



Samuel, Sayward & Baler LLC
Smart Counsel, for Life

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Happy New Year!

Dear Clients and Friends:

We hope that you and yours enjoyed a wonderful holiday season together and that this new year brings you health and happiness.

January is the month that starts a brand new year, filled with hope and expectation, and a new SSB newsletter format! We hope you like it.

Continued on page 2



2026 Adjusted Tax Figures

03 Each year the federal government adjusts various benchmark numbers to reflect inflation or cost of living increases.

On page 3 you will find the 2026 adjustments as reported by the IRS



Do You Need a Life Insurance Trust?

05 Life insurance is often meant to provide security for loved ones when someone passes away. But the death benefit of a life insurance policy can increase your taxable estate and result in an increased estate tax liability.

.....
07 5 Things to Know About Funding Your Trust

09 What is the difference between a Revocable Trust and an Irrevocable Trust?

11 Meet Amadise Veiga

12 What's new with the Team

It is also the time for personal new beginnings. Many of us make resolutions for healthier lifestyles, spending more time with family and friends, getting more out of our life than the year before, and getting our affairs in order.

For both individuals and families, trust design is everything, as it can protect your most valuable assets; the wrong structure can create tax disasters or leave assets vulnerable. For those with significant retirement accounts and/or business assets, the rules can change frequently. It is very important that you discuss your goals with your attorney to ensure that your assets are protected.

For information on some of the more common trusts, check out our article on the ***Difference between a Revocable Trust and an Irrevocable Trust*** (page 9). For other trust related information, see Attorney Brittany Hinojosa Citron's piece on ***Insurance Trusts*** (page 5), and Attorney Leah Kofos' **5 Things to Know About Funding Your Trust** (page 7).

Estate planning is not a “one and done” event, but a living, breathing process. A solid plan ensures that your assets are distributed according to your wishes, minimizes taxes and probate costs, and provides clear instructions for your finances and health care if you become incapacitated. However, time and change can render even a well-constructed plan ineffective. Laws evolve, families grow, loved ones

pass, and financial portfolios become more complex. Reviewing and updating your estate plan is a critical part of responsible wealth management.

The SSB Team has been busy over the past few months with our Friendsgiving, collecting food for the Norwood Food Pantry and our annual Holiday Dinner. Check out the latest happenings and some photos starting on page 12.

As always, please feel free to reach out to Kenzie Sayward (kenzie@ssblc.com) with any questions, or ideas for future newsletter articles, or topics that you would like to see on our weekly YouTube® video series.

If you know someone who would like to receive this quarterly newsletter, they can email Kenzie their contact information. Don't forget to forward this to your family and friends!

Happy Winter,
Suzanne R. Sayward
Maria C. Baler





2026 Tax Figures

Each year the federal government adjusts various benchmark numbers to reflect inflation or cost of living increases. Below are some of the 2026 adjustments as reported by the IRS.

- ▶ Estates of decedents who die during 2026 have a basic exclusion amount of \$15,000,000, up from a total of \$13,990,000 for estates of decedents who died in 2025. This means that individuals who have a taxable estate of less than \$15 million do not need to be concerned about their estates being diminished by federal estate tax. This number is doubled for a married couple. Fifteen million dollars is also the amount of the lifetime gift exemption. Note that for Massachusetts residents, the state's estate tax exemption is \$2 million
- ▶ The annual exclusion for gifts remains at \$19,000 for calendar year 2026. The annual exclusion is the amount that each person may gift to any other person in a calendar year without affecting the amount of their lifetime basic exemption (see above). Under the current law, there is no limitation on the number of individuals to whom annual exclusion gifts may be made.
- ▶ For tax year 2026, the standard deduction increases to \$32,200 for married couples filing jointly. For single taxpayers and married individuals filing separately, the standard deduction rises to \$16,100 for tax year 2026, and for heads of households, the standard deduction will be \$24,150.
- ▶ For tax year 2026, the top tax rate remains 37% for individual single taxpayers with incomes greater than \$640,600 (\$768,700 for married couples filing jointly).

The other rates are:

35% for incomes over \$256,225 (\$512,450 for married couples filing jointly);
32% for incomes over \$201,775 (\$403,550 for married couples filing jointly);
24% for incomes over \$105,700 (\$211,400 for married couples filing jointly);
22% for incomes over \$50,400 (\$100,800 for married couples filing jointly);
12% for incomes over \$12,400 (\$24,800 for married couples filing jointly).

The lowest rate is 10% for single individuals with incomes of \$12,400 or less (\$24,800 for married couples filing jointly).

Long-term capital gains tax rates for the 2026 tax year:

Filing Status	0% Rate	15% Rate	20% Rate
Single	Up to \$49,450	\$49,451 to \$545,500	Over \$545,500
Married filing jointly	Up to \$98,900	\$98,901 to \$613,700	Over \$613,700
Married filing separately	Up to \$49,450	\$49,451 to \$306,850	Over \$306,850
Head of household	Up to \$66,200	\$66,201 to \$579,600	Over \$579,600

Inflation Adjusted Tax...

- For tax years beginning in 2026, the dollar limitation for voluntary employee salary reductions for contributions to health flexible spending arrangements increases to \$3,400, up \$100 from prior year. For cafeteria plans that permit the carryover of unused amounts, the maximum carryover amount is \$680, an increase of \$20 from tax years beginning in 2025.
- The annual contribution limit for employees who participate in 401(k), 403(b), governmental 457 plans, and the federal government's Thrift Savings Plan is increased to \$24,500, up from \$23,500 for 2025.

The limit on annual contributions to an IRA is increased to \$7,500 from \$7,000. The IRA catch-up contribution limit for individuals aged 50 and over was amended under the SECURE 2.0 Act of 2022 (SECURE 2.0) to include an annual cost-of-living adjustment is increased to \$1,100, up from \$1,000 for 2025.

The catch-up contribution limit that generally applies for employees aged 50 and over who participate in most 401(k), 403(b), governmental 457 plans, and the federal government's Thrift Savings Plan is increased to \$8,000, up from \$7,500 for 2025. Therefore, participants in most 401(k), 403(b), governmental 457 plans and the federal government's Thrift Savings Plan who are 50 and older generally can contribute up to \$32,500 each year, starting in 2026. Under a change made in SECURE 2.0, a higher catch-up contribution limit applies for employees aged 60, 61, 62 and 63 who participate in these plans. For 2026, this higher catch-up contribution limit remains \$11,250 instead of the \$8,000 noted above.

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Congratulations



15th year



7th year

**Attorneys Suzanne R. Sayward and Maria C. Baler
2025 Super Lawyers**

Super Lawyers is a rating service of outstanding lawyers who have attained a high-degree of peer recognition and professional achievement.



Do You Need a Life Insurance Trust? When an ILIT Makes Sense

By: Brittany Hinojosa Citron, Esq.

Life insurance is often meant to provide security for loved ones when someone passes away. It is not well known that the death benefit of a life insurance policy can increase the insured's taxable estate. If you own life insurance insuring your life at the time of your death, the death benefit of the policy is includable in your taxable estate. The current federal estate tax exemption amount is \$15 million per person beginning January 1, 2026, or \$30 million for a married couple. This is a big number, and most people don't come close to having a taxable estate above \$15 million (or \$30 million for a married couple) which would require the estate to pay a federal estate tax at death.

However, Massachusetts has its own estate tax, and it is not as generous. The Massachusetts estate tax exemption is currently \$2 million for those whose death occurs on or after January 1, 2023. Given the value of real estate and many people's growing retirement accounts, it is not hard for a Massachusetts resident to get to a \$2 million taxable estate.

The other asset that drives up the value of a taxable estate at death is life insurance. It is not uncommon for parents of young children, business owners, or those with sizeable estates or large mortgages to own a life insurance policy with a death benefit of \$1 million or more to provide an influx of cash at death. These funds may be earmarked to help pay living expenses for their survivors, education expenses for children, to pay off a mortgage, or to provide cash to pay estate tax at death. Although life insurance proceeds are not income taxable to the beneficiary of the policy, the death benefit of the policy will count toward the value of the insured's taxable estate will be subject to estate tax.

This is where a life insurance trust comes in. An Irrevocable Life Insurance Trust, commonly called an ILIT, is an estate-planning tool that allows the insured to leave life insurance proceeds to beneficiaries estate tax free. If your life insurance policy is owned by a properly drafted and administered ILIT (instead of by you) at the time of your death, the death benefit will not be included in your taxable estate and will not be subject to estate tax. This can save hundreds of thousands of dollars in estate tax depending on the size of the policy and the insured's estate.

Although an ILIT has significant tax advantages, there are important factors to consider when determining whether an ILIT makes sense for you:

- Once an ILIT owns the policy, you cannot get it back.
- The ILIT will specify how the death benefit will be distributed at your death, and you cannot make changes to the provisions of the ILIT after it is created.
- You cannot be the Trustee of an ILIT that owns a policy insuring your life.
- If you transfer ownership of your life insurance policy to an ILIT and die within three years of the transfer, you lose the estate tax break. The way to avoid this three-year survivorship requirement is to create an ILIT that purchases a new policy on your life.

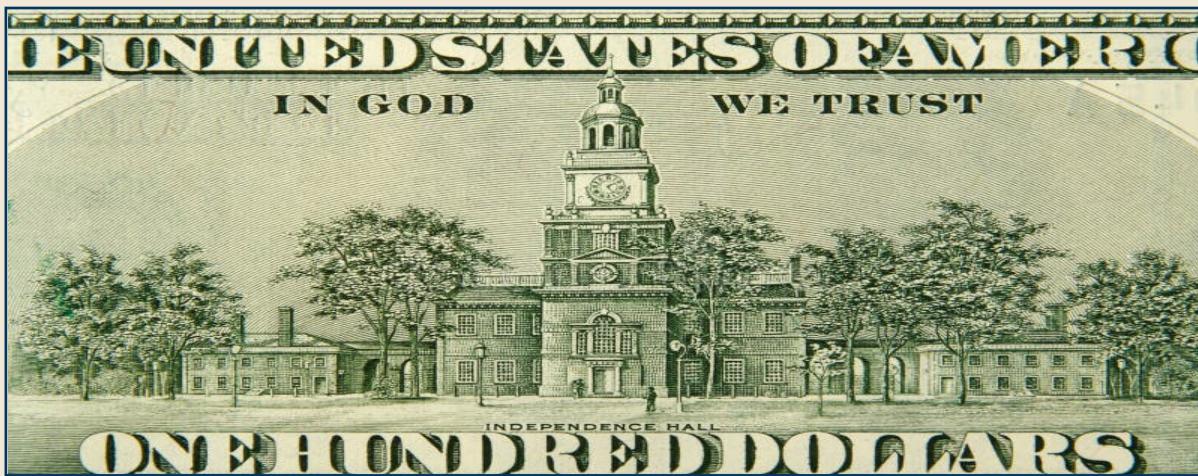
In addition to the above, there are certain steps that must be followed each time a premium payment is made which are crucial to making sure that the contributions to the ILIT qualify for the annual gift tax treatment. Because the ILIT owns the policy, it is responsible to pay the premiums each year. Unless the ILIT has a reserve of cash, you will need to contribute money to the ILIT each year so that the ILIT will have funds available to pay the premium. These contributions will be considered gifts by you to the ILIT beneficiaries. In order for these gifts to qualify for the favorable gift tax annual exclusion (which avoids the need to file a gift tax return reporting the gift and does not reduce your lifetime exemption), the Trustee of the ILIT must give the beneficiaries notice each time a contribution is made, including notice of their right to withdraw amounts contributed to the trust so the contribution qualifies as a present gift. These notices, called Crummey notices, are named after a court case that fleshed out these requirements and allow the contributions to qualify for the annual gift tax exclusion. If the beneficiaries of the ILIT do not withdraw the amounts contributed, the Trustee may use the contributed amount to pay the policy premium, and this process will be repeated each year a premium is due.

All of this is to say that managing an ILIT can be an administrative burden for the Trustee, especially because the Trustee must strictly adhere to the formalities of the ILIT in order for the ILIT to be effective in qualifying the annual gifts to the ILIT for the gift tax annual exclusion and removing the policy from your taxable estate. An ILIT can help you have your cake and eat it too, but you should consider whether the logistics of baking the cake will be worth the sweet estate tax benefits. The best way to determine whether an ILIT makes sense for you and your situation is to consult with an experienced estate planning attorney. If we can help you with that planning, please contact us.

Attorney Brittany Hinojosa Citron is the senior associate attorney with the Dedham firm of Samuel, Sayward & Baler LLC, which focuses on advising its clients in the areas of trust and estate planning, estate settlement, and elder law matters. This article is not intended to provide legal advice or create or imply an attorney-client relationship. No information contained herein is a substitute for a personal consultation with an attorney. For more information visit ssbllc.com or call 781-461-1020.

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5 Things to Know About Funding Your Trust



Creating a trust is a smart step toward protecting your assets and making sure they are distributed according to your wishes. But setting up a trust is only half the job – funding it properly is what makes it work. Unfortunately, many people overlook this step, leaving their assets exposed to probate or other unintended consequences. Below are five crucial things you should know about funding your trust to ensure it does exactly what you want it to do.

1. If assets aren't funded into your trust they won't avoid probate. One of the biggest misunderstandings about trusts is the belief that simply signing the documents means your estate will avoid probate. Not so. If you don't retitle your assets so that they are owned by your trust or name your trust as the beneficiary where appropriate, any assets held in your sole name stay outside the trust and will pass through your Will instead.

In that case, the assets will still make it into your trust after your death – but first they will have to go through the probate process. Probate can be time-consuming, expensive, and public - exactly what most people create a trust to avoid. Funding your trust correctly before death ensures that your wishes are carried out privately and efficiently, just as you intended.

2. Different types of accounts are funded differently! Funding your trust isn't a one-

size-fits-all process. Each type of asset has its own best method for being incorporated into your trust - and what works for one may not work for another.

Non-retirement accounts like checking, savings, or brokerage accounts are generally retitled into the name of your trust. In some cases, these types of assets may remain titled in the individual's name with their trust designated as the beneficiary. Life insurance policies can also name your trust as the beneficiary, which can be especially useful if you don't want the proceeds going directly to beneficiaries because they are minors or have creditor issues for example, and for estate tax planning.

When it comes to retirement accounts like IRAs or 401(k)s, however, the trust is never the owner – only the beneficiary. And even then, naming the trust as the beneficiary must be done carefully. If you're married, it's usually recommended that your spouse

be named the primary beneficiary to preserve certain tax advantages, with the trust listed as the contingent beneficiary. In some cases, it may even be beneficial to name individuals as beneficiaries instead of your trust, depending on your goals and the terms of your trust.

Every family situation is unique, so it's essential to get specific advice from an experienced estate planning attorney to ensure your designations are right for you and won't cause unintended tax consequences.

3. You May Need to Provide a Certification of Trust. When you transfer accounts into your trust, banks or financial institutions will want proof that the trust exists and that you have the authority to act for it. The law says that financial institutions can rely on a document called a Certification of Trust, which summarizes the key provisions without revealing all the private details like beneficiaries. However, some banks have stricter internal policies and may demand to see the entire trust agreement. In some cases, banks and financial institutions may ask to see the original documents, not copies. As such, when you're funding your trust, be prepared to provide this documentation and always keep your original documents safe. If the bank employee insists on seeing your original trust, don't leave the bank until you get your original trust back.

4. Remember Future Assets! Funding your trust isn't a one-time project. Life changes and so will your asset portfolio. People often acquire new bank accounts, investment accounts, or real estate after their initial trust funding, but forget to transfer these new assets

into the trust. One of the reasons to have regular check in meetings with your estate planning attorney – every two to five years – is to review your trust funding. These check-ins help you catch any gaps before they create big headaches later.

5. Get Confirmation and Keep Records.

Sometimes, even when you've done everything right on your end, banks or insurance companies drop the ball. It's not uncommon for a bank to say they've changed the title or beneficiary designation but then fail to follow through. Or they might update one account but not another held with the same institution.

Always get written confirmation that your accounts have been retitled correctly or that beneficiary designations have been updated. Keep copies of this paperwork with your trust documents. This simple step can save your family from confusion and delay down the road.

Every situation is different, and your trust should reflect your unique life, family, and objectives. A well-drafted trust is a powerful tool, but it's only effective if it's properly funded and maintained over time. A good estate planning attorney will give you written instructions on how to properly fund your trust based on your assets and your specific goals. By understanding how each of your assets should be titled or beneficiaries designated, keeping clear records, and checking in regularly with your estate planning attorney, you ensure your plan stays current with your life's changes. With your trust fully funded, you can rest easier knowing you've done everything you can to

Attorney Leah A. Kofos is an associate attorney with the Dedham firm of Samuel, Sayward & Baler LLC, which focuses on advising its clients in the areas of trust and estate planning, estate settlement, and elder law matters. This article is not intended to provide legal advice or create or imply an attorney-client relationship. No information contained herein is a substitute for a personal consultation with an attorney. For more information visit ssbllc.com or call 781-461-1020.



Q: What is the difference between a Revocable Trust and an Irrevocable Trust?

A: Although both types of trusts are used in estate planning, there are different scenarios where one or both types of trusts might be optimal.

Revocable Trusts are the most commonly used type of trust because they can achieve many estate planning goals. The biggest appeal of Revocable Trusts is often probate avoidance. When assets are titled in the name of your trust or pay to your trust at death, the assets make their way to your intended recipients without the need for probate court involvement saving your beneficiaries time and money. Revocable Trusts can also allow for more intricate and creative distribution of trust assets to your beneficiaries than can be done via a Will. This includes holding assets in trust for a beneficiary for the beneficiary's lifetime to put a check on the beneficiary's spending or to provide the beneficiary with increased creditor protection. Married couples with total assets over \$2 million can also use Revocable Trusts to reduce the Massachusetts estate tax payable at death.

Important characteristics of a Revocable Trust that distinguish it from an Irrevocable Trust are flexibility and accessibility. While you are still alive, you will typically be the Trustee of the trust and the beneficiary of the trust, giving you complete control over how the trust assets are invested and how they are used for your benefit. While you are living, every aspect of your Revocable Trust may be altered, including who gets what after your death and who is the Trustee both during your lifetime and after your death. A Revocable Trust can even be re-written in its entirety (a Trust Restatement). As your family situation changes or the law changes you are always able to adapt your Revocable Trust to meet your changing needs. Because of these benefits, Revocable Trusts are a common part of most estate plans.

Irrevocable Trusts are less flexible in some ways. Depending on its terms, once an Irrevocable Trust is created, its assets may be inaccessible to the Trust maker, and the terms of the trust may not be able to be changed.

Despite these restrictions, Irrevocable Trusts can provide significant estate tax savings. They can also protect assets from creditors or from having to be spent down on long-term care costs.

In any event, you should always have a detailed discussion with your estate planning attorney regarding what type of trust is best to achieve your goals and understand the consequences of certain choices.

Samuel, Sayward & Baler LLC focuses on advising its clients in the areas of trust and estate planning, estate settlement, and elder law matters. This article is not intended to provide legal advice or create or imply an attorney-client relationship. No information contained herein is a substitute for a personal consultation with an attorney. For more information visit ssblc.com or call 781-461-1020.

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Meet *Amadise Veiga*

Amadise Veiga is the first friendly face our clients meet when they arrive at our office. As our talented Receptionist and Legal Assistant, Amadise never fails to bring a smile to both clients and colleagues. Whether she's answering phones, or greeting visitors with warmth, she creates a welcoming environment that reflects the heart of our firm.

A Day in Her Life

Amadise is a central point of contact for our clients— always ready to answer questions, assist with document requests or update your contact information. Her knack for problem-solving means that no issue is too big or small when she's on the case! When asked what she loves most about her job, Amadise beams, "Creating a welcoming environment makes my day!"



Fun Facts About Amadise

Three Words to Describe Her: Witty, Intellectual, Inventive

Favorite Travel Destination: Dubai! The stunning architecture and art have left a lasting impression on her.

Can't Live Without: Heated socks, because who can stand cold feet?

Food Craving: You'll win her heart with stir fry teriyaki shrimp and veggies—yum!

When Off Duty: Amadise thrives as a mom, dabbles in art through sketching and painting, and sings along to acoustic rhythms. She keeps active with hikes, cardio, and daily yoga practices from the comfort of her home.

Career Wisdom

With a passion for her work, Amadise has learned a vital lesson: "If you don't enjoy the people you work with, then you're not going to love what you do." Her infectious spirit and dedication make her an invaluable part of our team!

With her unique blend of creativity and intellect, Amadise enriches our workplace every day. From elevating the client experience to bringing joy and positivity into the office, she truly is a gem!

SSB NEWS

FEEDING THE HUNGRY

At SSB, our commitment extends beyond our clients and into the heart of our community. We believe in the power of collective action and the importance of supporting our neighbors. It is with this spirit that we are proud to announce the success of our inaugural firm-wide food drive, an initiative aimed at providing essential support to local residents facing food insecurity.



This effort brought our team together for a common cause: to help ensure that families in our area have access to nutritious food. We are incredibly proud of the generosity and enthusiasm our staff showed, filling office boxes with a wide array of non-perishable items. Together, we gathered and donated bags and boxes of food—essentials that will make a real difference.

The success of this food drive is a testament to our team's dedication to making a positive impact. We understand that legal support is just one facet of a healthy community. By addressing fundamental needs like food access, we can help build a stronger, more resilient community for everyone. This initiative was more than just a collection of goods; it was a demonstration of our core values in action.





Ashley, Leah, Alex, Brittany, Aubrie, Laurie, Sean, Karen, Janine
Amadise, Kenzie, Jasmine and Maria



Ashley, Leah, Alex & Brittany



SSB Holiday Dinner

Byblos Restaurant Norwood



Joanne, Jasmine and Brittany



Janine, Joanne and Karen



Leah shares a holiday estate plan story



Kenzie and Joanne rockin' out



Maria, Francis, Steve, Sue, Brittany and Sean

(back row) Leah, Alex, Ashley, Brittany, Laurie, Maria

(front row) Aubrie, Janine, Chris, Amadise, Joanne, Kenzie, Steve, Sue, Sean, Jasmine and Francis

An Irish step lesson by Sean

