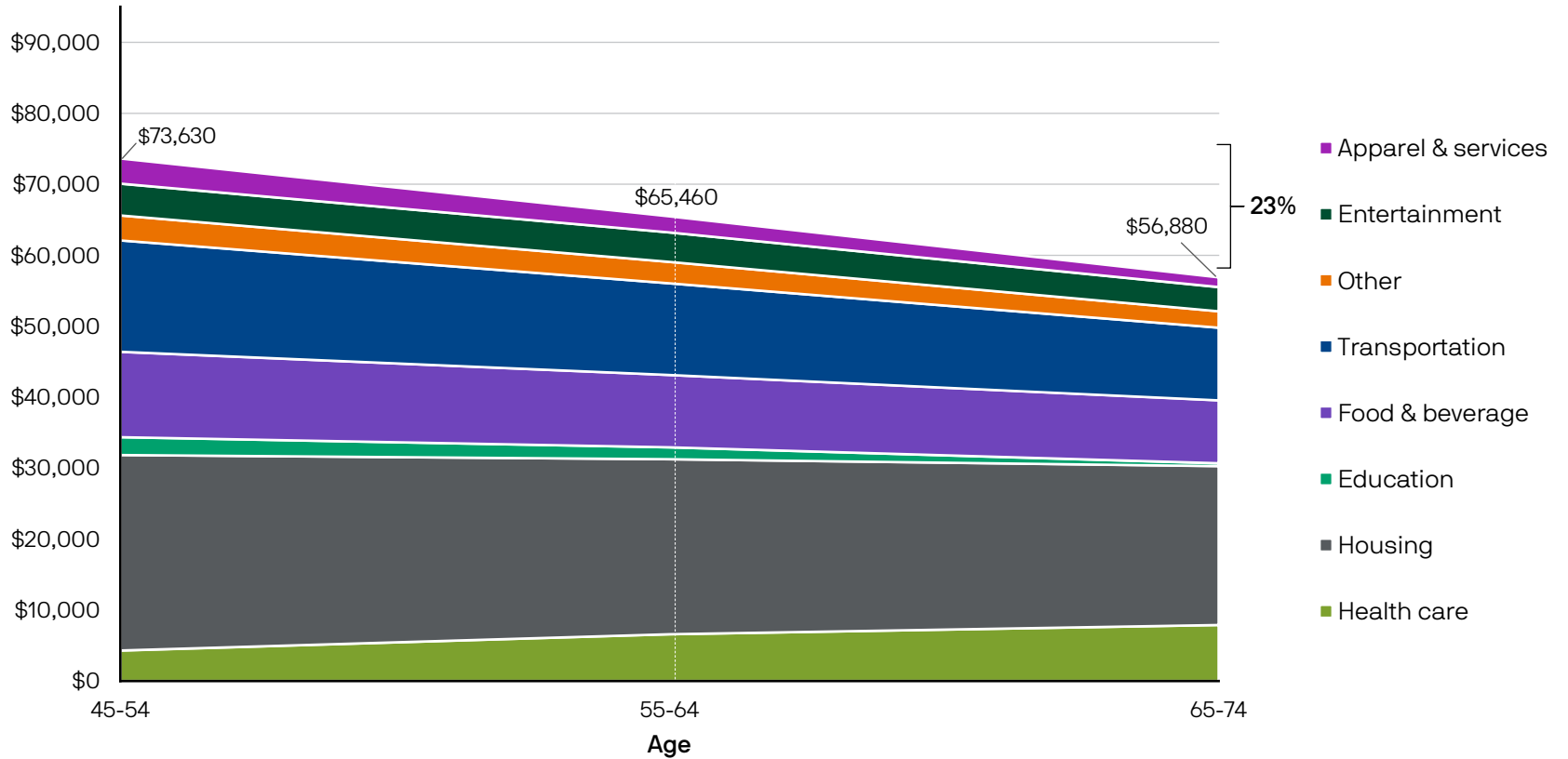
Historical data are primarily from those born from 1925 to 1945 (age 81-101 in 2026).  
 Source: Estimates based on average consumer expenditure from the Consumer Expenditure (CE) Survey for each age group excluding pension and cash contributions, U.S. Bureau of Labor Statistics as of December 2025; J.P. Morgan Asset Management.



# A historical view: Baby Boomers

### Annual average household spending by age

Spending



Historical data are primarily from those born from 1946 to 1964 (age 62-80 in 2026).  
 Source: Estimates based on average consumer expenditure from the Consumer Expenditure (CE) Survey for each age group excluding pension and cash contributions, U.S. Bureau of Labor Statistics as of December 2025; J.P. Morgan Asset Management.

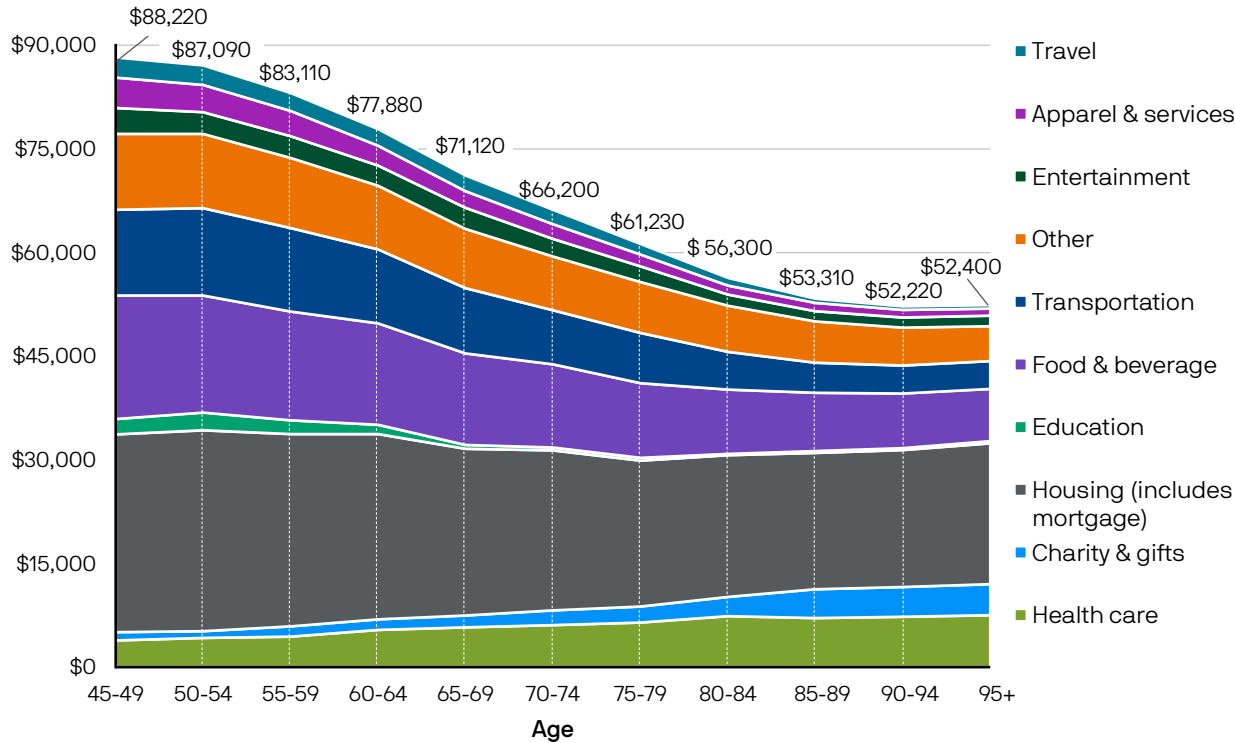


# Changes in spending

All households  
\$250k-\$750k investable wealth

Spending

### Annual average household spending by age



### What to expect

Average spending is highest at mid-life. Those at older ages tend to spend less on all categories except health care and charitable contributions.

Those who live to the oldest ages may have costs related to long-term care, which may increase health care and housing costs.

On average, total spending is relatively flat later in life for those with estimated assets of \$250k-\$750k.

Source: J.P. Morgan Asset Management, based on internal select data from JPMorgan Chase Bank, N.A. and its affiliates (collectively "Chase") including select Chase check, credit and debit card and electronic payment transactions from January 1, 2017 to November 30, 2025. Check and cash distribution: 2021 CE Survey; J.P. Morgan Asset Management. Information that would have allowed identification of specific customers was removed prior to the analysis. Other includes: tax payments, insurance, gambling, personal care and uncategorized items. Asset estimates for de-identified and aggregated households supplied by Windfall. Estimates include all investable assets except employer-sponsored plans, home equity and other non-portable assets. Additional information on J.P. Morgan Asset Management's data privacy standards available at [am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/](https://am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/).



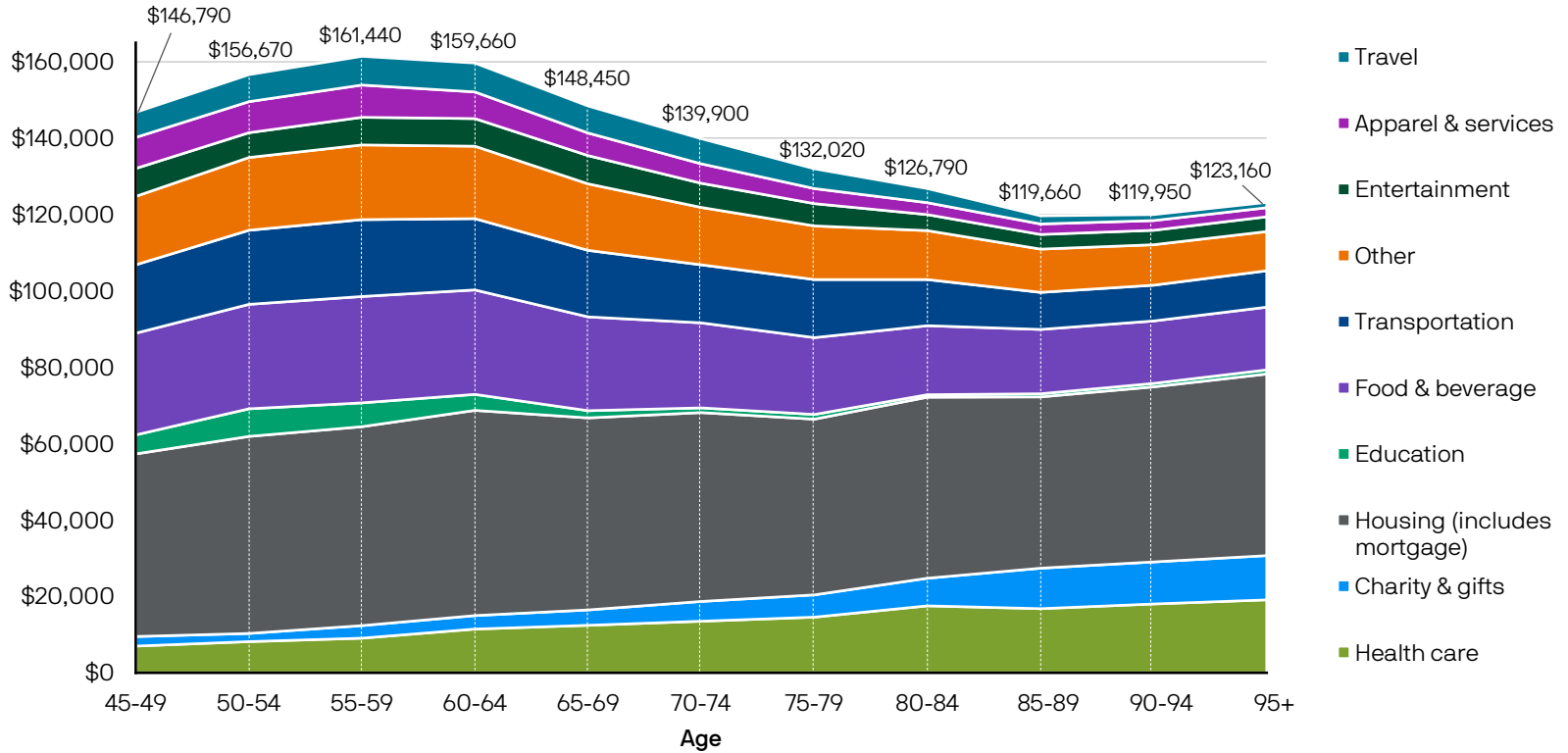
# Changes in spending

All households  
\$3m+ investable wealth

GTR-OTB 20

### Annual average household spending by age

Spending



Source: J.P. Morgan Asset Management, based on internal select data from JPMorgan Chase Bank, N.A. and its affiliates (collectively "Chase") including select Chase check, credit and debit card and electronic payment transactions from January 1, 2017 to November 30, 2025. Check and cash distribution: 2021 CE Survey; J.P. Morgan Asset Management. Information that would have allowed identification of specific customers was removed prior to the analysis. Other includes: Tax payments, insurance, gambling, personal care and uncategorized items. Asset estimates for de-identified and aggregated households supplied by Windfall. Estimates include all investable assets except employer-sponsored plans, home equity and other non-portable assets. Additional information on J.P. Morgan Asset Management's data privacy standards available at [am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/](https://am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/).

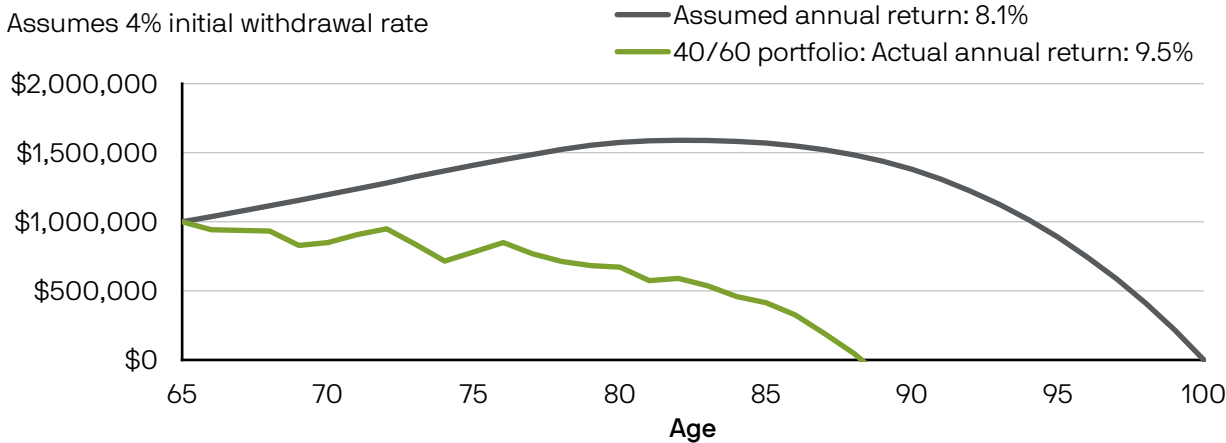


# Dollar cost ravaging: Timing risk of withdrawals

Spending

## Portfolio value over time 1966-2000

Assumes 4% initial withdrawal rate

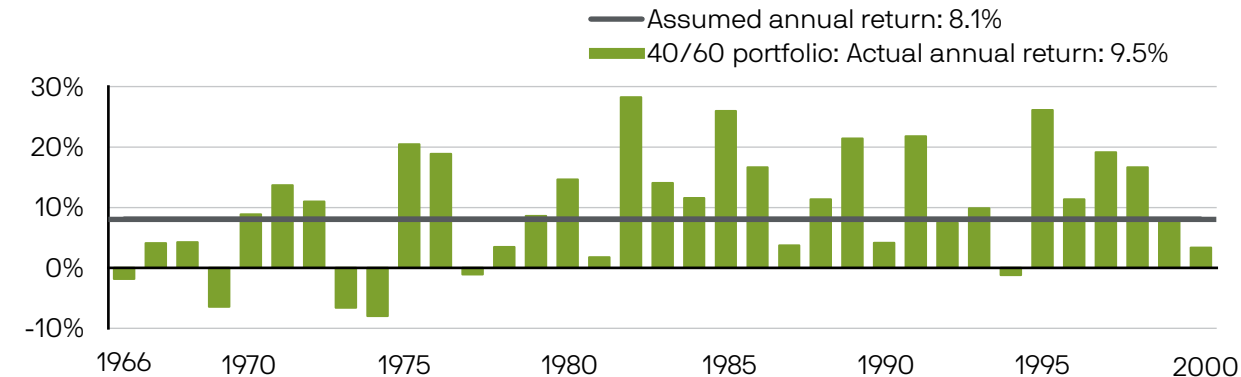


## Sequence of return risk

Withdrawing assets in a volatile market early in retirement can ravage a portfolio. Consider investment solutions that incorporate downside protection such as:

- Balanced risk and diversification at the beginning of retirement
- Annuities with guarantees and/or protection features
- Investments that use options strategies for defensive purposes

## Rate of return: Actual vs. average 1966-2000



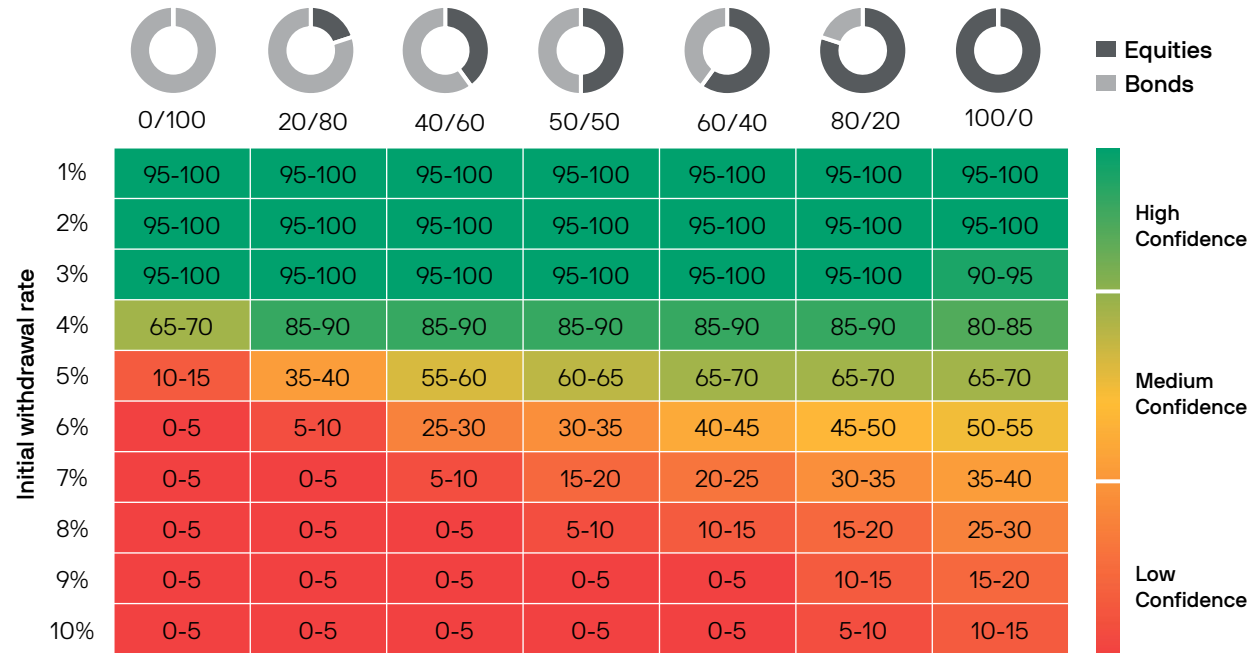
Assumptions: (Top chart) Retire at age 65 with \$1,000,000 and withdraw 4% of the initial portfolio value (\$40,000). Withdrawal amount increased by historical inflation (CPI-U) each year. Returns are based on a hypothetical portfolio, which is assumed to be invested 40% in the S&P 500 Total Return Index and 60% in the Bloomberg Capital U.S. Aggregate Index. The assumptions are presented for illustrative purposes only. They must not be used, or relied upon, to make investment decisions. There is no direct correlation between a hypothetical investment and the anticipated future return of an index. Past performance does not guarantee future results. Annual inflation (CPI-U) increased from 2.4% in 1966 to 6.3% in 1970; 10-year U.S. Treasury rate increased from 4.93% in 1966 to 7.35% in 1970. Source: Department of the Treasury, U.S. Bureau of Labor Statistics, J.P. Morgan Asset Management.



# Effects of withdrawal rates and portfolio allocations

## Likelihood of success after 35 years in retirement

Various initial withdrawal rates and asset allocation



### Find your balance

An overly conservative withdrawal rate may require unnecessary lifestyle sacrifices. While a more equity-heavy portfolio may lead to higher likelihoods of success, the magnitude of the failures may be greater due to increased volatility.

A well-diversified portfolio with a dynamic withdrawal strategy is typically optimal.

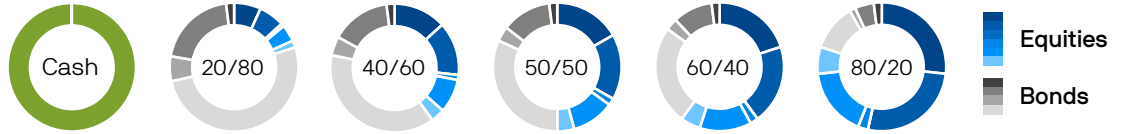
Spending

Source: This chart is for illustrative purposes only and must not be used, or relied upon, to make investment decisions. Portfolios are described using equities/bond denotation (e.g., a 40/60 portfolio is 40% equities and 60% bonds). Hypothetical portfolios are composed of All Country World Equity and US Aggregate Bonds. J.P. Morgan Asset Management's (JPMAM) model is based on proprietary Long-Term Capital Market Assumptions (first 12 years) and equilibrium returns (23 years). The resulting projections include only the benchmark return associated with the portfolio and do not include alpha from the underlying product strategies within each asset class. The yearly withdrawal amount (1% to 10%) is set as a fixed percentage of the initial amount of \$1,000,000 and is then inflation adjusted over the period (2.5%). The percentile outcomes represent the percentage of simulated results with an account balance greater than \$0 after 35 years (e.g., "95-100" means that 95-100% of simulations had account balances greater than \$0 after 35 years). Overlap percentiles are included in the lower bracket (e.g., 80 is included in "75-80"; 85 is included in "80-85"). Allocations, assumptions and expected returns are not meant to represent JPMAM performance. Given the complex risk/reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve.



# Effects of withdrawal rates and portfolio allocations

## Likelihood of success after 30 years in retirement Various initial withdrawal rates and diversified asset allocations



Initial withdrawal rate	1%	95-100	95-100	95-100	95-100	95-100	High Confidence	
	2%	95-100	95-100	95-100	95-100	95-100		
	3%	95-100	95-100	95-100	95-100	95-100		
	4%	0-5	95-100	95-100	95-100	90-95	Medium Confidence	
	5%	0-5	65-70	75-80	75-80	75-80		
	6%	0-5	20-25	40-45	45-50	50-55	55-60	
	7%	0-5	0-5	15-20	20-25	30-35	35-40	
	8%	0-5	0-5	5-10	10-15	15-20	20-25	Low Confidence
	9%	0-5	0-5	0-5	0-5	5-10	10-15	
	10%	0-5	0-5	0-5	0-5	0-5	5-10	

### Find your balance

An overly conservative withdrawal rate may require unnecessary lifestyle sacrifices. While a more equity-heavy portfolio may lead to higher likelihoods of success, the magnitude of the failures may be greater due to increased volatility.

A well-diversified portfolio with a dynamic withdrawal strategy is typically optimal.

Spending

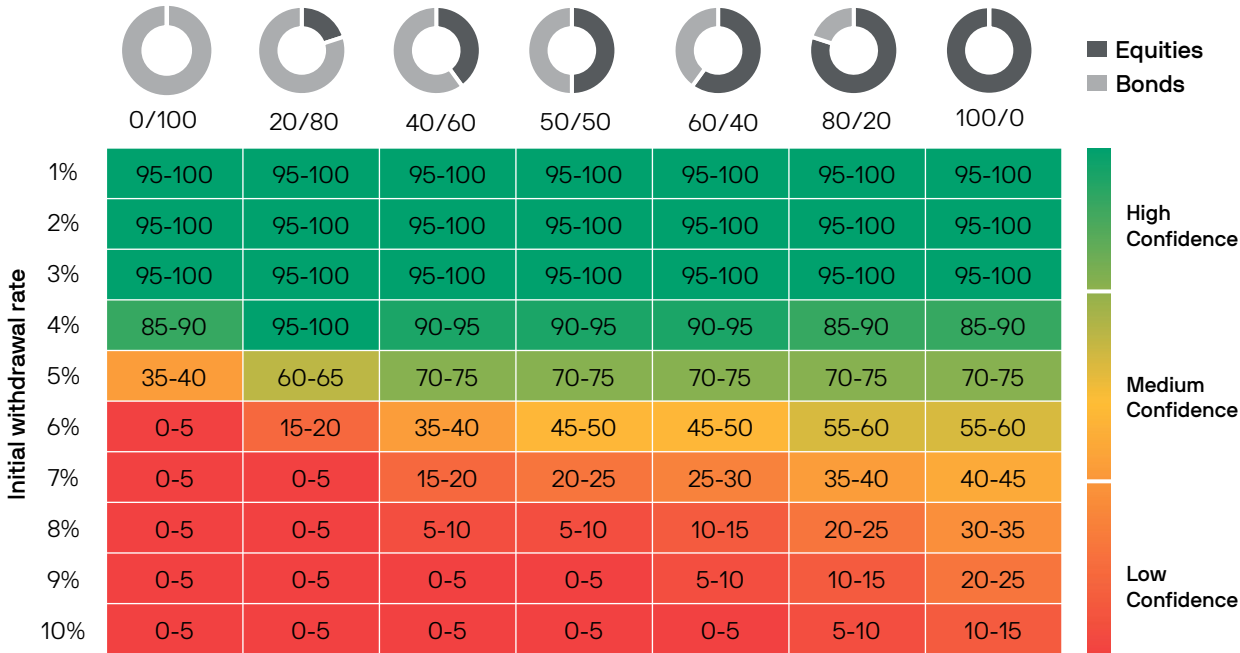
Source: This chart is for illustrative purposes only and must not be used, or relied upon, to make investment decisions. Portfolios are described using equities/bonds. For asset allocation details, see "Model Portfolio Details" on the Disclosure page. J.P. Morgan Asset Management's (JPMAM) model is based on proprietary Long-Term Capital Market Assumptions (first 12 years) and equilibrium returns (18 years). The resulting projections include only the benchmark return associated with the portfolio and do not include alpha from the underlying product strategies within each asset class. The yearly withdrawal amount (1% to 10%) is set as a fixed percentage of the initial amount of \$1,000,000 and is then inflation adjusted over the period (2.5%). The percentile outcomes represent the percentage of simulated results with an account balance greater than \$0 after 30 years (e.g., "95-100" means that 95-100% of simulations had account balances greater than \$0 after 30 years). Overlap percentiles are included in the lower bracket (e.g., 80 is included in "75-80"; 85 is included in "80-85"). Allocations, assumptions and expected returns are not meant to represent JPMAM performance. Given the complex risk/reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve.



# Effects of withdrawal rates and portfolio allocations

## Likelihood of success after 30 years in retirement

Various initial withdrawal rates and asset allocation



Spending

### Find your balance

An overly conservative withdrawal rate may require unnecessary lifestyle sacrifices. While a more equity-heavy portfolio may lead to higher likelihoods of success, the magnitude of the failures may be greater due to increased volatility.

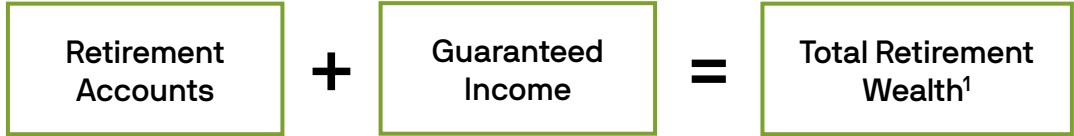
A well-diversified portfolio with a dynamic withdrawal strategy is typically optimal.

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# More guaranteed income = less fear of spending

Total retirement wealth \$500k-\$1.5m



Median spending  
Total retirement wealth \$500k - \$1.5m



Less guaranteed income      More guaranteed income

**Guaranteed income can give you confidence to spend**

After building up their account values over their lifetimes, many individuals are reluctant to see their balances go down.

This can result in people with similar total wealth spending differently depending on how much guaranteed income they have.

Spending

<sup>1</sup>Total retirement includes wealth in retirement accounts and the present value of future guaranteed income payments. Source: Chase data including select Chase credit and debit card, electronic payment, ATM withdrawal and check transactions in 2023-2024. Information that would have allowed identification of specific customers was removed prior to the analysis. Asset estimates for de-identified and aggregated households supplied by Windfall Data Inc. Total retirement wealth is the sum of investable wealth and the present value of observed guaranteed income sources including Social Security (inflated), pensions and annuities (both not inflated) until age 90. Inflation rate assumption is 2.5%. Observed retirement income sources are adjusted to pre-tax values to be consistent with investable wealth.

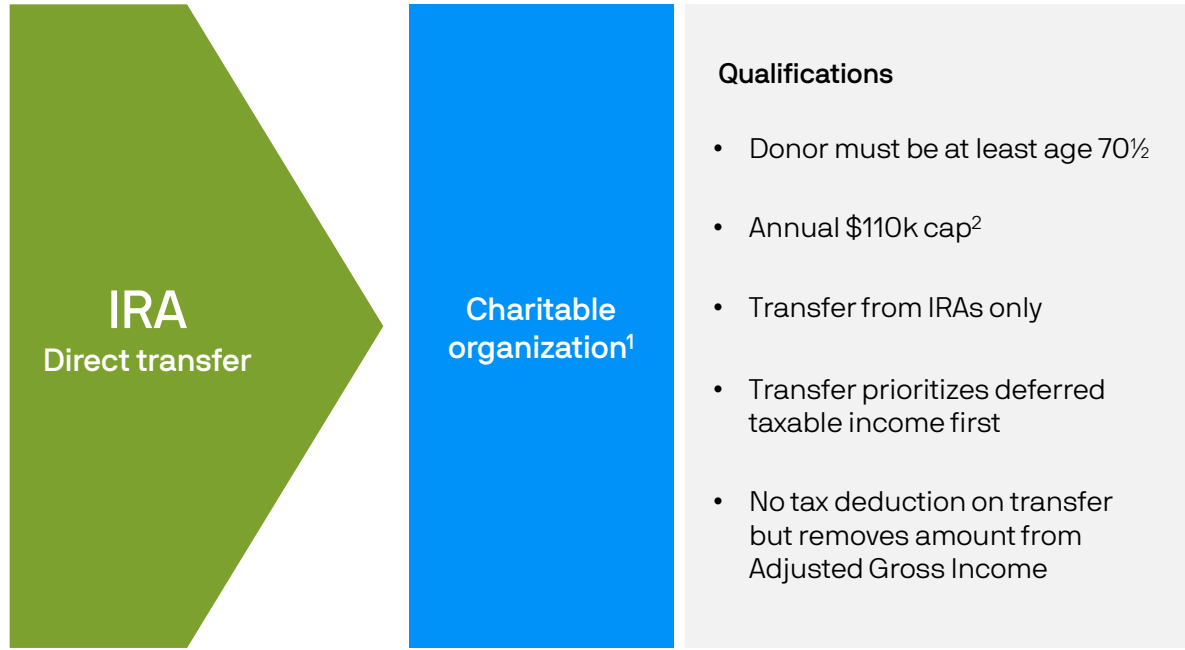


# Charitable IRA rollover

## Qualified Charitable Distributions

This tax strategy helps someone who is charitably inclined to make a direct donation while eliminating the income taxes due on the distribution.

Spending



### Qualifications

- Donor must be at least age 70½
- Annual \$110k cap<sup>2</sup>
- Transfer from IRAs only
- Transfer prioritizes deferred taxable income first
- No tax deduction on transfer but removes amount from Adjusted Gross Income

## Giving more by paying less tax

Qualified Charitable Distributions (QCDs) allow Required Minimum Distributions (RMDs) to be transferred directly to charity and to not be included in the account owner's taxable income.

Despite changes to the RMD age, SECURE 2.0 did not change the rule that QCDs may be made beginning at age 70½.

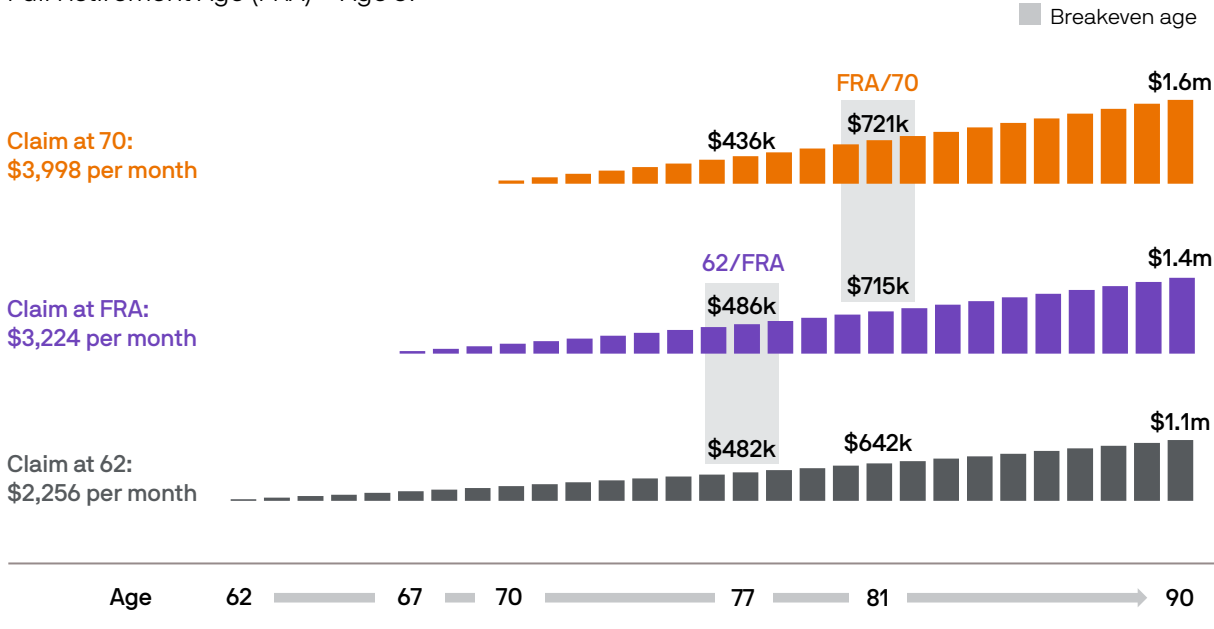
<sup>1</sup>Not applicable to supporting organizations, donor advised funds or private foundations.  
<sup>2</sup>Reduced by any deductible IRA contribution made in the same year. Indexed for inflation after tax year 2023.  
 Not intended to be personal advice. Consult with your tax professional.  
 Source: J.P. Morgan Asset Management.



# Maximizing Social Security benefits: Average earner

## Cumulative individual maximum benefit by claim age

Full Retirement Age (FRA) = Age 67



## Planning opportunity

Delaying benefits means increased Social Security income later in life, but your portfolio may need to bridge the gap and provide income until delayed benefits are received.

Social Security/Health

Age	62	67	70	77	81	90
At age 62, probability of living to at least age:	100%	92%	86%	69%	55%	20%
Male (♂)	100%	95%	91%	78%	67%	31%
Female (♀)	100%	99%	99%	93%	85%	45%

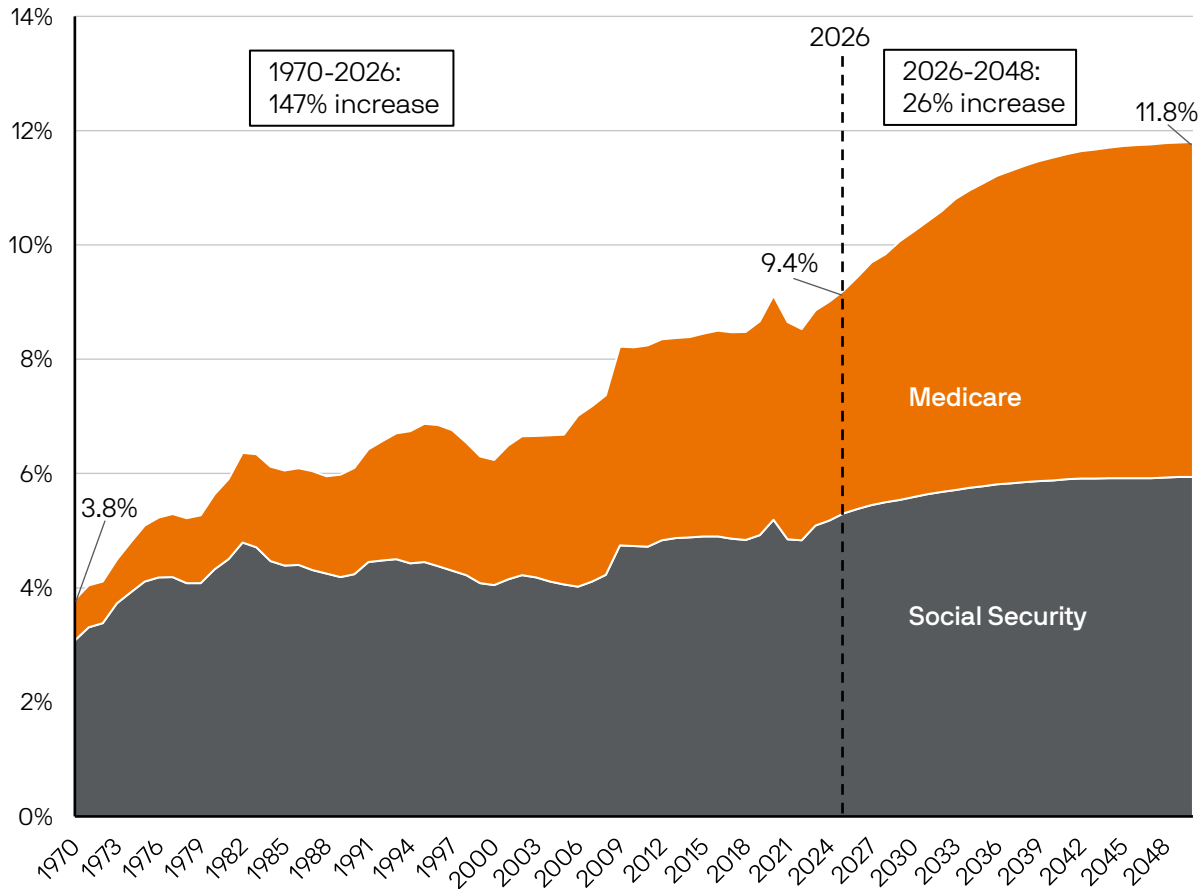
<sup>1</sup>Couple assumes at least one lives to the specified age or beyond. Breakeven assumes the same individual, born in 1964, earns \$80k in the year before retirement, retires at the end of age 61 and claims at 62 & 1 month, 67 and 70, respectively. Benefits are assumed to increase each year based on the Social Security Administration 2025 OASDI Trustee's Report intermediate estimates (annual benefit increase of 2.4% in 2027 and thereafter). Monthly amounts with the cost-of-living adjustments (not shown on the chart) are: \$3,633 at FRA and \$4,838 at age 70. Exact breakeven ages are 76 years & 10 months and 80 years & 8 months. Source: Social Security Administration; J.P. Morgan Asset Management.



# Medicare and Social Security budget pressure

Social Security/Health

### Spending as a percentage of GDP



## Prepare for possible tax increases or benefit changes

In 2025, Medicare and Social Security took up more than one-third of the federal budget. As the population ages, this is likely to increase, with Medicare costs growing faster.

As a result, there are three possibilities over the long term:

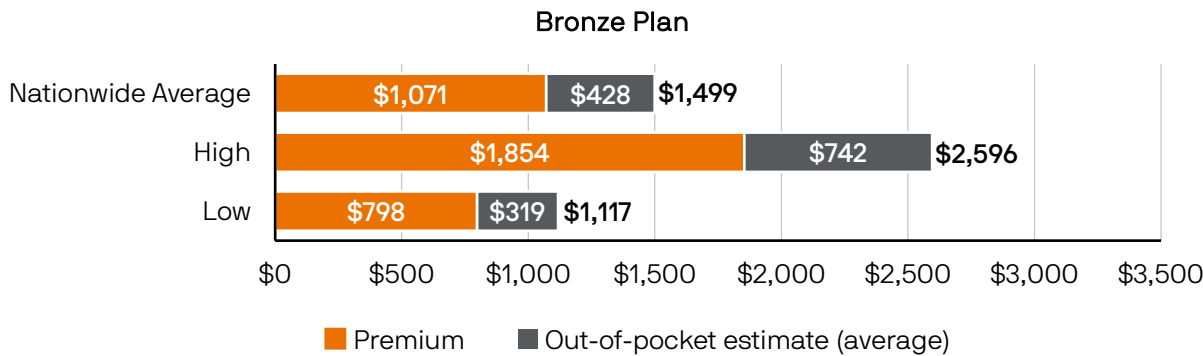
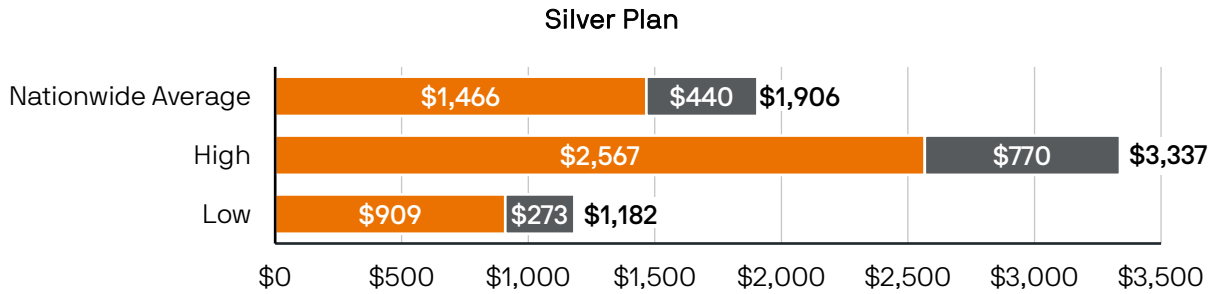
1. Make changes to Social Security and/or Medicare
2. Take on more debt
3. Increase taxes

Source: Social Security and Medicare Board of Trustees, A Summary of the 2025 Annual Reports.



# Health care costs for retirees before age 65

2026 Marketplace plan<sup>1</sup> monthly cost estimate per person: Non-smoker, age 64



## Cost will vary by geography and age

For your estimate and to determine if you will be eligible for a subsidy: [kff.org/interactive/subsidy-calculator/](https://kff.org/interactive/subsidy-calculator/).

Plans are offered in Bronze, Silver and Gold, with coverage increasing across levels. Silver plans are the most popular and the only type eligible for subsidies on the Affordable Care Act (ACA) Marketplace website.

If you do not qualify for a subsidy and want a Silver plan, purchasing directly from the insurer may result in lower pricing than the ACA Marketplace.

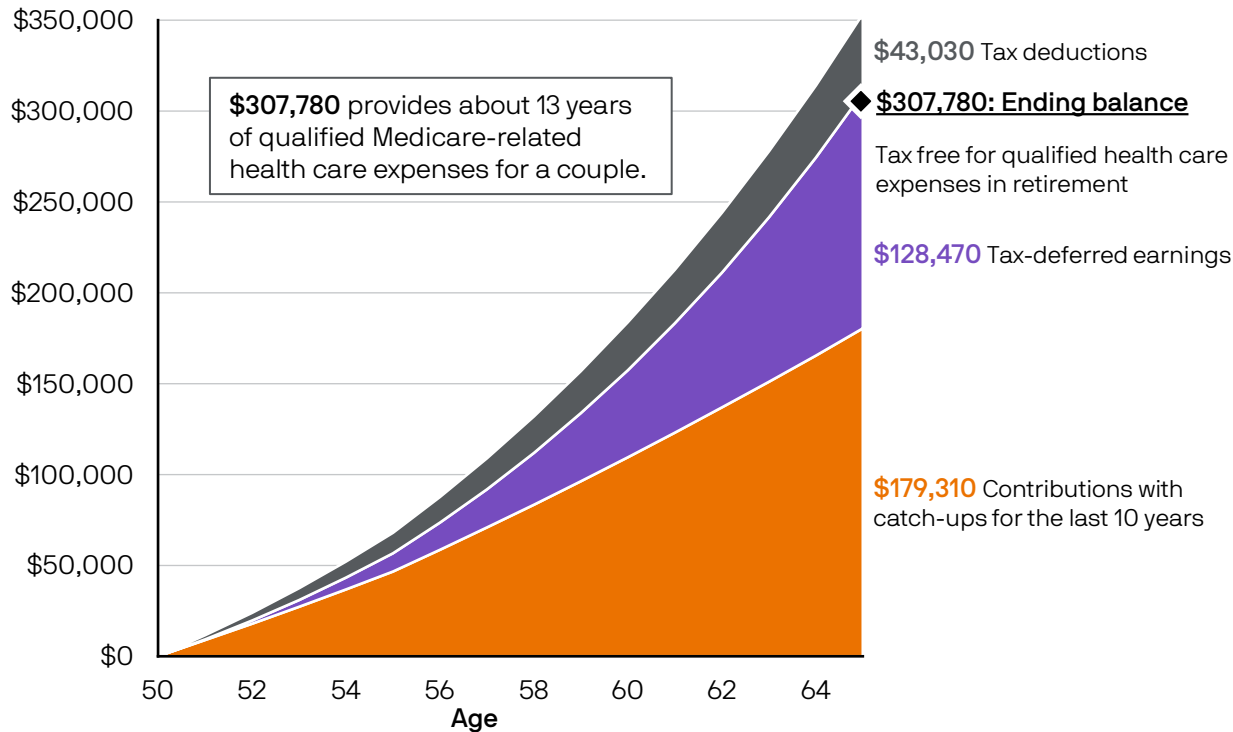
<sup>1</sup>Health insurance plans available through [Healthcare.gov](https://www.healthcare.gov). Not meant to be personal or tax advice. A qualifying plan will allow you to make contributions to a Health Savings Account (HSA). Qualifying plans may provide less coverage; be sure to evaluate trade-offs, especially if you are eligible for a premium subsidy. Average estimated out-of-pocket costs are based on 70% of total estimated costs for a Silver Plan and 60% for a Bronze Plan. Out-of-pocket costs may be slightly higher than shown due to an administrative rule change in 2025. Individuals are not assumed to be eligible for any subsidies in the examples above. Source: [Healthcare.gov](https://www.healthcare.gov), Kaiser Family Foundation subsidy calculator, [kff.org/interactive/subsidy-calculator/](https://kff.org/interactive/subsidy-calculator/); Center for Budget and Policy Priorities, August 21, 2025. Low costs shown above are for zip code 55406 in Minneapolis, MN, and high costs are for zip code 25323 in Charleston, WV.



# Maximizing an HSA for health care expenses

## Health Savings Accounts (HSAs) are triple tax advantaged<sup>1</sup>

Maximum family contribution with catch-ups, 7.25% return and 24% marginal tax rate



### Make the most of it

Investing your HSA contributions for the long term and paying for current health care expenses out of other savings can be a very tax-efficient strategy if you are able to do so.

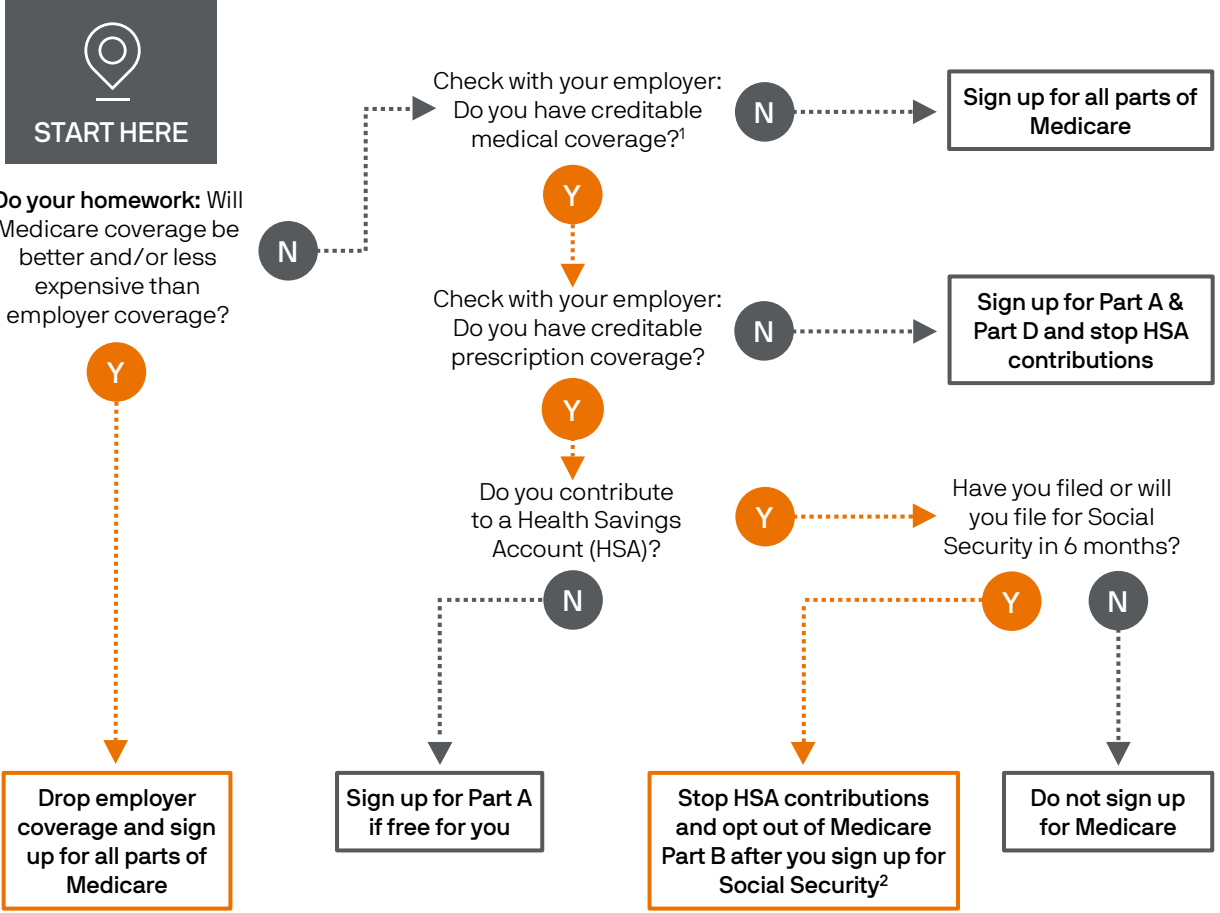
<sup>1</sup>Must have a qualifying high-deductible health plan to make contributions. Funds in the HSA may be withdrawn tax free for qualified medical expenses unless a credit or deduction for medical expenses is claimed. After age 65 funds also may be withdrawn for any reason and taxed as ordinary income without penalty. Some health insurance premiums may be qualified expenses such as COBRA coverage, coverage while receiving state or federal unemployment compensation, Medicare Parts B and D premiums and qualified long-term care (LTC) insurance premiums up to certain limits but excludes Medigap/Medicare supplement policies and most hybrid products that combine LTC with annuities and life insurance. See IRS Publications 969 and 502. This is not intended to be individual tax advice; consult a tax professional.

The above example is for illustrative purposes only and not indicative of any investment. 2026 family contribution limit of \$8,750 is adjusted for inflation of 2.5% for 15 years with catch-up contributions of \$1,000 per person starting at age 55 in 2031. Does not include account fees. Present value of illustrated HSA is \$211,130. Estimated savings from tax deductions at a 37% marginal rate are \$66,350. Assumes cash or income used for health care expenses is not withdrawn from an account with a tax liability. Assumes \$2,000 was held in a cash account and not earning a return. Individual 2026 contribution limit is \$4,400. Source: [IRS.gov](https://www.irs.gov); [Medicare.gov](https://www.medicare.gov); J.P. Morgan Asset Management.



# 65 and working: Should I sign up for Medicare?

Social Security/Health



### Important information:

- 1** Creditable coverage means coverage at least as good as Medicare. Ask for proof of creditable coverage each year.
- 2** Signing up for Medicare and contributing to a Health Savings Account (HSA) will result in tax penalties.<sup>3</sup>
- 3** Signing up for Social Security will result in automatic enrollment in Medicare Parts A & B. Part A coverage will be retroactive for up to 6 months (but not before age 65) and opting out is not permitted.

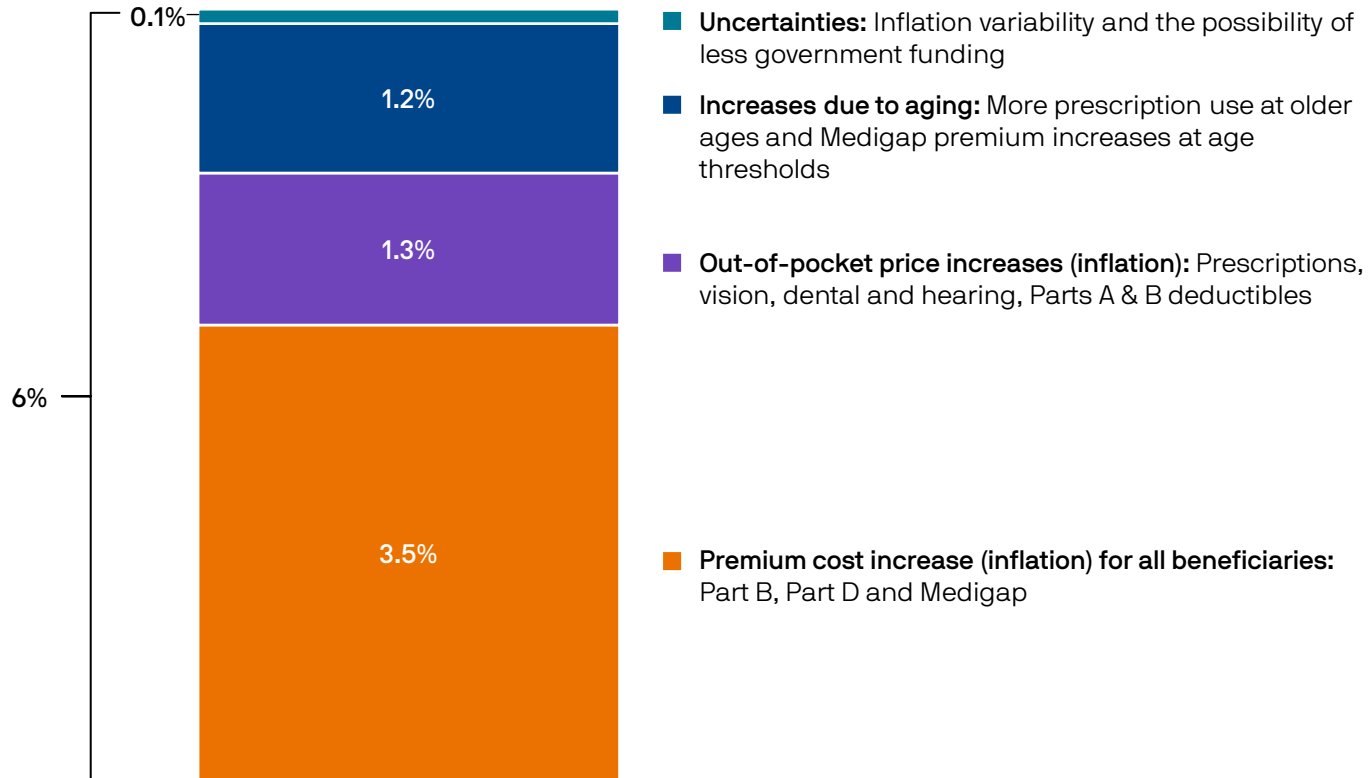
<sup>1</sup>Employer coverage that is *not* creditable will become secondary to Medicare, where Medicare pays first and the employer second. If employer coverage is creditable, the employer pays first and Medicare pays second. <sup>2</sup>To disenroll in Part B you must have an interview with the Social Security Administration and complete Form CMS 1763. <sup>3</sup>Total HSA contributions for the year in excess of the maximum contribution for the year divided by the number of months you are eligible to make contributions will result in tax penalties (6% of the excess contribution each year). This is not intended to be tax advice; consult your tax professional. Source: IRS Publication 969, National Council on Aging and [Medicare.gov](http://Medicare.gov) websites as of December 31, 2025; J.P. Morgan Asset Management.



# Medicare costs increase due to age and inflation

Social Security/Health

## Long-term projected average annual Medicare cost increases



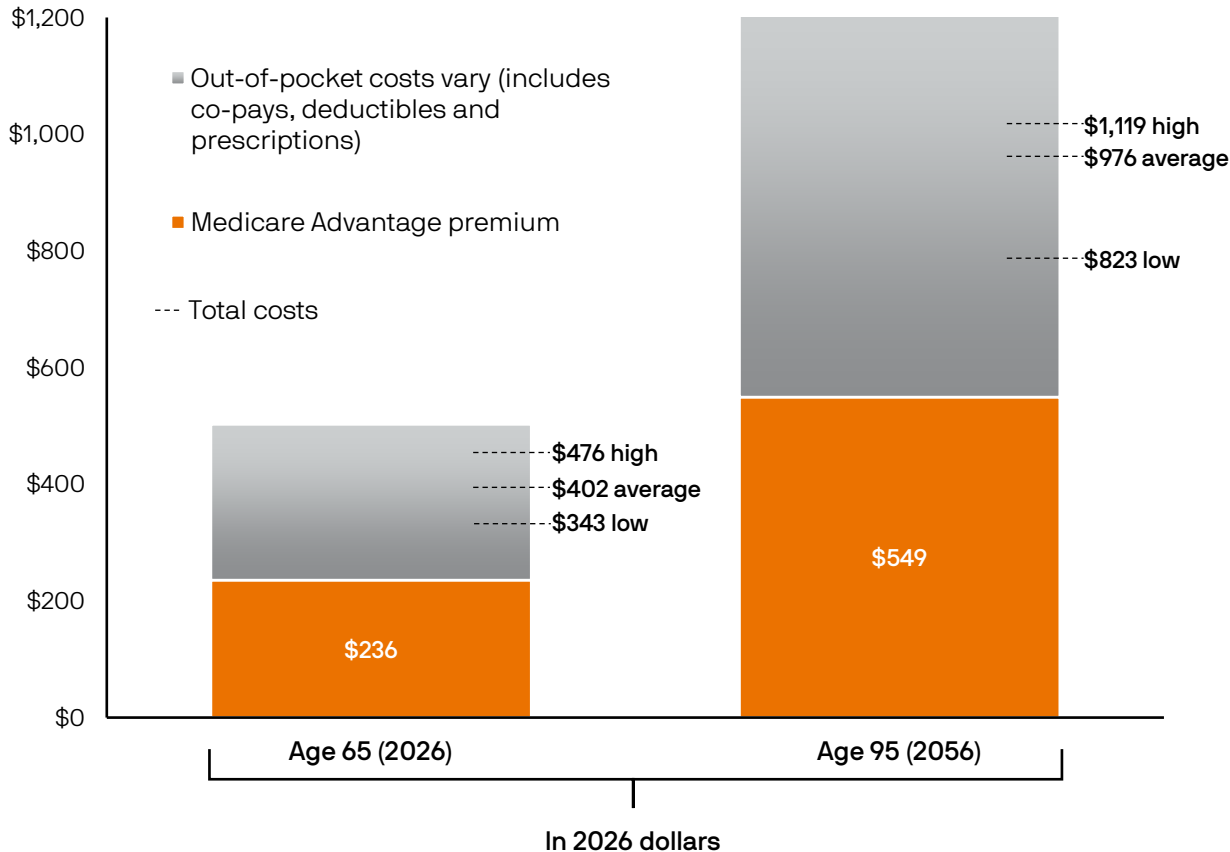
Total may not sum due to rounding. Medigap premiums typically increase with age, in addition to inflation, except for the following states: AR, AZ, CT, FL, GA, ID, MA, ME, MN, MO, NY, VT, WA. For local information, contact the State Health Insurance Assistance Program (SHIP) [shiptacenter.org](http://shiptacenter.org). Plan G premium increases are based on the nationwide average for non-smokers. If Plan G is not available, analysis includes the most comprehensive plan available.  
 Source: HealthView Services, December 2026; Kaiser Family Foundation Key Facts About Medigap Enrollment, October 2024.



# Variation in Medicare Advantage costs

### Estimated Medicare Advantage with Part D and out-of-pocket expenses

Monthly amount per person



### Dramatic differences in costs depending on health

Be prepared to pay more for health care in the event you experience a health issue, which becomes more common as one ages.

- Be aware: Although Medicare Advantage plans have out-of-pocket caps, those limits do not include prescriptions.
- Consider maintaining an emergency reserve fund for high out-of-pocket cost periods.

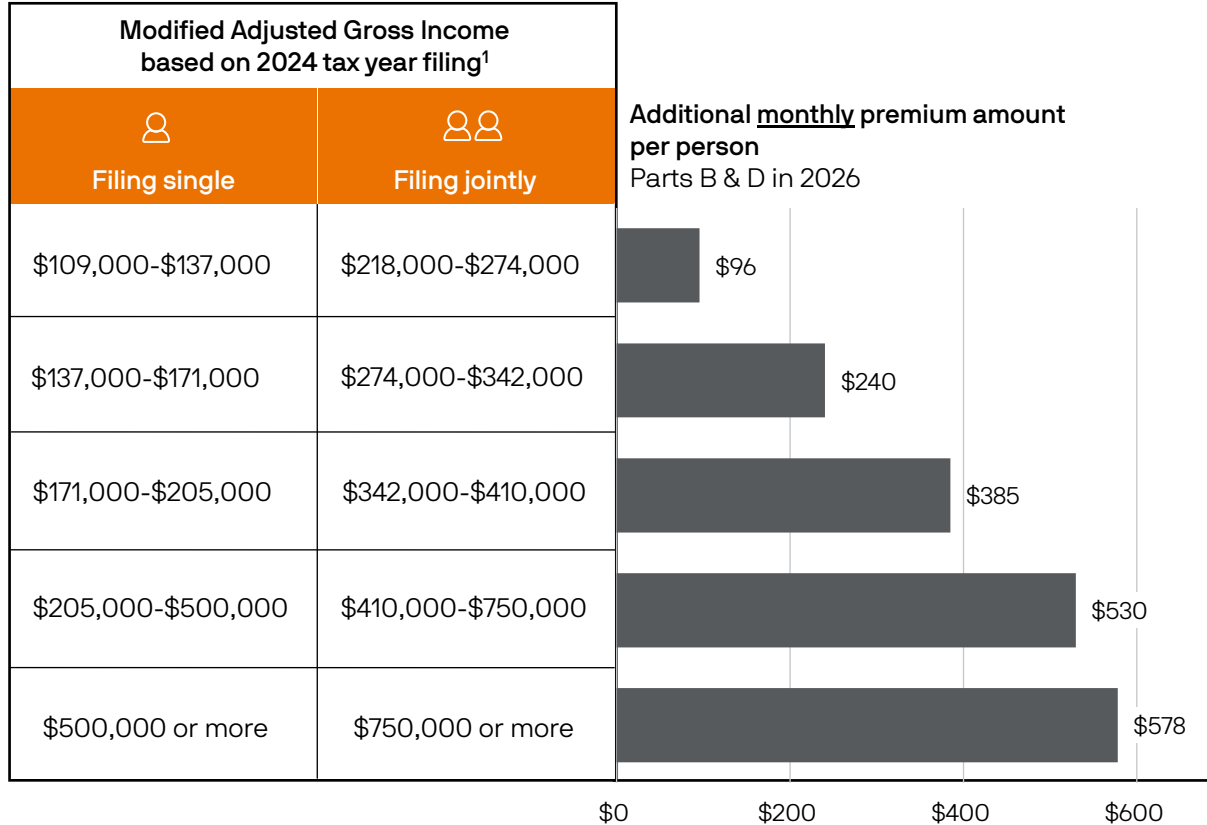
Social Security/Health

Total costs = annual premium + out-of-pocket costs. High costs: Weighted average of medical costs (60th percentile) and prescription costs (65th percentile). Low costs: Weighted average for medical costs (25th percentile) and prescription costs (35th percentile). Plans include Part D and exclude those with subsidies for low-income beneficiaries. Today's dollar calculation used a 2.5% discount rate. Estimated future value of total average costs at age 95 is \$2,047. Cost estimates include increased use of medical care at older ages and will vary based on plan characteristics. Source: HealthView Services, December 2025.



# 2026 income-related monthly adjustment amounts

The adjustment amount is the same for all income levels within a band  
If you go over a threshold, you pay the additional premium for that band



## Surcharge details

**There may be a bigger impact for singles and surviving spouses:** Medicare surcharge thresholds for singles are half of the thresholds for couples.

### Filing an appeal?

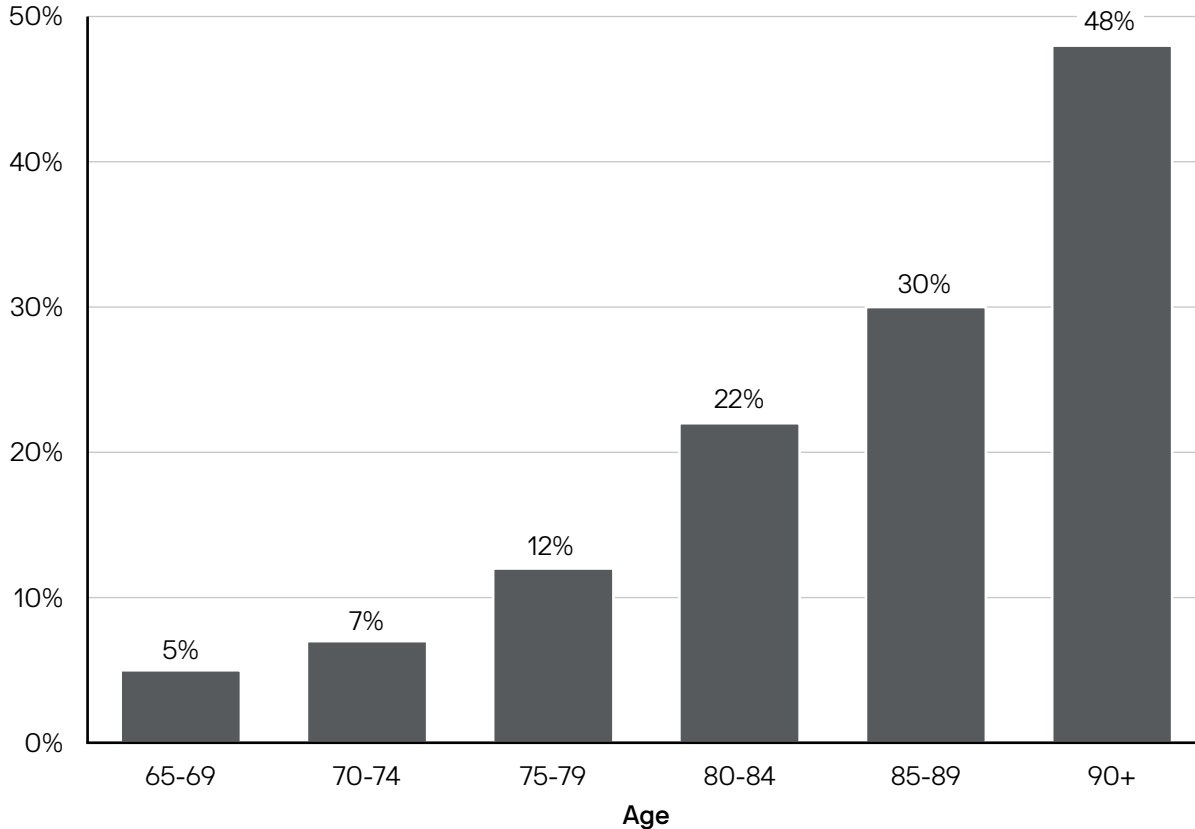
If you have stopped work or you have lower income due to circumstances outside of your control, you might be eligible for an appeal. See form SSA-44 for details: [ssa.gov/forms/ssa-44.pdf](https://ssa.gov/forms/ssa-44.pdf)

<sup>1</sup>The Social Security Administration uses the most recent federal return supplied by the IRS. If you amended your return in a way that changes your adjustment amount, you may need to contact your Social Security office. This is not meant to be personal tax advice. Please consult your tax professional for specifics for your situation. Modified Adjusted Gross Income (MAGI) for purposes of calculating Medicare surcharges is Adjusted Gross Income (AGI) plus tax-exempt interest income. Thresholds increase each year with inflation, except the top threshold, which was added in 2019; this top threshold is set to annually inflate starting in 2028. Source: [Medicare.gov](https://www.medicare.gov) as of December 2025.



# Disability increases with age

Percentage of age 65+ population who need assistance with two or more activities of daily living or have severe cognitive impairment



## Spending may shift to long-term care needs at older ages

Nearly half of those who survive to the oldest ages meet the definition of having long-term care needs. While it is encouraging that the other half of this population does not meet the criteria, some of these individuals may require at least some assistance.

Changes in abilities may require spending on long-term care services, a move to be closer to children, home modifications or a different housing arrangement.

Social Security/Health

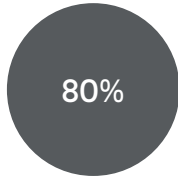
HIPAA qualifying long-term care includes needing help with two or more activities of daily living such as eating, dressing, bathing, transferring and toileting or severe cognitive impairment for at least 3 months.

Source: Spillman, Brenda C., Allen, Eva H., and Melissa Favreault, 2021: Informal Caregiver Supply and Demographic Changes: Review of the Literature. Urban Institute report to the Department of Health and Human Services, Assistant Secretary for Planning and Evaluation, Office of Behavioral Health, Disability, and Aging Policy, December 2020. Located at [aspe.hhs.gov/reports/informal-caregiver-supply-demographic-changes-review-literature](https://aspe.hhs.gov/reports/informal-caregiver-supply-demographic-changes-review-literature). Derived from data from Figure 2, National Health and Trends Study (NHATS) 2015 data.

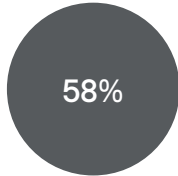


# Family caregiving by the numbers

## Caregiving facts



of long-term care is provided by friends and family



of caregivers provided intensive care such as bathing or feeding



average time spent per week caregiving

### Make a care plan

It is natural for friends and family to help, even if you also use paid care. But you may need to factor moving closer to them into your plan.

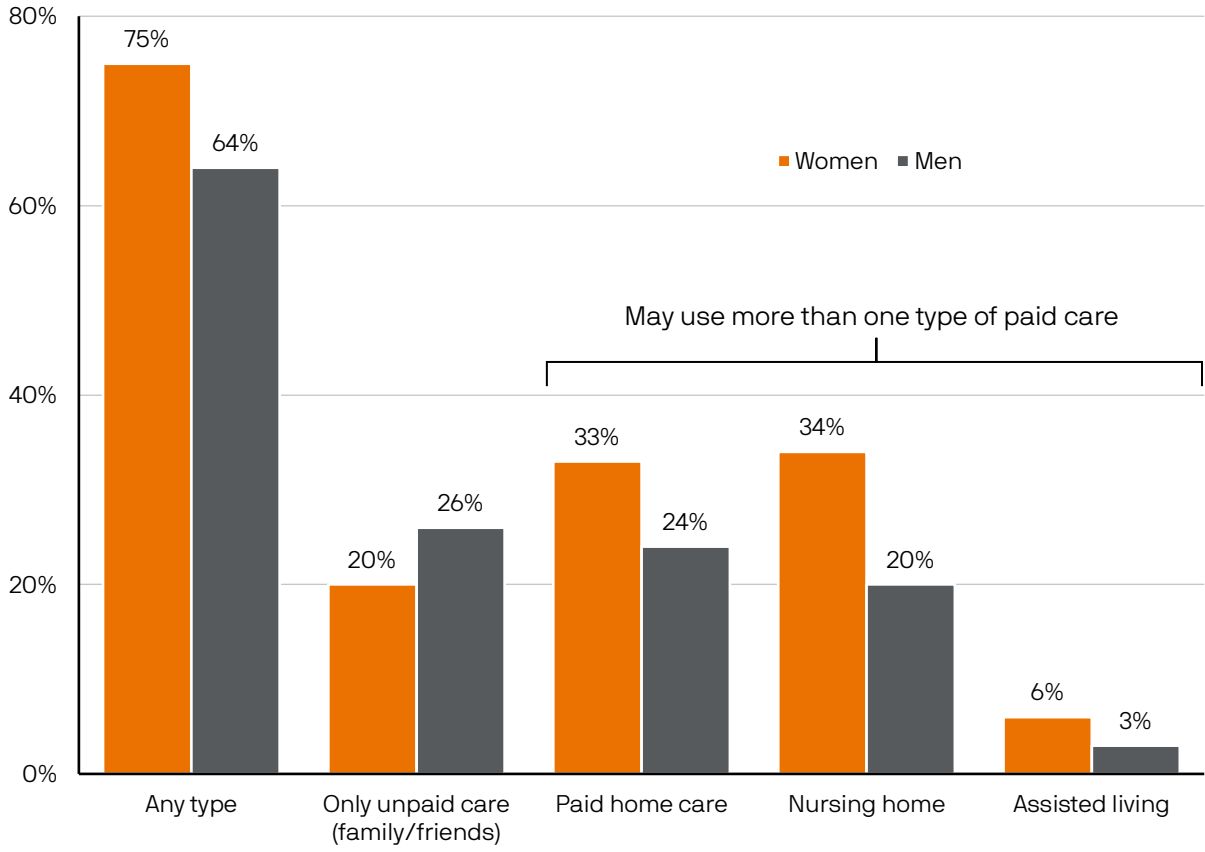
Having other solutions in place and talking to your family about your wishes may help you get the type of care you want and alleviate some of the burden on those who support you.



# Plan for a progression of care

Social Security/Health

### Lifetime probability of needing assistance with two or more activities of daily living



### Plan for a possible progression of care

Dementia patients are more likely to progress to nursing home care. Lifetime risk of dementia at age 65 is about one in 10 for men and two in 10 for women.

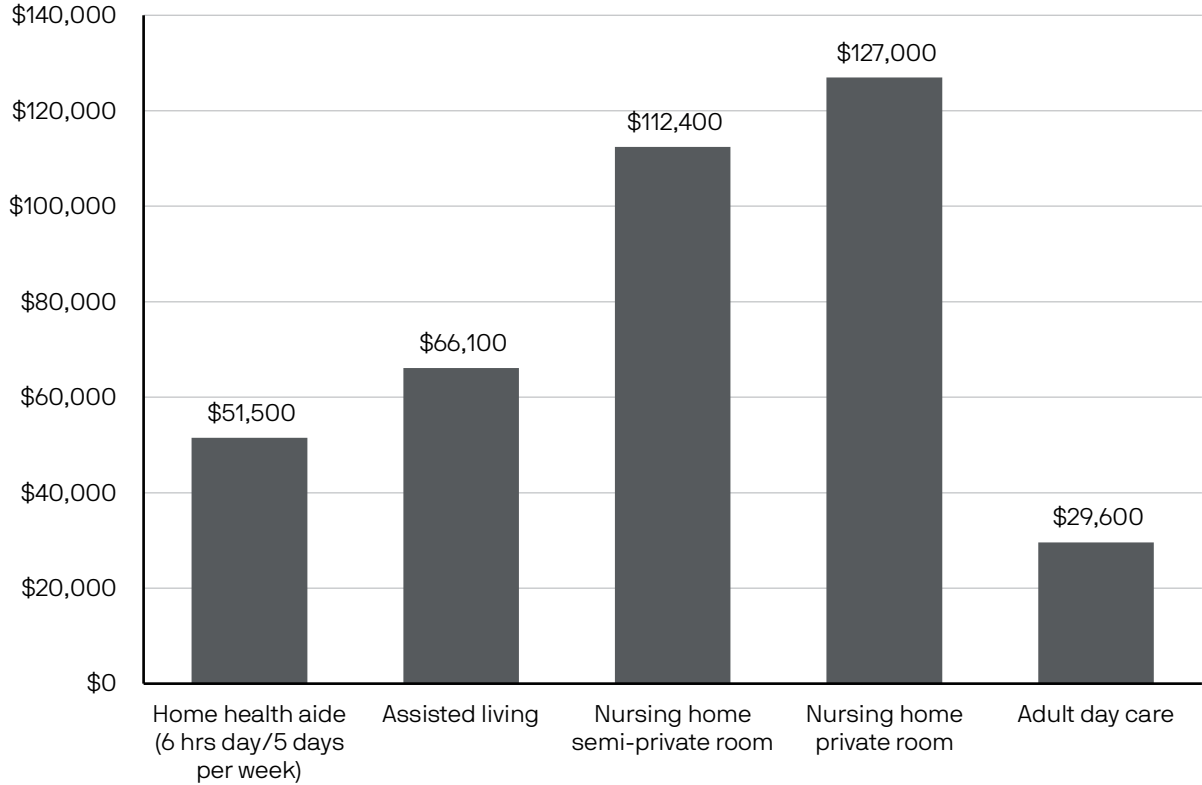
Addressing modifiable risk factors such as healthy behaviors and staying mentally and socially active is not a guarantee but may reduce risk of dementia up to about 40%.

Long-term care includes needing help with two or more activities of daily living such as eating, dressing, bathing, transferring and toileting or severe cognitive impairment. Nursing home stays of less than 90 days are excluded because they may include recovery from injuries. Unpaid caregivers may care for more than 1 person. Source: U.S. Department of Health and Human Services, ASPE Issue Brief, April 2019, What is the long-term risk of needing and receiving long-term services and supports, Table 3; 2022 Alzheimer's Disease Facts and Figures. Alzheimer's Association. Latest data available as of December 31, 2023.



# Care costs vary

National average annual cost of care



## Care cost vary by geography and facility

To get local costs visit: [ltcfeds.gov/tools/cost-of-care](https://ltcfeds.gov/tools/cost-of-care)

Also plan for a possible progression of care from one type to another.

Source: The FLTCIP 2024 Cost of Care Survey conducted by illumifin, March 2025. Costs are rounded to the nearest \$100.



# Tools to manage your affairs with help from an attorney

Reference

What is it?	Who needs it?	Why is it useful?
<p><b>1 Durable power of attorney</b></p> <p>May be immediate or springing; if springing (will come into effect after specified cause), need to clearly specify how to determine incapacity</p>	All adults	<p>Allows you to have control over who will manage your financial and legal affairs in the event you become incapacitated</p> <p>Avoids time and expense of your family waiting on a court to appoint a conservator or guardian</p>
<p><b>2 Beneficiary designations</b></p>	Individuals with retirement accounts and life insurance	<p>Gives you control and may preserve tax deferral options for individuals named as beneficiaries</p> <p>Avoids probate (probate is the process for settling the will and the affairs of your estate such as bills and taxes)<sup>1</sup></p>
<p><b>3 Will</b></p>	All adults with property or young children	<p>Allows you to control your legacy</p> <p>Gives you the ability to appoint a guardian for young children</p>
<p><b>4 Trusts</b></p>	Situation specific	Allows family to avoid probate; more private than a will; may be used for tax planning and/or more complex goals such as providing for special needs relatives

**Tips:**

1. Review and update beneficiary designations regularly
2. Check with financial firms to make sure they will accept the power of attorney; may need to use their forms
3. Assets and property must be transferred to a trust for it to be effective

<sup>1</sup>State laws may vary. Naming your estate may not avoid probate. Transfer on Death (TOD) or Payable on Death (POD) forms for bank and investment accounts may bypass probate. If these are used, the assets in the account will not be available to fund bequests in a will or pay the estate's outstanding debts and bills.

Consult an eldercare or estate attorney. Not meant to be personal advice. Source: National Institute on Aging website as of December 10, 2025; A Senior's Guide to Estate Planning, Elder Law Answers, January 12, 2024; Don't Name Your Estate as Your IRA Beneficiary; New York Times, Have You Named a Legal Guardian for Your Kids? April 17, 2020; Get Your Ducks in a Row: The Baby Boomers guide to estate planning, 2023 edition; J.P. Morgan Asset Management.



# Tools to maintain control of your health care decisions

What is it?	Who needs it?	Why is it useful?	
Advanced directives	1 Durable power of attorney for health care/health care proxy	All adults	Allows you to designate an individual who can make medical decisions if you become incapacitated due to an accident or sudden illness
	2 Living will	All adults	States your wishes should you become incapacitated  Provides relief to your health care proxy who may wonder if they are doing the right thing
	Medical order for life sustaining treatment (MOLST)/Physicians order for life sustaining treatment (POLST)	Those who are diagnosed with advanced illness or frailty	
	Do not resuscitate (DNR) order	Those who are diagnosed with advanced illness or frailty who do not want CPR	
3 HIPAA Release Authorization	All adults	Allows your family to discuss your care with medical staff; you may list more than one person	

Reference

### Tips:

1. Name only one person as your primary health care proxy to avoid conflicts
2. Discuss wishes with health care proxy and family
3. If on Medicare, take advantage of a free advanced directives conversation with physician in annual wellness visit
4. Leave copies of forms with physicians and family; give copies to the hospital if admitted
5. Update when health or wishes change

Consult an eldercare attorney. MOLSTs/POLSTs not available in all states. Source: Get Your Ducks in a Row: The Baby Boomers guide to estate planning, 2023 edition; Caregiver Action Network website as of December 10, 2025; National Institutes of Aging website as of December 10, 2025; J.P. Morgan Asset Management.



# Managing your affairs in the event of incapacity or death



## Consider your wishes in the event of incapacity

- Decide who should have power of attorney (there is potential for misuse if the person is not trustworthy)
- Determine your legacy goals



## Create a list of account information

- Provide secure access for your family or make a copy they can keep in a safe place



## Discuss your plans with your family and caregivers

- Your wishes may change over time so consider periodic updates



# Annuities at-a-glance





RISK TOLERANCE	CONTRACT GROWTH AND PAYOUT	TYPE OF ANNUITY	CHARACTERISTICS
Low	Fixed rate of growth Fixed income payout	<b>Fixed Rate Annuity</b>	Purchase payments grow at a fixed or market rate for a specified period <sup>1</sup>
		<b>Deferred Income Annuity (DIA)</b>	Often purchased to provide income in late retirement years <sup>2</sup>
		<b>Qualified Longevity Annuity Contract (QLAC)</b>	May transfer 100% of account value up to \$210,000 from retirement accounts to fund annuity; this amount is exempt from RMDs May help fund possible long-term care needs Must begin distributions by age 85 or as specified by contract
		<b>Single Premium Immediate Annuity (SPIA)</b>	Single premium purchase payment in exchange for an income stream
Low/ Moderate	Variable rate of growth tied to an index, variable income payout <sup>3</sup>	<b>Fixed Indexed Annuity (FIA)</b>	Account growth is capped in exchange for downside protection <sup>3</sup> Most contracts provide guaranteed minimum fixed growth
		<b>Registered Index-Linked Annuity (RILA)</b>	Account growth is capped (typically higher than a FIA) but can lose value up to a maximum percentage of loss (or “floor”) during a down market <sup>3</sup>
Moderate	Variable rate of growth, variable income payout <sup>3</sup>	<b>Variable Annuity (VA)</b>	Purchase payments are invested in subaccounts like mutual funds Guaranteed living benefits (GLBs) <sup>4</sup> may be available for additional cost to provide minimum guaranteed account growth and/or minimum guaranteed retirement income
Moderate/ High	Variable rate of growth, variable income payout <sup>3</sup>	<b>Investment Only Variable Annuity (IOVA)</b>	Purchase payments may be invested in a variety of subaccounts, including alternatives and hedge funds Used for tax deferral and asset location Available with cost-of-living increase in exchange for reduced payments

Reference

<sup>1</sup>Accumulation product. Defined Contribution (DC) providers may pair these with income annuities. <sup>2</sup>DIAs are also known as longevity annuities and purchased during healthy years to provide income in later years when illness, dementia or other disability may set in and hinder sound income planning decisions. <sup>3</sup>Some contracts contain caps on growth and limit gains attributable to the account based on participation rate or other factors. <sup>4</sup>Guaranteed living benefits and death benefits may be available with certain fixed and variable annuity products at additional cost. While non-qualified annuities are not generally subject to RMDs, state laws requiring contract annuitization may apply. All guarantees are based on the claims-paying ability of the issuing insurance company. When evaluating the purchase of a variable annuity, clients should be aware that variable annuities are long-term investment vehicles designed for retirement purposes and will fluctuate in value; annuities have limitations; and investing involves market risk, including the possible loss of principal. Source: J.P. Morgan Asset Management.



# SECURE 2.0 Act: Broadening access to more people and increasing savings





KEY THEME	DETAILS	EFFECTIVE
 <p>Encourage <b>small businesses</b> to create retirement plans through increased tax credits</p>	<p>Tax credit for 50% of startup cost up to \$5,000 per year for three years<sup>1</sup></p> <hr/> <p>Tax credit for a percentage of employer contributions of up to \$1,000 per employee for five years<sup>2</sup></p>	2023
 <p><b>Emergency savings accounts in Defined Contribution plans</b> to build strong financial foundation</p>	<p>Maximum account value of \$2,600<sup>3</sup> (after-tax contributions; tax-free distributions)</p>	2024
 <p>Help manage <b>student loan</b> debt burden</p>	<p>Employers may make matching contributions to the plans for participants repaying student loans</p>	2024
 <p>Allow <b>greater savings</b> in retirement plans</p>	<p>New plans must auto enroll at a starting rate of at least 3% and auto escalate to at least 10% but no more than 15%</p> <hr/> <p>Increased catch-up amount for individuals aged 60-63 by 50% more than the regular catch-up limit in employer-sponsored plans</p> <hr/> <p>Replace the Saver's Credit with the Saver's Match equal to 50% of plan or IRA contributions, up to \$2,000</p>	2025   2027

Reference

<sup>1</sup>For employers with 100 or fewer employees. For employers with 50 or fewer employees, the 50% startup cost limit is 100%.  
<sup>2</sup>For employers with up to 50 employees that make plan contributions on behalf of employees whose wages do not exceed \$110,000 (adjusted for inflation). The credit amount is phased out for employers with between 51 and 100 employees.  
<sup>3</sup>Contributions that exceed \$2,600 will spill over to the long-term retirement savings portion of the plan. Employers may automatically enroll participants at a rate of up to 3% of pay.  
This list of provisions is not detailed or exhaustive.  
Source: SECURE 2.0 Act of 2022, Division T of the Consolidated Appropriations Act, 2023, Pub. L. 117-328, 136 Stat. 4459 (2022). Not intended to be tax or legal advice. Consult your tax or legal professional.



# SECURE 2.0 Act: Tax implications

KEY THEME	DETAILS	EFFECTIVE
 <p>Increase the <b>starting age for required minimum distributions (RMDs)</b> from 72 to 75 over the next 10 years – <i>Deferring RMDs may increase taxes and Medicare surcharges late in life</i></p>	<p>RMD starting age of 73 for individuals who reach age 72 after 2022</p> <hr/> <p>RMD starting age of 75 for individuals who reach age 74 after 2032</p>	2023
 <p>Greater <b>importance of Roth</b> in employer-sponsored retirement plans</p>	<p>Permit employer contributions on a Roth basis</p> <hr/> <p>Exempt in-plan Roth accounts from lifetime RMDs</p> <hr/> <p><b>Require catch-up contributions to be made on a Roth (after-tax) basis for highly paid employees<sup>1</sup></b></p>	<p>Dec 29, 2022</p> <hr/> <p>2024</p> <hr/> <p><b>2026</b></p>
 <p>Enhance <b>qualifying longevity annuity contracts (QLAC)</b> – <i>Lifetime income starting late in life may help fund possible long-term care needs</i></p>	<p>Allows up to \$210,000 to be used to purchase a QLAC and delay required minimum distribution as late as age 85 when annuity payments commence</p>	Dec 29, 2022
 <p>Permit <b>rollovers from 529</b> accounts to Roth IRAs</p>	<p>Allow rollovers from 529 Plans that have been open for 15 years to Roth IRAs (subject to a \$35,000 lifetime limit and the annual IRA contribution limit)</p>	2024

Reference

<sup>1</sup>Employees with FICA wages in excess of \$150,000 (adjusted for inflation) for the prior calendar year must make their catch-up contributions to their plan’s Roth account. While this provision affects participants in 401(k) plans, 403(b) plans and governmental 457(b) plans, it does not apply to the special catch-up contributions permitted under 403(b) and governmental 457(b) plans. This provision does not apply to SEP plans or SIMPLE IRA plans.

This list of provisions is not detailed or exhaustive.

Source: SECURE 2.0 Act of 2022, Division T of the Consolidated Appropriations Act, 2023, Pub. L. 117-328, 136 Stat. 4459 (2022). Not intended to be tax or legal advice. Consult your tax or legal professional.



# Trump accounts: An early start to saving for children

## A new savings account for minors

KEY FEATURES	DETAILS
Eligibility	U.S. children under 18 with a Social Security number
Establishment	Parent or legal guardian elects via checkbox on their tax return or online Contributions accepted beginning July 5, 2026
Funding/ Contributions	<p>May be funded by:</p> <ul style="list-style-type: none"> <li>• Individuals including parents, guardians, relatives or others</li> <li>• Employers including employee salary deferrals</li> <li>• Qualified general contributions<sup>1</sup></li> </ul> <p>One-time \$1,000 federal government contributions for children born between January 1, 2025 and December 31, 2028 (temporary pilot program)</p> <p>Contributions are not tax deductible</p>
Annual Contribution Limits <sup>1</sup>	<p>Individual limit of \$5,000 (indexed)</p> <p>Employer limit of \$2,500 (indexed), per employee, counts toward individual limit</p>
Investments/ Maintenance	<p>Provisions through December 31 of the year the child turns 17:</p> <ul style="list-style-type: none"> <li>• Investments limited to low-cost U.S. equity mutual funds or ETFs (10 bps fee cap)</li> <li>• Earnings are tax-deferred</li> <li>• No withdrawals permitted</li> </ul> <p>Trump account converts to an individual IRA on January 1 of the year the child turns 18</p>

### Established by the 2025 “One Big Beautiful Bill Act”

Trump accounts were created to “jump-start” savings and encourage early financial literacy for children, setting the stage for a more financially secure future.

Beginning the year the child turns 18, traditional IRA rules apply.

Reference

<sup>1</sup>Qualified general contributions from non-profit organizations, philanthropists, federal, state and tribal governments do not count toward the individual limit. Source: H.R. 1, Section 70204; [trumpaccounts.gov](https://trumpaccounts.gov).



# Traditional IRAs vs. Roth IRAs: 2025/2026

Reference

	Traditional IRA	Roth IRA
<b>Maximum contribution 2026</b>	<ul style="list-style-type: none"> <li>• \$7,500 (earned income)</li> <li>• \$8,600 (age 50 and over)<sup>1</sup></li> <li>• Reduced by Roth IRA contributions</li> </ul>	<ul style="list-style-type: none"> <li>• \$7,500 (earned income)</li> <li>• \$8,600 (age 50 and over)<sup>1</sup></li> <li>• Reduced by Traditional IRA contributions</li> </ul>
<b>Tax-deductibility income limits (Traditional IRA) and contribution income limits (Roth IRA)<sup>2</sup></b>	<p>If you or your spouse is covered by a retirement plan at work, tax deductibility of contributions phases out at these income levels:</p> <p><b>2025</b> Single: \$79,000-\$89,000 Married: \$126,000-\$146,000</p> <p><b>2026</b> Single: \$81,000-\$91,000 Married: \$129,000-\$149,000</p>	<p>Contributions are non-deductible; employer plan coverage does not change the contribution phase-out limits:</p> <p><b>2025</b> Single: \$150,000-\$165,000 Married: \$236,000-\$246,000</p> <p><b>2026</b> Single: \$153,000-\$168,000 Married: \$242,000-\$252,000</p>
<b>Federal tax treatment</b>	<ul style="list-style-type: none"> <li>• Investment growth is tax-deferred and contributions may be tax deductible. Deductible contributions and investment gains are taxed as ordinary income upon withdrawal.</li> <li>• If non-deductible contributions have been made, each withdrawal is taxed proportionately on a pro-rata basis, taking into consideration all contributions made to all Traditional IRAs owned.</li> </ul>	<ul style="list-style-type: none"> <li>• Taxes are due upon conversion of account balances not yet taxed.</li> <li>• Qualified withdrawals of contributions at any time are tax free and IRS penalty free; converted amounts may be withdrawn tax free.<sup>3</sup></li> <li>• Qualified withdrawals of earnings are tax free and IRS penalty free if taken after five years have passed since the account was initially funded and the account owner is age 59½ or older (other exceptions may be applicable).</li> <li>• Multiple Roth IRAs are considered one Roth IRA for withdrawal purposes and distributions MUST be withdrawn in a specific order deemed by the IRS that applies regardless of which Roth IRA is used to take that distribution.</li> </ul>
<b>Early withdrawals</b>	Early withdrawals before age 59½ are generally subject to a 10% IRS penalty unless certain exceptions apply.	
<b>Mandatory withdrawals</b>	By April 1 of the year after one's RMD age: 70½ for those born prior to July 1, 1949; 72-75 for those born on or after July 1, 1949.	None for account owner
<b>Deadline to contribute</b>	<p><b>2025 contribution:</b> April 15, 2026</p> <p><b>2026 contribution:</b> April 15, 2027</p>	<p><b>2025 contribution:</b> April 15, 2026</p> <p><b>2026 contribution:</b> April 15, 2027</p>

<sup>1</sup>Must be age 50 or older by December 31 of the calendar year. IRS Publication 590.

<sup>2</sup>Assumes participation in an employer's retirement plan. No income limits apply when investors and spouses are not covered by a retirement plan at work. Income limits based on Modified AGI (Adjusted Gross Income less certain deductions). Use Worksheet 1-1 in IRS Publication 590-A or consult your tax professional.

<sup>3</sup>Distributions from a conversion amount must satisfy a five-year investment period to avoid the 10% penalty. This pertains only to the conversion amount that was treated as income for tax purposes. The presenter of this slide is not a tax or legal professional. Clients should consult a personal tax or legal professional prior to making any tax- or legal-related investment decisions. IRS Publication 590.

Source: [IRS.gov](https://www.irs.gov); IRS Notice 2025-67.



# Disclosures

Unless otherwise indicated, all illustrations are shown in U.S. dollars.

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Asset class	20/80	40/60	50/50	60/40	80/20
U.S. large cap growth	6.75%	13.25%	16.75%	20.00%	26.75%
U.S. large cap value	6.50%	13.50%	16.50%	20.00%	26.75%
U.S. REITs	0.75%	1.25%	1.75%	2.00%	2.50%
Developed market equities	4.25%	8.50%	10.75%	13.00%	17.25%
Emerging market equities	1.75%	3.50%	4.25%	5.00%	6.75%
U.S. investment-grade bonds	51.50%	38.25%	31.75%	25.00%	11.75%
U.S. high yield bonds	6.25%	4.75%	3.75%	3.00%	1.50%
U.S. securitized	20.25%	15.00%	12.50%	10.00%	4.75%
U.S. cash	2.00%	2.00%	2.00%	2.00%	2.00%

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