

2024 Year-End Financial Planning Checklist

As we approach the end of 2024, it's time to take a good look at your finances and plan for the year ahead. Think of this as your annual financial checkup—a chance to ensure that you're on a strategic path and not missing any opportunities. We've put together a guide to help you get ready, covering all the important issues you might want to chat about with your financial advisor, along with suggestions on topics to discuss and small things you can do immediately to get started.

1 Supercharge Retirement Savings

One of the first areas to focus on is maximizing your retirement savings. Consider whether you're taking full advantage of your workplace retirement plans, such as 401(k)s or 403(b)s. In 2024, you can contribute up to \$23,000 to these plans, with an additional \$7,500 allowed if you're age 50 or older. You might also want to explore contributing to an individual retirement account (IRA). The contribution limit for 2024 is \$7,000, with an extra \$1,000 permitted for those 50 and older.

- **Smart move:** Ask your advisor about eligibility based on your income and how these contributions might affect your taxes.
- **Quick action:** Log in to your retirement account right now and increase your contribution by 1 percent. Even this small amount can make a big difference over time.

2 Maximize Your Health and Dependent Care Dollars

Take a look at your health and dependent care savings. If you have a flexible spending account (FSA) for health expenses, check whether you can carry over unused funds (up to \$640) or if you need to use them before year-end. For those with dependent-care FSAs, the limit is \$5,000 per family in 2024. If you have a health savings account (HSA) paired with a high-deductible health plan, you can save up to \$4,150 for individual coverage or \$8,300 for family coverage this year.

- **Smart move:** Discuss with your advisor how to best use these accounts for your health care needs and tax situation. Their insights may help you maximize these benefits.
- **Quick action:** Review your FSA balance. If you have money to use, schedule that dental checkup or another overdue appointment. For a list of FSA-eligible purchases, contact your plan administrator.



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3 Trim Your Tax Bill

As the year ends, explore ways to reduce your tax burden. Your income level affects your tax rate and potential additional taxes, with different rules applying if your taxable income exceeds certain thresholds.

- **Smart move:** Discuss with your advisor strategies to manage your taxable income, such as deferring income or accelerating deductions where possible. They can help you navigate the complexities of tax planning.
- **Quick action:** Gather your tax documents and schedule a meeting with your tax professional to discuss year-end strategies.

4 Review Your Investment Portfolio

A year-end financial review should include an assessment of your investment portfolio. It might be time to rebalance to ensure that your investments still align with your goals and risk tolerance.

- **Smart move:** Your advisor can help you determine whether it makes sense to sell some investments to offset gains with losses, potentially reducing your tax bill. This strategy, known as tax-loss harvesting, can be a powerful tool.
- **Quick action:** Review your asset allocation and note any significant changes you'd like to discuss with your advisor.

5 Amplify Your Charitable Impact

Consider incorporating charitable giving into your financial plan. Donations to qualified charities may be tax deductible if you itemize deductions. If you're 70½ or older, you might benefit from making qualified charitable distributions directly from your IRA.

- **Smart move:** Ask your advisor about the most effective way to give, whether through cash, appreciated securities, or a donor-advised fund. They can help you maximize the impact of your generosity.
- **Quick action:** Make a list of charities you want to support this year and figure out how much to budget for donations.

6 Manage Your RMDs and Tax Obligations

Don't forget about taxes and required minimum distributions (RMDs). If you're concerned about owing taxes, you might need to adjust your withholding or make estimated tax payments. For those 73 or older, you generally need to take RMDs from your retirement accounts.

- **Smart move:** Discuss with your advisor how to manage these obligations efficiently. They can help you avoid penalties and optimize your withdrawals.
- **Quick action:** If you're 73 or older, check if you've taken your RMD for the year.

7 Tackle Student Loans

If you have student loans, review your repayment strategy. Federal student loan payments resumed in October 2023, but the Biden administration's Saving on a Valuable Education (SAVE) plan remains the subject of legal proceedings, which may affect your repayment plan. So, stay informed about any news regarding student loan policies.

- **Smart move:** Ask your advisor about strategies for managing your student loan payments alongside your other financial goals. Their insights may help you balance debt repayment with saving and investing.
- **Quick action:** Look over your student loan terms and payment schedule, noting any changes since payments resumed.

8 Plan Your Legacy

Take time to update your estate plan. This includes reviewing your will, trusts, beneficiary designations, and other estate-planning documents. If you're planning to leave a significant inheritance to your children, consider discussing financial literacy with them.

- **Smart move:** Ask your advisor about potential changes to estate tax laws and how they might affect your plan. If changes are needed, follow up with an estate-planning attorney or legal professional to help ensure that your wishes are carried out efficiently.
- **Quick action:** Review beneficiary designations on all accounts and insurance policies to ensure that they're correct.

Remember, these are general guidelines, and everyone's financial situation is unique. It's crucial to discuss your specific circumstances with your financial advisor and tax professional. Don't hesitate to ask questions—that's what we're here for! Feel free to contact us to schedule a meeting and prepare to make 2025 your most strategic financial year yet.

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