

Reflections

April 2026

One Big Beautiful Bill Act: What You Should Know

By Anna Gabriella Colon

In July 2025, Congress enacted significant tax legislation known as the One Big Beautiful Bill Act (OBBBA). This law impacted the federal tax code by adding, deleting, and updating a variety of provisions. These changes are likely to affect many taxpayers, including those who are retired, are approaching retirement, or are planning for retirement.

The purpose of this article is to highlight several key provisions of the OBBBA and explain, in practical terms, what readers should be aware of as they plan for future tax years.

Reinstated Charitable Deduction for Non-Itemizers

One of the most meaningful changes for many taxpayers is the reinstated and expanded above-the-line charitable deduction for individuals who take the standard deduction. Beginning in tax year 2026, taxpayers who do not itemize deductions may deduct certain charitable contributions made to qualified organizations.

Under this provision, non-itemizing taxpayers may deduct up to \$1,000 for single filers and \$2,000 for married couples filing jointly for qualifying charitable contributions. Similar deductions were first introduced under the CARES Act and later extended, but only on a temporary basis and with lower dollar limits. The OBBBA makes this expanded charitable deduction permanent for tax years beginning after December 31, 2025, and is intended

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to encourage sustained charitable giving among a broader group of donors.

For retirees who regularly support their church or other charitable organizations but no longer itemize deductions, this change could provide a modest reduction in taxable income while continuing to encourage charitable giving.

Enhanced Standard Deduction and Senior Deduction

Under the OBBBA, the standard deduction—the baseline amount taxpayers can deduct from their income without itemizing—was updated. The higher standard deduction amounts established under earlier tax law are now permanent and will continue to be adjusted annually for inflation. For many retirees, this means the standard deduction will continue to provide meaningful tax relief without the need to itemize.

In addition, the OBBBA includes a new enhanced deduction for taxpayers age 65 and older that is available for tax years 2025 through 2028. Also referred to as the “senior deduction,” it allows qualifying retirees to further reduce taxable income beyond the standard deduction. The senior deduction provides up to \$6,000 per eligible taxpayer (up to \$12,000 for married couples where both spouses qualify).

While this additional deduction can be a meaningful benefit, it also adds complexity to the tax filing process. Tax preparers must

confirm eligibility (such as age and Social Security number), determine whether the deduction phases out based on income, and calculate the optimal combination of the standard deduction and senior deduction for each taxpayer.

The senior deduction is subject to a phase-out based on modified adjusted gross income (MAGI). For single taxpayers, the full deduction is available only if MAGI is \$75,000 or less. For married couples filing jointly (where both spouses are 65 or older), the full deduction is available only if MAGI is \$150,000 or less. Once income exceeds these thresholds, the deduction is reduced by 6% of the amount over the limit and phases out completely at about \$175,000 for single filers and about \$250,000 for married couples filing jointly.

Because of this phase-out, some retirees may receive only a partial deduction or may not qualify at all. Tax preparers may also evaluate whether itemizing deductions instead of claiming the standard deduction provides a better outcome.

Estate and Gift Tax Exemption Increases

The OBBBA also addressed estate and gift tax planning by increasing the lifetime exemption amounts. The lifetime estate and gift tax exemption is increased to approximately \$15 million per individual and \$30 million for married couples.



Ginger-Tahini Sauce

- ¼ cup tahini
- ¼–½ cup water, as needed
- 2–3 cloves garlic
- 2 teaspoons freshly grated ginger
- ½ teaspoon salt
- ¼ teaspoon cayenne, optional
- 1 teaspoon maple syrup or honey
- 1–2 tablespoons nutritional yeast flakes

- ▶ Blend all ingredients until smooth, adding water as needed to reach desired consistency.
- ▶ This sauce pairs well with fresh or steamed vegetables, salads, protein bowls, etc.

By Gemalli Austin, DrPH, RD

Adapted from the [Joy of Eating](https://nadhealth.org/joyofeating/recipes/) site. Go to <https://nadhealth.org/joyofeating/recipes/>

These changes can be significant for retirees who are planning to leave assets to their heirs, as it could reduce or eliminate federal estate tax liability for many families. However, estate and gift tax planning can be complex, and the exemption amount is subject to change in the future. Please work with a tax professional to ensure your plans reflect current law and your personal goals

Social Security and the OBBBA (What Did Not Change)

For retirees wondering whether the OBBBA changed the federal tax treatment of Social Security benefits, the answer is no. Social Security benefits may still be taxable depending on a taxpayer's combined income, filing status, and other taxable income. As a result, some retirees may continue to have a portion of their Social Security benefits subject to federal income tax under the existing rules.

Moving Expenses

Retirement often brings relocation decisions—whether moving closer to family, downsizing, or relocating for health or lifestyle reasons. Under the OBBBA, employer-paid or reimbursed moving expenses are taxable for most employees. The Tax Cuts and Jobs Act ended the prior tax-free treatment, and OBBBA makes that change permanent. Exceptions remain for active-duty military and certain intelligence community employees.

The OBBBA introduces changes that may affect retirees in different ways depending on income sources, filing status, and the timing of decisions already made or still under consideration. While this discussion is intended to provide general educational insight rather than individualized tax advice, it is meant to encourage informed awareness and careful planning. Understanding how these rules operate can help retirees better evaluate their options and, where appropriate, seek guidance that aligns with their financial circumstances and goals. ■

SHARP Corner

(Supplemental Healthcare Adventist Retirement Plan)

Spring greetings, Retirement family! April brings us to the deadline for filing 2025 reimbursement requests with Your Spending Account so **be sure your requests are submitted prior to April 30th.**

CHANGE IN THE SHARP TEAM

For those who have worked with Anastasia Elliott the last several months, she has moved on to other opportunities outside of SHARP and Adventist Retirement. We wish her all the best! Until a new SHARP assistant is in place, the temporary queue assignment is **Gayle Fell: A-L; Bonnie Bensink and Lisa Sharpe teaming together: M-R; Bonnie Bensink: S-Z.** Of course you can reach any of us by calling 443-391-7338.

And, if you know of a top-notch person who may be interested in working with us, have them apply at <https://www.nadadventist.org/departments/human-resource-services/>. ■

REMINDER: CONTACT INFO

We rely on you to keep us updated when you move and/or change any of your contact information. You can send the information through our website at <https://www.adventistretirement.org/resources/how-do-i-change-my-mailing-address/>. ■

ONE MORE THING!

Upcoming travel for Adventist Retirement and SHARP includes the Human Resources Convention in Seattle, Washington from April 26–29. If you are in the area, stop by and see us! ■



Adventist Retirement

Seventh-day Adventist Church
NORTH AMERICAN DIVISION

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