

September 2026 Monthly Update

Closing the RSU Tax Gap: First the Cash, Then the W-4

If your house looks anything like ours this week, early September is a whirlwind. School is back in session, morning drop-offs are in full swing, and after-school activities are starting up (JV football and soccer for us!).

It is also one of the easiest times of the year to watch cash evaporate from a primary checking account. Between summer vacation statements, childcare fees, and back-to-school expenses, daily life with young kids in North County quietly absorbs cash without anyone making an extravagant purchase.

Nobody sets out to spend money earmarked for the IRS, but summer equity events often hide an unexpected bill. If an RSU vest or mid-year bonus landed in July or August, payroll typically defaults to the flat 22% statutory withholding rate, which leaves a significant gap for high-earning dual-income households.

With the third-quarter estimated tax payment due Tuesday, September 15, consider taking a simple mechanical step first. Calculate the tax that withholding missed, move that cash into a separate, labeled high-yield savings account this week, and leave it there until the payment goes out.

A dedicated account is designed to help segregate that money from regular household cash flow, while earning interest until the deadline (subject to variable savings rates and FDIC limits). After the payment is sent, you can review Form W-4 so regular paychecks can help reduce the withholding gap on future vests before the holidays.

This Month at a Glance

Custodian update

Altruist agreed to be acquired by Vanguard. The combination pairs modern custodial technology with the pioneer of low-cost indexing, aligning directly with our portfolio philosophy.

Market and policy

The Fed meets September 15-16 with rates at 3.50% to 3.75%. Governor Waller indicated that he leans toward holding steady if disinflation continues, leaving the decision to incoming August inflation data.

Sector note

Aerospace & Defense and space coverage is moving from backlog headlines to output. Recent Pentagon awards seek to push space hardware from small-lot builds toward monthly volume.

IPO watch

Anthropic may publish a prospectus after Labor Day and could list in late September or October. If it does, the considerations match any liquidity event: tax projections, lockups, and single-stock concentration.

What to do this month

Consider funding a tax set-aside in a high-yield account. Match the September 15 estimate to year-to-date vest income. Review the W-4. Note remaining 2026 vest dates. Preview open enrollment options before October.

The rest of this note covers each item in more detail.

Custodian Update: Altruist and Vanguard

Before diving into the rest of September's calendar, an important update regarding our custodial platform.

Altruist has agreed to be acquired by Vanguard, subject to regulatory approvals. Altruist founder and CEO Jason Wenk outlined the announcement in [a letter to advisers and clients](#).

We view this as a positive development for our clients. Pax Horizon builds portfolios around broad diversification through low-cost index funds, seeking to minimize internal expense ratios and avoid unnecessary manager drag. While diversification and index investing involve market risk and do not protect against loss in declining markets, Vanguard pioneered that low-cost indexing discipline over fifty years ago, while Altruist developed the modern, digital custodial platform we use to service client accounts.

Bringing Vanguard's scale and investor-aligned structure together with Altruist's technology directly reinforces our investment philosophy. Day-to-day account operations, client portal access, and trading workflows continue as normal, and we will keep you updated as the transaction progresses through regulatory review.

A Separate Account, Then the W-4

The set-aside is a step many households overlook. They know an estimate is coming, but leaving cash in a shared checking account during a high-expense month can turn what should be an orderly payment into a scramble on the 14th. Moving the estimated shortfall to a dedicated high-yield savings account labeled *2026 Tax Estimates* can help simplify the transfer and segregate the funds, while earning interest until the deadline. Interest rates on savings accounts are variable and subject to change, and deposits are covered up to applicable FDIC insurance limits.

A W-4 adjustment offers a recurring approach. Selling a portion of vested shares can fund the September 15 payment, though selling securities may trigger taxable capital gains or losses and does not adjust underlying payroll withholding. Adding extra withholding on line 4c of Form W-4 allows remaining regular paychecks to absorb the gap throughout the year. Some families prefer to leave the form alone and continue making manual quarterly payments; either method can be viable, provided you do not treat a one-time stock sale as a permanent withholding solution.

Supplemental wages and underpayment thresholds depend on your return:

- Federal supplemental wage withholding: flat 22% statutory rate on vesting income.
- Underpayment threshold for 2025 AGI above \$150,000: 110% of last year's tax liability across four installments, or 90% of expected 2026 tax liability.
- California quarterly estimates: follow a similar calendar.

A CPA or payroll specialist can walk through the form for your specific return. Pax Horizon coordinates tax-aware financial planning, but does not prepare or file tax returns.

Market and Policy Snapshot

The Federal Open Market Committee meets September 15-16, releasing its policy statement, quarterly economic projections, and dot plot on Wednesday at 2:00 p.m. Eastern.

Following the July 28-29 meeting, the federal funds rate remains 3.50% to 3.75%. In a speech at Reuters NEXT, Fed Governor Christopher Waller outlined the Committee's outlook:

- **Policy stance:** Waller noted policy is currently only slightly restricting demand, leaning toward holding rates steady if disinflation continues, but keeping a quarter-point hike on the table if incoming data accelerates.
- **Inflation trend:** Three-month annualized core inflation has fallen to 3.05% through July, down from 4.76% in February. July headline PCE was 3.7% year-over-year, and core PCE was 3.3%.
- **The deciding print:** The vote on September 16 will hinge heavily on the August CPI report due on September 11.

Whatever the Fed decides on Wednesday, Tuesday's tax deadline does not move. Tax planning should be driven by cash needs and vest records rather than short-term monetary policy decisions.

From Backlog to Production Rate

August covered what a strong sector can do to a household when pay, benefits, the 401(k) match, and equity already sit with one employer. The factory story under that strength is changing.

In early September the Pentagon put more money behind space production:

- Satellite communications terminals built on demand.
- Additive parts for propulsion and structure.
- Defense Production Act funds to qualify space-grade RF amplifiers and raise output.

Anyone who has tried to take a manufacturing line from 10 units to 40 without breaking qualification already knows the challenge. Orders are arriving, and repeating the same process at rate requires careful execution.

Engineers experience that as tooling and throughput. Households tied to those Aerospace & Defense employers often experience it as bonus and vest timing that does not line up neatly with estimated tax deadlines.

A clean launch window still requires the ground gear in place. September 15 is one of those dates.

IPO Watch: Anthropic After Labor Day

Reporting continues to indicate Anthropic may publish a prospectus after Labor Day and could list in late September or October. If it does, the planning questions remain consistent: tax projections at liquidity, lockup expirations, and managing single-stock concentration risk. Concentrated stock positions carry heightened volatility and risk of capital loss compared to diversified portfolios.

Most client portfolios here stay built around broad index exposure. Company names in this note are discussed for illustrative context only and do not constitute recommendations to buy, sell, or hold any security.

Open Enrollment Before the Portal Opens

Many employers open annual benefits elections in October. Waiting for a quick review often means prior elections roll forward without reassessment.

September provides time to evaluate selections before the portal opens:

- HSA or FSA contribution amounts (noting FSA use-it-or-lose-it rules and annual limits).
- Disability coverage and supplemental life options.
- Dependent care FSA allocations.
- Whether the W-4 still aligns with 2026 total income after summer vests and bonuses.

Consider reviewing your selections before the open enrollment window arrives.

Practical Next Steps

1. Consider moving estimated vest and bonus tax shortfalls into a dedicated high-yield savings account before September 15.
2. Pull year-to-date paystubs and RSU vest confirmations to review whether your September 15 estimate is on track.
3. Review Form W-4 after the payment to evaluate adjustments that may help mitigate future withholding shortfalls.
4. Note remaining 2026 vest dates, trading blackout windows, and ESPP purchase dates, and preview open enrollment choices before October.
5. If a significant Q3 vest occurred, review company-stock exposure as a percentage of total household net worth, including unvested RSUs and ESPP shares. An illustrative target range of 10% to 15% is often a helpful benchmark for discussion, though individual risk tolerances vary.

Firm Notes

Mid-year reviews are largely complete. September offers a timely window for a concise Q4 planning checkup while there is still runway. Relevant topics may include evaluating the September 15 estimate against upcoming vests, reviewing year-end cash flow needs, or evaluating benefits choices before October.

You can text or call me directly at (858) 230-8094. If you would like a second set of eyes on your September 15 estimate, W-4 withholding questions, or Q4 cash timing, I welcome the opportunity to review the numbers with you.

Thank you for the trust you place in Pax Horizon Wealth Management. Our focus remains on clear, long-term planning designed to support your family's financial goals.

Best regards,

Christopher J. Edwards

Founder & Principal Adviser

Pax Horizon Wealth Management, LLC

(858) 230-8094 | christopher.edwards@paxhorizonwealth.com