

January 2026



THE CAPSTONE QUARTERLY

Happy New Year! As we look ahead to 2026, it's a good time to review your financial strategy and ensure it remains aligned with your goals. With always evolving market conditions, proactive planning can help you navigate opportunities and potential challenges in the year ahead. In this newsletter, Bryce gives ideas for making New Year's resolutions, and Casey reviews some common mistakes we often see when it comes to Medicare.

BRYCE'S POINT OF VIEW

Bryce Pease, CFP®

Financial Resolutions for the New Year



As you know, this is the time of year for making resolutions. Some people want to lose weight, take up a hobby, or even start a business. Others want to volunteer or read more. These are all great goals, but when you sit down to plan out your resolutions, spare a thought for your finances. There are several great financial resolutions most people could focus on

that could have a wonderful impact on your year.

Of course, it's not uncommon to see someone resolve to spend less money, save more, or get out of debt. Those are all good, but let's talk about a few resolutions you may not have thought of. Some of these may not apply to you, but all of them are a valuable way to make your finances stronger and healthier in 2026.

1. Truly Get to Know Your Retirement Plan at Work

If you haven't yet retired, and have access to an employee retirement plan, like a 401(k)/403(b)/TSP, it's important to truly know how your retirement plan works so that you can utilize it as best as possible for yourself. Here are some questions to ask:

- Does your company offer a match? One of the quickest ways to build money inside of the plan is to take advantage of the matching money. Make sure you are at least contributing enough to get the full match.
- Many 401(k) plans allow you to invest at different levels of risk. Are you investing aggressively, moderately, or conservatively? Do you understand the difference? Do you know which is right for you?

- Many 401(k)s are invested in one or more investment funds. Each of these funds contains a prospectus, which is a document that describes how the fund works, including its objectives, strategy, past performance, and expenses. Have you read your prospectus? Do you understand how the funds in your 401(k) are supposed to work? Do their objectives match your own?
- What will you do with your 401(k) once you're retired? You have three basic options: leave the money where it is, withdraw it, or roll it over to a qualified account. Do you know which option is best for you?

In short, make sure your 401(k) is working for you. For those clients that would like us to review your retirement plan at work, please let us know. And for those that own businesses, we can also review your 401k plan as a whole.

2. Update Your Estate Plan

Take a look around you. Look at your home, your car, and your family heirlooms. These might seem like simple possessions, but they're more than that. They're assets. They're part of your estate. That makes them very valuable. So, to ensure your assets go to who you want, you need to ensure your estate plan stays up-to-date.

It's easy to create your will, set up a trust, and take care of your power of attorney and then think the work is done, but life changes constantly. Your estate plan needs to be regularly refreshed to reflect that. So, if it's been a while since you've looked at your estate plan, if changes have occurred in your family, or if you suddenly find yourself the proud owner of an impressive stamp collection, let's update your plan accordingly.

3. Review Your Insurance Needs

No one likes to talk about, think about, or pay for insurance. Yet insurance is a vital part of your finances. Let's face it—no one can predict what life has in store for us. Life is full of wonderful things, but not everything in life is wonderful. Sickness, accidents, even age can all drain our finances dry. What's worse, they can affect our loved ones, too, should they ever be forced to provide for us. So, in 2026, bite the bullet and really think about insurance. Do you have enough life insurance to provide for your dependents if something happens to you? Can you still afford to pay your bills if an accident forces you to stop working? These aren't always pleasant questions ... but with just a little work, you can make the answers much better.

The best thing about resolutions like these is the peace of mind that comes from achieving them. And with that peace of mind comes a gift: the gift of time. Time you don't have to spend worrying...but living instead.

CASEY'S CORNER

Casey Morris, CFP®

Medicare Mistakes



For those who are retired or nearly retired, there are a few financial mistakes we often see when it comes to Medicare.

Medicare comes in many forms, and if you took ten different retirees, you might find ten different ways that Medicare plays a role in their lives. Medicare is a federal health insurance program for those that are age 65 or older. You may be able to get Medicare earlier if you have a disability, end stage renal disease, or Lou Gehrig's disease (ALS). While you don't have to be retired to take advantage of Medicare, as financial advisors we often consider this a part of retirement planning. Medicaid on the other hand is a health insurance program overseen by the federal government and administered at the state level, which is usually only for those with low incomes or limited resources. People often confuse the two programs which is why I wanted to start by explaining the difference.

One of the first mistakes people make is missing their enrollment period. This is a very easy mistake to make and unfortunately it can lead to some major repercussions. Let me be clear, just because most people are eligible for Medicare at age 65, that does not necessarily mean they will be automatically enrolled. In fact, only those who have already started receiving Social Security payments for four months before their 65th birthday are the only ones that will be automatically enrolled in Medicare.

Everyone else must sign up manually during their initial enrollment period, which is typically three months before the month they turn 65, and it ends three months after the month they turn 65. If a person is still working at age 65 and covered by a plan at work that qualifies, they might be able to delay their enrollment period until they've retired. The reason this is important is because missing your enrollment period can mean an increase in the premium payments you make, which is a permanent penalty.

Another mistake we see people make is choosing the wrong Medicare option. Medicare is complex. There are multiple parts and variants. That's why it's easy for people to choose an option that doesn't really fit their needs or leads to unnecessary expenses. Choosing the right Part or Plan for you requires some careful thought about what you need, what

Did you know?

Two separate agencies create coins and paper money. When you think of the creation of money, your mind typically goes to the U.S. Mint. The U.S. Mint actually only creates coins (think pennies, nickels, dimes), whereas the Bureau of Engraving and Printing (BEP) is the agency that creates the paper money. When we refer to "paper" money keep in mind that bank notes are in fact 25% linen and 75% cotton – not paper!

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you can afford, and even what your doctor recommends. There's no one-size-fits-all answer here, despite what the internet may say, so do your due diligence and take your time before deciding what's best for you.

One final mistake we see people make is setting up the automatic renewal of their Medicare plan without careful review. While it certainly makes it convenient to auto renew, it can be a mistake if your needs have changed. Whatever Part or Plan you selected before may no longer be the best option. Instead, take time each year before open enrollment starts to review your coverage and costs to determine whether or not a change is needed.

We can't cover all the common Medicare mistakes in this short article, so please feel free to reach out if you have questions as to how Medicare relates to your situation.

FINALLY...

Every year the IRS sets the limits for how much a person can contribute to a retirement plan, like an IRA, 401(k), or Thrift Savings Plan. For 2026, a person can contribute up to \$24,500 into their 401(k)/403(b)/Thrift Savings Plan. These limits do not include any contribution or match from the employer. Once a person is over age 50 these limits increase depending upon age. For IRAs (or Roth IRAs) the contribution limit for 2026 is \$7,500, which is also increased for those over age 50. Depending on your income and whether or not you are covered by a plan at work, can affect how much you are allowed to contribute (or deduct) to your IRA. If you have questions, let us help you determine how much you can contribute and which type of account might be best for your situation.

Sincerely,

The Team at Capstone Pacific

California | Colorado | Nebraska
1281 E Magnolia St, Unit D 1007
Fort Collins, CO 80524

626-915-7006

bpease@capstonepacificinc.com

cmorris@capstonepacificinc.com

P.S. If you ever run across anyone who could use our services or is unhappy with their current adviser, we always appreciate it when you pass on our name.

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