Alloy Silverstein
Accountants and Advisors

SPRING 2026
clientalert

Getting Ready for Taxes: What to Focus on Now and What to Plan for Next

As tax season continues, now is a smart time to wrap up key details for filing your 2025 return while also looking ahead to tax law changes coming in 2026. A little structure now can help simplify both.

Before you file your 2025 tax return, make sure you've covered these common problem areas:

- **Qualified tips and overtime:** Gather documentation to support any deductions related to qualified tips or overtime pay, even if those amounts do not appear on your W-2 or 1099.
- **Digital assets:** If you own cryptocurrency or other digital assets, watch for the new Form 1099-DA and confirm that your transaction records including cost basis, sale dates, and wallets are complete.
- **Form 1099-Ks:** You may still receive a Form 1099-K in error due to ongoing reporting changes. If you receive one, include it with your tax documents rather than discarding it.
- **IRA and HSA contributions:** Contributions for the 2025 tax year can be made until April 15, 2026, or the date your return is filed, whichever comes first.

While these items help finalize your 2025 return, several tax law changes taking effect in 2026 make this an ideal time for planning ahead. Contact your advisor to ensure you're filing accurately today while positioning yourself for what's coming next.

2026 Tax Planning Highlights

Several changes scheduled for 2026 may influence your tax strategy throughout the year:

- **Charitable contributions:** Above-the-line deductions return for up to $1,000 (single) or $2,000 (joint), for those taking the standard or itemized deductions. There's also the introduction of a 0.5% floor deductible itemized contributions.
- **Itemized deduction phaseout:** If you're in the top 37% tax bracket, your itemized deductions could be reduced.
- **Gambling loss limits:** Wagering loss deductions are now capped at 90% of losses. Under the previous law you could claim deductions up to the amount of your winnings.
- **Mortgage insurance premiums:** Mortgage insurance premiums qualify as an itemized deduction.
- **Energy credit expirations:** Many energy-related credits, including electric vehicle and residential efficiency incentives, expired at the end of 2025.

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FINANCIAL Alert

How to Prepare for a Penny-Free Economy

As cash rounding becomes more common, both businesses and individuals should take a few proactive steps to avoid confusion at the register, in accounting records, or at tax time.

For Businesses

Accounting and bookkeeping: Expect small rounding gains or losses and ensure they are recorded consistently, as cash totals may no longer perfectly match POS reports or bank deposits.

Taxes: Rounding does not affect sales tax calculations, which should continue to be based on the exact pre-rounded transaction amount.

Internal policies and training: Update cash-handling and refund procedures, train staff on how to explain rounding to customers, and ensure managers know how to reconcile rounded cash totals.

Systems and vendors: Confirm POS systems and bookkeeping software properly support rounding, noting that digital and ecommerce payments are not rounded.

Customer communication: Use clear, transparent explanations to prevent confusion or concerns about perceived price increases.

For Individuals Who Still Use Cash

Expect rounding: Cash purchases and change may be rounded to the nearest nickel, even though posted prices remain the same.

Use your pennies: Many retailers and banks are already limiting penny distribution, so it's a good idea to spend or deposit pennies while they're still widely accepted.

Cash in your coin jar: The average household has $60–$90 in unused coins—consider exchanging them at your bank or a coin-cashing machine, and check ahead for any requirements or fees.

Whether you're running a business or managing your personal finances, preparation is key. Contact your advisor to understand how cash-handling changes may affect your records, reporting, and planning.

BUSINESS Alert

Stay Compliant in 2026: Tracking Overtime and Tips

Beginning in 2026, new OBBBA overtime and tip reporting rules require employers to act now to establish accurate tracking and compliance. Both qualified overtime and qualified tips must be reported separately on the W-2, using new codes in box 12 and a new box 14b for the tipped occupation code.

Track overtime accurately

- Record employee hours carefully, including overtime worked beyond 40 hours per week.
- Calculate the extra "half-time" above the regular rate correctly.
- Separate overtime pay from bonuses or other discretionary pay.

Track tips carefully

- Record qualified tips such as cash, credit, debit, or gift card tips.
- Exclude service charges, mandatory gratuities, and non-cash items.
- Ensure employees report tips promptly and keep documentation.

Best practices for business owners

- Reconcile payroll data each pay period.
- Audit overtime and tip records regularly.
- Maintain clear documentation for all deductions.

Partner with experts

Working with a trusted payroll provider simplifies compliance. Abacus Payroll can help set up reporting codes, generate accurate payroll and tax reports, and ensure your business and employees fully benefit from available deductions. The key to a smooth year ahead is clear: track carefully, report accurately, and rely on a trusted advisory team.

South Jersey Together

Making a Difference, Right Here at Home

Giving back is at the heart of Alloy Silverstein and being an active part of the community we call home matters deeply to us. These moments from 2025 reflect our ongoing commitment to showing up for our neighbors and giving back throughout the year. We're proud to make a meaningful difference—because South Jersey is stronger when we give back together.

Pour Decisions, Vol. II. *Six of Alloy Silverstein's professionals presented "Pour Decisions: Smart Moves for Women's Futures" at Saddlehill Cellars & Winery on November 12. Interested in hosting a presentation for your team? Email Angela Venti at AVenti@alloysilverstein.com.*

Alloy Cares. *On November 21, the team volunteered at the Animal Welfare Association (AWA), part of ongoing year-round Alloy Cares efforts by our employees.*

Adopt A Family. *Since 2013, we have been providing impoverished South Jersey families with presents for the holidays through our Adopt A Family program. Thanks to our generous network and employees, we were able to help 166 children this season.*

Go Red for Women. *We raised over $4,500 for the American Heart Association's 2026 Go Red for Women campaign, bringing our total contributions since 2008 to over $103,000.*

Seeing the Whole Field

Seeing the Whole Field
Reflections on Business, Judgment, and Leadership

Introducing ***Seeing The Whole Field***, a new monthly blog by Managing Shareholder Ren Cicalese. Each post shares perspective on business, leadership, and judgment shaped by decades of real-world experience. Read the latest posts and subscribe at ***SeeingTheWholeField.com.***

YouTube

Visit our YouTube page for tax season tips and advice, along with a weekly video e-newsletter.

Alloy Happenings

Alloy Silverstein Accountants and Advisors

- Welcomed 22 local college and high school students for the firm's 17th Annual Externship Day event for aspiring accountants, January 14.
- Awarded the "Chamber Champion Award" in recognition of 15 years of membership by the Burlington County Chamber Regional Chamber of Commerce, January 22.

Chris Cicalese, CPA, MSTFP

- Presented "LLCs: Breakdown of Tax Benefits" to New Jersey REALTORS®, November 19.
- Attended BILL Accountant Roadshow in NYC, November 20.
- Attended "Jason on Firms LIVE" with Jason Staats in Philadelphia, PA, December 10.
- Volunteered as a College Essay Reader for the 2026 NJCPA Scholarship Program.

Julie Strohlein, CPA, Anne Marie Galfo

- Presented "Employer Compliance: Navigating OBBBA's Overtime & Tip Rules," November 20. The webinar recording is available at *AlloySilverstein.com/recordings*.

Ren Cicalese III, CPA, MST, Adrienne Dell'Olio, Claudia Massar

- Won the Builders League of South Jersey (BLSJ) MAME Award for Best New Media for the "Tax Fact or Tax Crap" YouTube series, November 12.

Welcome

- **Matthew O'Dunlami,** a bookkeeper for our Client Advisory Services division.
- **Anthony Dumais,** a bookkeeper for our Client Advisory Services division.
- **Jared Boerner,** a recent graduate of Rider University as a junior accountant.
- **Anthony O'Donnell,** a recent graduate of Rowan University and Wilmington University as a junior accountant.

Happy Anniversary

- **Kim Sheehan, CPA, PFS,** celebrating her thirty-fifth anniversary with the firm.
- **Adrienne Dell'Olio,** celebrating her twentieth anniversary with the firm.

Alloy Spotlight

Rose Stokley, Client Advisory Lead

This quarter, our Alloy Spotlight is on Rose Stokley, Client Advisory Lead and bookkeeper in our Client Advisory Services (CAS) division. Rose brings leadership, structure, and a client-first mindset to her work, helping small business owners understand their finances and make confident, informed decisions.

Rose didn't originally envision a career in accounting, but she found her way into it through a natural curiosity for numbers and problem-solving. She earned her Bachelor's Degree in Fashion Merchandising and Retail Marketing and an Associate's Degree in Economics from Johnston & Wales University. Her career began in retail and inside sales, and the pandemic gave her the opportunity to become a data analyst, where she discovered her love for numbers and the stories they tell.

Since joining Alloy Silverstein in 2024, Rose has grown into a leadership role within CAS, expanding from transactional work to advisory-focused services and insights. She helps clients see their business as a whole rather than just financial reports, providing guidance that offers clarity and supports long-term success. Her clients appreciate her ability to translate accounting language into practical terms.

> *"I love getting to work directly with clients and building real relationships. Seeing clients face-to-face and knowing the people behind the businesses makes the work more meaningful,"* she says.

Originally from Brooklawn, NJ, Rose now resides in South Philadelphia with her husband, Justin whom she married in October, and their three cats, Thor, Heimdall, and Tyr. In her free time, Rose enjoys hiking, trying new foods with friends, and practicing yoga. She has been an active yogi for the past 12 years. She also is a certified scuba diver and previously competed as a national high jumper and Australian Rules football player.

Something 2 Consider

Lessons Learned

By Ronald V. Donato, Jr., CFP®, MBA

Over many years in the financial industry, I have been blessed to have learned several lessons that are useful in life generally; but which have certainly helped me and my clients to protect our loved ones and prepare for retirement. Here are some very brief reminders that you may find useful.

Protect your family

Far too many times I have seen young, and not so young, people forget that if they die unexpectedly their loved ones will still need to live, pay off debts, send children to school, etc. Review your life insurance periodically to make sure you don't leave them wondering why you didn't do so.

Plan your future

Many clients forget to start saving early for their retirement, setting aside emergency funds "just in case…", and generally recognizing that you will not always be at your present age and in your present situation. Put as much into your employer and/or other retirement plans as you can spare; and speak to a financial advisor about how to best do that.

Make settling your estate easy

Easy is likely not the best word to use, but you can make an emotional time easier on your loved ones. Make sure to do at least these things for them:

- Make a Will and Medical Directive
- Review the titling of your assets with your advisor and/or an attorney to make sure that assets pass on to your desired beneficiaries (check retirement plan and insurance beneficiaries!)
- Create a Trusted Contact, and if appropriate a Power of Attorney, on your accounts just in case you are not responding to your advisors or are unable to make decisions
- Create a Personal Financial Organizer, sometimes known as a Family Love Letter, that clearly states how to contact all the relevant legal, financial, and other advisors so that your survivors don't have to add to their stress in a bad time. I suggest you visit **asfinancialservices.com** for our Organizer form.

You earned your assets, so use them for you

Most people who are financially able to do so will help their children, grandchildren, charities, etc. However, remember that you are not required to help them if it means that you cannot retire comfortably. In other words, it is your money, not theirs. If you can afford to take that bucket-list trip, take it while you can do so!

Money, and disagreement, can make people mean and stupid

I am very lucky. My siblings and I really never put emphasis on money or inheritance. God, family, country, hard work. Everybody has their own focus, but far too often I have seen families fight over money. Here is my lesson learned: If you want money, earn it yourself. Nobody owes you anything, so don't fight over something that isn't yours anyway. Mommy and Daddy earned it, and they can give it to whomever they please.

We also see too often that people disagree on things like which team to support, politics, economics, religion, etc. I am happy that I learned early on to disagree but not necessarily dislike someone who had a different view. Discuss if you want to, agree to disagree, but then go have a beer together…even if they root for the Cowboys!

The most important business lesson

The CEO at Meridian Bank, Zeke Ketchum, told all of us, the trainees, to remember that if we don't have customers, we don't have a job. Obvious, right? The overriding lesson there, and at Alloy, is that when you treat clients with respect, care, and honesty you will find that you will make a nice living while helping your clients make a successful plan. Some things are worth remembering.

ALLOY SILVERSTEIN
ACCOUNTANTS AND ADVISORS

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Tax Deadlines

March 16, 2026

- Deadline to file partnership and S-corporation tax returns.

April 15, 2026

- Deadline to file individual, trust, gift and calendar-year C-corporation returns.
- Deadline for making 2025 IRA contributions.
- First installment of 2026 individual estimated tax is due.

May 15, 2026

- Deadline for calendar-year non-profit organizations to file annual reporting returns.

Tax Season Office Hours

Effective February 1 through April 15, we will have extended office hours and our CPAs will be available to you by email, phone, and virtual meetings.

What the IRS is Up to

2026 Mileage Rates

Beginning Jan. 1, 2026, the standard mileage rates for the use of a car, van, pickup or panel truck (gas, diesel, electric, or hybrid) will be:

	2026 Rate per Mile	2025 Rate per Mile
Business Travel	72.5 cents	70 cents
Medical/Moving	20.5 cents	21 cents
Charitable Work	14 cents	14 cents

How the USPS Postmark Update Affects Your Tax Return

The USPS now applies postmarks at processing facilities rather than at local post offices. The mail may be received by the processing center on a different day than it was dropped off, which could affect paper tax returns, extensions, or payments. Because the IRS uses postmark dates to determine timeliness, this could trigger penalties, interest, or rejected filings. Electronic filing remains the safest option whenever possible.

IRS Releases Initial Guidance on 'Trump Accounts'

'Trump Accounts' are a new tax-advantaged savings program for children under the OBBBA. Contributions are not expected to start until July 2026, but taxpayers can elect to enroll using IRS Form 4547 when filing 2025 tax return. Families should monitor IRS guidance and consult their CPA or financial advisor to see if a Trump Account is right for their situation.