



Newsletter

APRIL 2026

Freddi Eberhart & Associates Inc. would like to thank you for selecting our firm for your tax and accounting needs. We appreciate the confidence you have shown in us, and we remain ready to assist you at any time. Also, thank you for recommending us to your family, friends, and associates. We truly appreciate your referrals.

This Month:

Upcoming dates:

April 15

- Individual income tax returns for 2025 are due
- First quarter 2026 estimated tax payments are due

In this month's newsletter, learn about 7 financial facts and how they apply to your financial situation, read about charitable contributions and the One Big Beautiful Bill Act facts, and also a quick reminder about retirement and Health Savings limits for 2026 and 2025.

As always, should you have any questions, please call. And feel free to forward this information to someone who could use it!

7 Interesting Financial Facts

Money touches nearly every part of our lives, yet many people are surprised by how common certain financial behaviors actually are. Here are 7 interesting financial facts that highlight real trends in personal finance, along with practical tips to help you make smarter decisions.

- **Fact #1: 46% of Americans with credit cards carry a balance from month-to-month.** Nearly half of credit card users revolve a balance at some point during the year. Carrying a balance means paying interest, which can often exceed 20% annually.

Financial tip: *Use credit cards like a debit card. Only charge what you can pay off in full each month. If you already carry a balance, consider the avalanche method – pay extra toward the card with the highest interest rate while making minimum payments on the others.*

- **Fact #2: 73% of taxpayers receive a tax refund each year.** While a refund can feel like a financial windfall to some, it actually represents an interest-free loan to the government.

Financial tip: *Consider adjusting your tax withholding if your refund is very large. Take the extra money in your paychecks and redirect it into savings or investments.*

~ Continued on Page 2 ~



Newsletter

APRIL 2026 - PAGE 2

7 Interesting Financial Facts (Cont'd)

- **Fact #3: Americans hold over \$1.67 trillion in auto loan debt.** With rising car prices, more buyers rely on financing, often stretching loan terms to keep monthly payments manageable.

***Financial tip:** When buying a car, focus on the total cost rather than just the monthly payment. Shorter loan terms and larger down payments can significantly reduce the interest you pay over time.*

- **Fact #4: 40% of U.S. homeowners own their homes without a mortgage.** A growing share of homeowners have fully paid off their homes.

***Financial tip:** Even if paying off your mortgage early is appealing, balance this goal with other priorities such as retirement savings and emergency funds.*

- **Fact #5: U.S. households owe about \$18.8 trillion in total debt.** Mortgage debt accounts for the majority of this amount, followed by auto loans, student loans, and credit cards. Debt can help people achieve major life goals like homeownership or education, but too much can limit financial flexibility.

***Financial tip:** Track your debt-to-income ratio. While having no debt is the ideal situation, keeping monthly debt payments below about one third of your income can help maintain some financial stability.*

- **Fact #6: 67% of Americans have little to no savings after each paycheck.** Rising housing costs, inflation, and everyday expenses have made it difficult for many households to build savings.

***Financial tip:** Start with small, automatic savings. Even setting aside a small amount from each paycheck can build meaningful financial security over time.*

- **Fact #7: 54% of working-age Americans have some form of post-secondary education.** More than half of U.S. adults have continued their education beyond high school through a variety of paths – including four-year colleges, community colleges, trade schools, technical programs, and professional certifications.

***Financial tip:** If you're considering additional education or training, evaluate the return on investment before committing. Sometimes shorter programs, certifications, or trade schools can provide strong earning potential with significantly lower costs than a traditional four-year degree.*

NEW! Bonus Contributions no Longer Tax Deferred

Need to know change if 50 or over

As part of the scheduled changes to tax beneficial retirement plans as part of the Secure 2.0 Act, beginning in 2026 higher earning employees may no longer place bonus contributions in a tax deferred

~ Continued on Page 3 ~



Newsletter

APRIL 2026 - PAGE 3

NEW! Bonus Contributions no Longer Tax Deferred (Cont'd)

retirement account. Here are the details.

Background

Most retirement plans provide the ability to deposit additional funds called catch-up contributions if you are age 50 for over. In 2025 this amount is:

401(k): \$7,500

New in 2026

Beginning in 2026, if your income is \$145,000 or more, these catch-up contributions may only be placed in a Roth 401(k). This means the "catch-up" contributions can only be made after paying the tax on the funds.

The good news: These funds and their related earnings will not be subject to tax upon withdrawal.

The bad news: If your employer does not offer a Roth 401(k) you may not take advantage of the catch-up contributions. In addition, you must plan to pay the income tax on these contributions if they are placed in a Roth version of the account.

As an aside, the rule was meant to go into place in 2024, but was delayed to allow plan administrators to make the necessary adjustments.

Action

1. Determine if this change impacts you.
2. Determine if your employer offers a Roth 401(k) to identify your options.
3. Make plan contribution adjustments to account for the additional income OR adjust your plan contributions to avoid the complications presented by this rule change.

Tax Day is Here!

Last-minute details, tips and freebies

With the individual tax-filing deadline on Wednesday, April 15th, now is the time to complete all filing arrangements and payments.

~ Continued on Page 4 ~



Newsletter

APRIL 2026 - PAGE 4

Tax Day Is Here! (Cont'd)

What follows is information typically provided in our filing instructions to you when the tax return is completed.

However, upon review, it makes sense to provide this information to everyone, whether you have filed or not. It is good information to know, so if you have not already done so, ask yourself these questions:

1. **Did you sign your e-file authorization form?** IRS Form 8879 needs to be signed by you before your taxes can be e-filed. If filing jointly, your spouse needs to sign as well. If you haven't already, please return the signed form ASAP to ensure that your taxes can be e-filed on time. But don't sign it before reviewing the tax return. Remember, this signature means you agree with the accuracy of the tax return.
2. **Do you need more time to file?** If you are not ready to file your taxes before the initial April 15th deadline, you can file for a six-month extension. Be aware that it is only an extension of time to file – not an extension of time to pay taxes you owe. You still need to pay all taxes by April 15th!
3. **Do you owe money?** If yes, make your tax payment now! The IRS has several payment options on their website. If mailing a payment, include Form 1040-V and ensure the mail is postmarked on or before April 15th. Sending the payment by certified mail will ensure you have proof of a timely payment. Late payments, even by one day, are subject to IRS penalties and interest.
4. **Do you need to deposit funds in your IRA or HSA?** Did you claim an IRA or HSA contribution on your tax return? In order for the deduction to be valid for 2025, all deposits to those accounts need to be made by April 15th. Once completed, save proof of the contribution with your 2025 tax files.
5. **Do you need to make an estimated tax payment?** The first quarter estimated tax payment for 2026 is also due by April 15th. If you owe taxes for 2025, making 2026 estimated payments might make sense for you. A quick way to calculate a first quarter payment is to divide the taxes you paid in 2025 by four, then adjust this number for any paycheck withholdings. Send your payment along with Form 1040-ES to the IRS by April 15th. Then schedule a tax-planning meeting to determine the best approach for the remainder of the year.

If you do miss a deadline, file your return and pay the taxes as soon as you can to stop the accruing of interest and penalties.

~ Continued on Page 5 ~



Newsletter

APRIL 2026 - PAGE 5

Retirement and Health Savings Limits for 2026 and 2025 (Cont'd)

Retirement Plan Contribution Limits	2026	2025
IRA for those under age 50	\$7,500	\$7,000
IRA for those 50 and over	\$8,600	\$8,000
SIMPLE plan for those under age 50	\$17,000	\$16,500
SIMPLE plan for those 50 and over	\$21,000	\$20,000
401(k) plan for those under age 50	\$24,500	\$23,500
401(k) plan for those 50 and over	\$32,500	\$31,000
Health Savings Account (HSA) Contribution Limits	2026	2025
Self only	\$4,400	\$4,300
Family	\$8,750	\$8,550
Additional for 55 and over	\$1,000	\$1,000

As always, should you have any questions or concerns regarding your tax situation please feel free to call.

This newsletter provides business, financial, and tax information to clients and friends of our firm. This general information should not be acted upon without first determining its application to your specific situation. For further details on any article, please contact us.