CARSON WEALTH | THE SHOBE FINANCIAL GROUP

Planning for Your Wealth

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Health Savings Accounts in 2026

Did you know you can use a Health Savings Account (HSA) not just to cover medical expenses today, but also to invest for your future? While many people think of HSAs as simple healthcare spending tools, they can actually play a powerful role in long-term financial planning—especially with new rule changes taking effect in 2026.

An HSA is a tax-advantaged savings and investment account designed specifically for qualified healthcare expenses. What makes it especially

attractive is its “triple tax benefit.” Contributions are made with pretax dollars, reducing your taxable income. The funds then grow tax-free, and withdrawals for eligible healthcare expenses are also tax-free. This combination helps make HSAs one of the most efficient savings vehicles available.

Traditionally, HSAs have been tied to high-deductible health plans (HDHPs), which led to some confusion with flexible spending accounts (FSAs). However, unlike FSAs, HSA funds never expire. The money you contribute is yours to keep forever, and the account is portable—meaning you can take it with you you change jobs or retire.

New in 2026, recent legislation—often referred to as the “One Big Beautiful Bill”—significantly expands how HSAs work. One of the biggest changes is broader eligibility. Starting in 2026, individuals enrolled in Bronze and Catastrophic health plans through the Affordable Care Act marketplace can now qualify for and contribute to an

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Summary: Social Security Fairness Act and 2026 Updates

The Social Security Fairness Act, signed into law on January 5, 2025, repealed two long-standing provisions—the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO)—that had reduced or eliminated Social Security benefits for millions of public sector workers. Approximately 2.8 million state and federal employees, including teachers, police officers, and other government workers, are affected by this change.

Previously, WEP reduced Social Security benefits for individuals who worked in both the private sector (where they paid into Social Security) and government jobs that did not participate in the system. GPO, on the other hand, reduced or eliminated spousal and survivor benefits for retirees receiving government pensions. Together, these rules often resulted in significantly lower retirement income for affected individuals.

With the repeal of WEP and GPO, current and future retirees will now receive their full Social Security benefits without reductions tied to government pensions. This includes full access to spousal and survivor benefits, restoring eligibility for many who were previously excluded.

For those already retired and receiving reduced benefits, the law helps provide substantial relief. Affected individuals are entitled to increased monthly payments going forward, as well as retroactive lump-sum payments dating back to January 2024. Similarly, surviving spouses who were previously denied or received reduced benefits under GPO are now eligible for full benefits, along with retroactive compensation if applicable.

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Shobe Happenings

Expanding Credentials!

Corey Luckett and Zainab Gandhi, both Vice President and CERTIFIED FINANCIAL PLANNER, have joined Jason Windham (President, Partner and CERTIFIED FINANCIAL PLANNER) in earning the Certified Exit Planning Advisor (CEPA) designation, equipping our team with advanced tools to help business owners reduce risk, build value, and align business and personal goals for successful transitions

As of 2026, implementation is ongoing. The Social Security Administration is working through a large volume of cases to recalculate benefits and distribute payments. Because of the scale and complexity of the changes, progress has been gradual, and some beneficiaries are still waiting for adjustments.

The agency has prioritized certain groups, including older retirees, surviving spouses, and individuals with the largest benefit discrepancies. Many recipients began seeing increased monthly payments throughout 2025 and into 2026, while retroactive payments are being issued in phases. These lump-sum payments may arrive separately from updated monthly benefits.

Administrative challenges, including the transition between presidential administrations following the 2024 election, have contributed to delays. However, the law remains fully in effect, and benefit corrections continue to move forward.

The repeal of WEP and GPO represents a major change to the Social Security system. Although the rollout has taken time, affected individuals can expect improved financial security through higher monthly benefits and compensation for past reductions. If you have questions about how this could impact you, we're here to help!

Shifting Role for Gwen Riley

You've likely met Gwen Riley, our friendly former Client Experience Advocate who greeted office visitors. We're excited to have her bring that same energy to our operations team as an Operations Support Specialist, where she'll support our advisors and continue delivering excellent service to our clients.

Health Savings Accounts in 2026 - cont.

HSA, even if those plans don't meet traditional HDHP rules.

Additionally, telehealth services can now be covered before you meet your deductible without affecting your HSA eligibility—a provision that is now permanent. This helps make it easier to access care while still benefiting from an HSA.

Another important update allows certain direct primary care arrangements to remain HSA-compatible. In simple terms, you can now pay monthly membership-style healthcare fees and still contribute to your HSA, adding flexibility for those seeking alternative care models.

So how do you know if an HSA is right for you? You still need to meet some core criteria. You must have qualifying health coverage, cannot be claimed as a dependent on someone else's tax return, cannot be enrolled in Medicare, and cannot have other disqualifying health coverage.

Beyond eligibility, your personal situation matters. HSAs are often a strong fit for individuals or families who are relatively healthy and don't require frequent medical care. If you typically only visit the doctor for routine checkups and can handle a higher deductible, an HSA-compatible plan may work well—especially now that more plan types qualify.

Contribution limits are another key factor. For 2026, individuals can contribute up to $4,400 for self-only coverage or $8,750 for family coverage, with an additional $1,000 catch-up contribution for those age 55 and older.

To maximize the benefits of an HSA, it's important to think long term. Ideally, you should have enough cash flow or savings to cover current medical expenses out of pocket while leaving your HSA funds invested. Many HSA providers offer investment options similar to retirement accounts, allowing your balance to grow over time and potentially serve as a supplemental healthcare fund in retirement.

However, there are some common mistakes to avoid. One is failing to keep receipts for medical expenses. Even if you don't reimburse yourself right away, you can do so later—as long as you have proper documentation. Another mistake is relying too heavily on your HSA early on instead of letting it grow.

It's also important not to skip necessary medical care just to build savings. While HSAs are a great financial tool, your health should always come first. Some years you may save significantly, while in others you may need to use most or all of your contributions—and that's okay.

Ultimately, HSAs are more flexible and powerful than ever thanks to the 2026 changes. With expanded eligibility, new coverage options, and continued tax advantages, they can play a key role in both your healthcare strategy and your long-term financial plan. With the right approach, an HSA can do much more than cover medical bills—it can help you build a healthier financial future.

Have questions? As always, our office is happy to discuss.

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