

WealthMonitor



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**Wealth
Management**



60 million

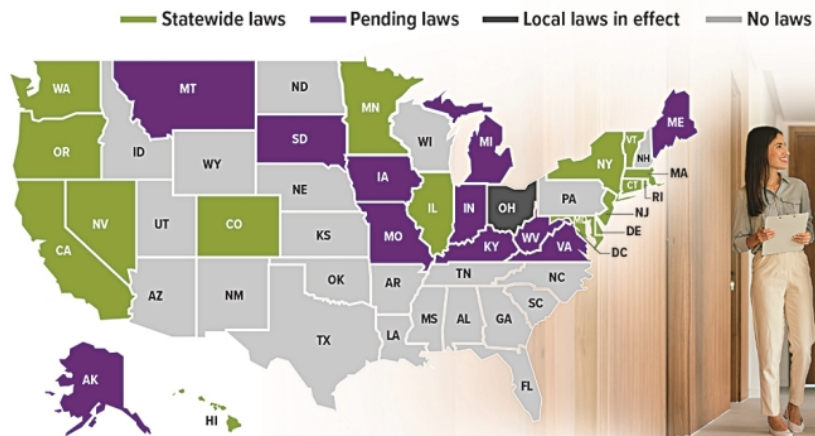
Number of workers covered by pay transparency laws. Less than 10 years ago, zero workers were covered.

Source: beqom, July 2025

Pay Transparency Laws by State

Pay transparency laws require employers to disclose salary ranges at various stages of the employment process, such as in job postings or upon request by job candidates. They may also prohibit employers from asking job candidates about their salary history. The intent of these laws is to make job searches more transparent and to prevent historical wage gaps from following workers throughout their careers.

As of November 2025, 16 states and the District of Columbia have enacted pay transparency laws, and 11 states have pending legislation.



Source: Paycor, November 2025

What Are the Tax Implications of a Spouse's Death?

Losing a spouse is an emotionally distressing time, and not surprisingly, tax-related concerns may not be a priority for a surviving spouse. However, failure to take appropriate steps can lead to a survivor paying more in tax than necessary. Here is an overview of some things the survivor may need to do.

Determine filing status

Selecting an appropriate tax filing status after a spouse's passing can help manage tax liability. For the year of death, survivors can typically use the married filing jointly status, which may lower tax rates and provide an opportunity to claim more deductions. If the survivor has a dependent child, has not remarried, and meets other requirements, the survivor can use the qualifying surviving spouse status for the following two years. This allows the spouse to maintain favorable joint tax rates while claiming the highest standard deductions to prevent a "widow's penalty," which is a tax increase caused by a sudden shift to a single filing status with reduced options for tax breaks. Choosing the right status also may help qualify the survivor for tax credits and determine if a return is even required.

To help mitigate the "widow's penalty" and potentially higher taxes, a survivor should evaluate their withholding, estimated payments, and the timing of income and deductions.



Reevaluate income

The loss of a spouse will probably impact household income. Some income sources may stop, such as employment income, while other sources may start, such as survivor benefits from Social Security or a pension. To help mitigate the "widow's penalty" and potentially higher taxes, a survivor should evaluate their withholding, estimated payments, and the timing of income and deductions. Adjustments may help prevent unexpected liabilities, manage spending, and minimize taxes through investment restructuring or retirement account planning.

Consider step-up in basis

When a spouse dies, certain inherited assets, such as real estate or stocks, are generally subject to a step-up in basis, which is a tax provision that adjusts the cost basis of an inherited asset to the asset's fair market value at the time of death. By "stepping up" the asset's value, capital gain accumulated during the spouse's lifetime is reduced or even eliminated for the surviving spouse.

For jointly owned property, whether there is a full step-up in basis or a partial step-up in basis depends on the specific ownership type of the property and

state law. A tax professional can help with your specific circumstances.

Review retirement accounts

A deceased spouse may have various retirement accounts, such as an IRA, Roth IRA, or 401(k). Unlike real estate and stocks, retirement accounts do not receive a step-up in basis. Instead, their tax treatment generally depends on the type of account, its holdings, and any named beneficiary(ies). A surviving spouse who is named as the sole beneficiary generally has more tax-favorable options than others.*

Plan for gift and estate taxes

Although the federal gift and estate tax may not apply to most estates, surviving spouses with estates exceeding the federal \$15 million gift and estate tax exclusion for 2026 should consider consulting a tax or estate planning professional to help manage tax liability. If an estate is less than the exclusion, a survivor may file an estate tax return to elect portability, allowing the spouse to use the deceased spouse's unused exclusion, potentially reducing taxes.

All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful. Rebalancing involves selling some investments in order to buy others. Selling investments in a taxable account could result in a tax liability.

**The rules governing inherited retirement account assets are complex, and mistakes can be costly. Distributions prior to age 59½ are generally subject to a 10% penalty in addition to ordinary income tax, unless an exception applies. It may be wise to consult a tax professional before making any decisions.*

What Is Value Investing?

During the period before and after World War II, financial analyst and Columbia University professor Benjamin Graham published two books, *Security Analysis* (1934) and *The Intelligent Investor* (1949), that defined an approach to the stock market that became known as value investing. Although some of Graham's ideas have become outdated, his basic strategy remains a bedrock of modern investing, and his most famous pupil, Warren Buffett, is considered among the greatest investors of all time.

Put simply, Graham's strategy was to analyze the underlying value of a company in relation to its share price and only buy shares of companies that he considered significantly undervalued. He believed that this not only provided growth potential but also what he called a "margin of safety" to help mitigate loss — i.e., he found that undervalued but otherwise healthy companies were less likely to have further large declines in stock prices.¹

Becoming a business owner

At the heart of this strategy is viewing the purchase of stock shares as becoming a part owner of a company. "A stock is not just a ticker symbol or an electronic blip," Graham wrote, "it is an ownership interest in an actual business, with an underlying value that does not depend on its share price."² Graham viewed market downturns as an opportunity to buy shares at better values and market upswings as a time to sell stocks that had become overvalued.

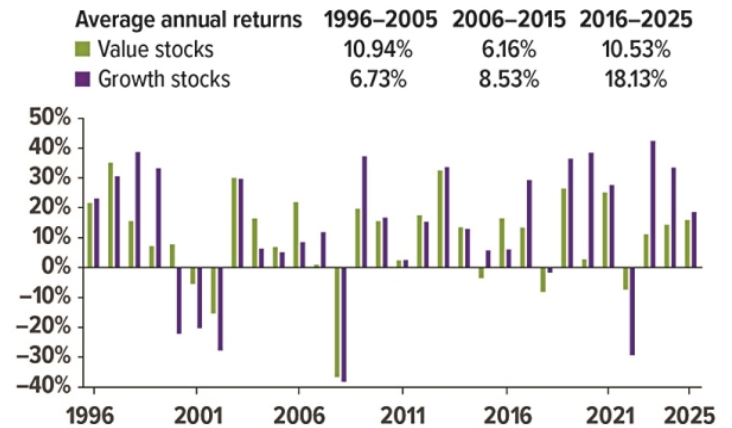
Properly evaluating a company requires substantial work and expertise, examining metrics such as earnings per share, the price-earnings ratio (share price/12 months of earnings), and the price-book ratio (share price/net value of company), as well as the company's operations, market position, leadership, and more. Nonprofessional investors may be unable or unwilling to put in this kind of effort to evaluate individual stocks. However, there are many funds that focus on "value stocks," while others may focus on "growth stocks," which tend to be more expensive in relation to their underlying value but may have more potential for future growth.

Shifting styles?

Although the principles of value investing are timeless, modern analysts point out that Graham underestimated the growth potential of some stocks that might seem overvalued. This has proven to be true over the last 20 years as large technology companies have experienced rapid growth despite being overvalued by traditional analysis. It's impossible to know whether or not this will continue, but there was a notable shift from growth to value in late 2025 and early 2026 that some analysts believe could mark a longer-term trend.³

Performance Over Time

The last 20 years have been a strong period for growth stocks, but value stocks outperformed in earlier periods. Annual returns have varied widely.



Source: YCharts, 2026, for the period 12/31/1995 to 12/31/2025. Value and growth stocks are represented by the Russell 1000 Value Total Return and Russell 1000 Growth Total Return indexes, respectively. The performance of an unmanaged index is not indicative of the performance of any particular investment. Individuals cannot invest directly in an index. Investment fees, charges, and taxes were not taken into account and would reduce the performance shown if they were included. Rates of return will vary over time, particularly for long-term investments. Past performance does not guarantee future results. Actual results will vary.

Because value and growth stocks tend to perform differently under different market conditions, it may be wise to hold both types of stocks in your portfolio, which can be accomplished by investing in broad index funds. If you want to weight your portfolio toward a value or growth strategy (often called an investing style), you might add a value or growth fund or individual stocks selected for value or growth. Definitions of value and growth stocks differ among funds and may change over time within the same fund, so it's important to understand a fund's objectives and structure.

There is no guarantee that any investment strategy will be successful. The return and principal value of stocks and stock funds fluctuate with changes in market conditions. Shares, when sold, may be worth more or less than their original cost.

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

- 1) Investopedia, November 21, 2024
- 2) Goodreads, 2026
- 3) Bloomberg, February 4, 2026

Midyear Checkup: Can You Contribute More to Your Retirement Plan?

With traditional pensions in decline, other work-based plans that are driven primarily by employee contributions — such as 401(k), 403(b), and 457(b) plans — are the bedrock of the U.S. retirement system. This means it's up to you to build retirement savings.

The good news is that the contribution limits for these plans are generous, much higher than the limits for IRAs. However, unlike IRAs — which allow contributions up to the April tax deadline of the following year — you generally must make annual contributions to an employer-sponsored plan by December 31.

The middle of the year is a good time to make sure you are on track to meet your annual contribution goal. Employers will typically allow you to change your contribution levels at any time during the year.

Beyond the match

If your employer offers matching contributions, make sure you are at least contributing enough to receive the full employer match. If not, you are leaving money on the table.

However, employers typically match contributions only up to a small percentage of your salary. Increasing your contributions could make a big difference in boosting your retirement savings. Keep in mind that traditional contributions to an employer plan are usually made with pre-tax dollars, so the decrease in your take-home pay will generally be less than the increase in your contributions.

The earlier you start contributing, the longer your savings have to pursue potential growth. But any time is a good time to increase your contributions — and special catch-up contributions provide an extra opportunity for older employees to boost their savings.

Contribution limits

The standard 2026 contribution limit for 401(k), 403(b), and 457(b) plans is \$24,500.

Employees who are age 50 to 59 or 64 and older can contribute an additional \$8,000 in catch-up contributions for a total of \$32,500. Employees who reach age 60 to 63 in 2026 can contribute an additional \$11,250 for a total of \$35,750.

Beginning in 2026, an employee who earned more than \$150,000 in Social Security wages the previous year must make age-based catch-up contributions as Roth contributions. You can find your Social Security wages in box 3 of your W-2 form. Not all employers offer the option to make Roth contributions.

Some 403(b) and 457(b) plans may offer an additional catch-up opportunity that is not subject to the new Roth provision for high earners. These apply to 403(b) participants with 15 or more years of service or 457(b) participants within three years of the plan's normal retirement age. Ask your employer for more information.

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