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Hello Everyone,

Winter is around the corner. We hope you enjoy time with your friends and family this holiday season.

As always, we are monitoring the markets this quarter and beyond. If you should have any questions about your financial life, or if there are any changes in your life requiring adjustments to your plan, we are here for you.

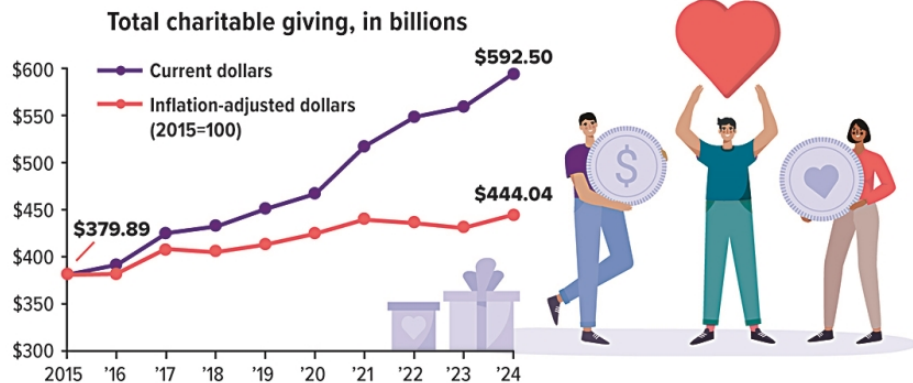
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Wealth consists not in having great possessions, but in having few wants. – Epictetus

Record Charitable Giving in 2024

U.S. charities received a record \$592.50 billion in 2024, an increase of 6.3% over 2023, driven by a strong stock market and healthy economy. Due to generous giving and lower inflation, this was the first year since 2021 that the increase in giving outpaced inflation. As in previous years, individuals led the way, accounting for 66% of contributions, followed by foundations (19%), bequests (8%), and corporations (7%).

Over the last decade, giving has risen each year in current dollars but has not always kept up with inflation. It remains to be seen how the uneven economy and volatile investment climate have influenced giving in 2025. Changes to the tax treatment of charitable contributions effective in 2026 may impact future giving.



Source: Giving USA Foundation, 2017–2025

Key Tax Law Changes to Higher Education Coming Soon

The One Big Beautiful Bill Act (OBBBA), signed into law in July 2025, includes many provisions that affect higher education. Here are some key changes and the implications for students, parents, and colleges.

New borrowing limits and payment pause rules

Parent PLUS Loans. Starting July 1, 2026, Parent PLUS Loans will have a \$20,000 annual limit and a \$65,000 total limit per dependent student. (Currently, parents can borrow up to the full out-of-pocket cost of their child's undergraduate education.) There is a grace period for parents of undergraduate students who are currently borrowing under this program.

Grad PLUS Loans. Starting July 1, 2026, the Grad PLUS Program will be eliminated. It will be replaced by new graduate loans under the existing Direct Loan Program, with new loan limits: \$20,500 per year and \$100,000 total for graduate students and \$50,000 per year and \$200,000 total for professional students (these limits do not include undergraduate loans). There is a grace period for students who are currently borrowing under this program.

Direct Loans. Starting July 1, 2026, there will be a new lifetime student loan borrowing cap of \$257,500. This limit applies to undergraduate and graduate loans, not Parent PLUS Loans. Also, starting July 1, 2027, the economic hardship and unemployment deferments will be eliminated, and a forbearance (a payment pause due to short-term financial difficulty) will be limited to a single nine-month pause every 24 months.

New student loan repayment plans

OBBBA significantly alters the landscape of federal student loan repayment programs. The Saving on a Valuable Education (SAVE) Plan, the Pay As You Earn (PAYE) Plan, and the Income-Contingent Repayment (ICR) Plan will be phased out and eliminated by July 1, 2028. Borrowers currently enrolled in one of these repayment plans must transition to a new plan by July 1, 2028.

In addition, the legislation creates two new repayment plans as of July 1, 2026: the Standard Repayment Plan and the Repayment Assistance Plan.

Standard Repayment Plan. In the past, fixed monthly payments were spread over 10 years. Under the new Standard Repayment Plan, the amount of time a borrower has to repay a student loan depends on the loan balance:

- Less than \$25,000 — 10 years
- \$25,000 to less than \$50,000 — 15 years
- \$50,000 to less than \$100,000 — 20 years
- \$100,000 and over — 25 years

Repayment Assistance Plan. The Repayment Assistance Plan (RAP) is a new income-based repayment (IBR) plan that sets monthly loan payments as a percentage of a borrower's adjusted gross income (AGI). This plan is only available to undergraduate and graduate students, not parents. After 30 years of on-time payments, all remaining debt is forgiven. (Current federal IBR plans forgive remaining debt after 20 or 25 years.) A bright spot: payments are applied first to interest, then to fees, then to principal, and if the required payment is less than any new interest that accrues, the extra interest is waived.

For married borrowers who file a joint federal income tax return, their joint AGI is used. And the monthly payment will be reduced by \$50 for each dependent listed on a borrower's federal income tax return.

Repayment Assistance Plan: Monthly Payments Based on AGI

\$10,000 or less AGI — 10%	\$30,001 to \$40,000 AGI — 3%	\$70,001 to \$80,000 AGI — 7%
\$10,001 to \$20,000 AGI — 1%	\$40,001 to \$50,000 AGI — 4%	\$80,001 to \$90,000 AGI — 8%
\$20,001 to \$30,000 AGI — 2%	\$50,001 to \$60,000 AGI — 5%	\$90,001 to \$100,000 AGI — 9%
	\$60,001 to \$70,000 AGI — 6%	\$100,001 and over AGI — 10%

Source: Department of Education, 2025

Miscellaneous provisions

New Workforce Pell Grant. Starting with the 2026–2027 school year, a new Workforce Pell Grant will be available to students who are enrolled in accredited, short-term (8–15 weeks in duration) job-focused programs, such as certificate programs at community colleges. Funding amounts will be prorated based on the program's length.

New qualified expenses for 529 plans. Starting in 2026, qualified 529 plan expenses will expand to include tuition, fees, books, and expenses for workforce credentialing programs. In addition, the limit on K-12 qualified expenses will increase from \$10,000 to \$20,000 per year and will cover instructional materials, tutoring classes, dual enrollment fees, standardized test fees, and educational therapies for students with disabilities.

Employer student loan repayment assistance made permanent. Starting in 2026, the \$5,250 of tax-free employer-provided student loan repayment assistance will be permanently extended. This amount will be indexed for inflation starting in 2027.

Cybersecurity eSignature Awareness

Cybercriminals are widely distributing mass emails posing as legitimate eDocument/eSignature, email technology organizations, as well financial institutions, trying to take advantage of social engineering tactics.

Here are some helpful reminders that can help you combat cybercriminals.

- **Beware of online requests for personal information.** A coronavirus-themed email that seeks personal information like your Social Security number or login information is a phishing scam. Legitimate government agencies won't ask for that information. Never respond to the email with your personal data.
- **Check the email address or link.** You can inspect a link by hovering your mouse button over the URL to see where it leads. Sometimes, it's obvious the web address is not legitimate. But keep in mind phishers can create links that closely resemble legitimate addresses. Delete the email.
- **Watch for spelling and grammatical mistakes.** If an email includes spelling, punctuation, and grammar errors, it's likely a sign you've received a phishing email. Delete it.
- **Look for generic greetings.** Phishing emails are unlikely to use your name. Greetings like "Dear sir or madam" signal an email is not legitimate.
- **Avoid emails that insist you act now.** Phishing emails often try to create a sense of urgency or demand immediate action. The goal is to get you to click on a link and provide personal information right now. Instead, delete the message.
- **Social engineering will be on the rise.** The use of deception to manipulate individuals into divulging confidential or personal information that may be used for fraudulent purposes is sometimes hard to spot right away. Respectfully asking to verify the identity of people you are speaking with is especially important during a time like this.

Beneficiary Designations: Who Gets the Money?

The end of the year is a time when families often gather together. Although these gatherings may keep you busy, this could be a good time to think about the future and make sure that you have correctly designated family members and any others you wish as beneficiaries in your will, insurance policies, and financial accounts.

This is especially important if there have been changes in your life, such as the birth of a child or grandchild, a death in the family, a divorce, or a remarriage. But even if your family situation remains the same, it's a good idea to review your beneficiary designations to be sure they are complete and reflect your current wishes.

Beneficiary forms may override your will

A will is an essential legal document for designating your heirs and facilitating distribution of your assets if your estate goes through the probate process. However, the assets in most investment accounts, retirement accounts, and life insurance policies convey directly to the people named on the beneficiary forms — even if they are different from the people named in your will — and do not go through probate.

Fortunately, it's fairly easy to designate or change your account beneficiaries. A will may incur costs to update, but a new beneficiary designation form can typically be filed with the financial institution or insurance company at no cost.



Confirming and updating the beneficiaries on your accounts can help prevent unintended outcomes for your estate.

Here are some issues to consider:

- Your current spouse must be the beneficiary of an employer-sponsored retirement plan unless he or she waives that right in writing. Without a waiver, any children from a previous marriage might not receive account proceeds.
- Designate secondary (contingent) beneficiaries in the event that the primary beneficiaries predecease you. Otherwise, proceeds would be distributed according to the default method specified in the account documents and/or state law.
- Some insurance policies, pension plans, and retirement accounts may not pay death benefits to minors. If you want to leave money to young children, you should designate a guardian or a trust as beneficiary.

The use of trusts involves complex tax rules and regulations. You should consider the counsel of experienced estate planning, legal, and tax professionals before implementing trust strategies.

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