

The Best End-Of-Year Money Moves To Make

As 2023 draws to a close, it's time to get our financial lives in order for the New Year so we can kick-start 2024 with as little financial stress as possible — and set some money goals for ourselves that we can actually reach.

Annual financial check-ins give us the space we need to review the progress we made in the previous 12 months, and check in on where we're headed for the next 12. Although every year will look different — for example, we may see an increase or decrease in income, we may get married or have a baby, or we may face an unexpected expense — many of our money patterns (both good and bad!) follow us from year to year.

For example, when you look back at 2023, did you save as much money as you'd hoped? Did you spend more than what you'd budgeted? Did you pay down the debt you were hoping to eliminate? Now is the time to check in and see where there may be room for improvement in 2024. Here's a checklist to help you do just that.

Check In On Your Savings — Including Retirement and Emergency Funds

Will Brennan, certified financial planner at [Park Hill Financial Planning & Investment](#), suggests a great first step is to make sure you're upping your contributions to your employer-sponsored plan, like a 401(k) or 403(b), if you have one. If you don't, look into opening an IRA at your local credit union, and contributing as much as you can. For 2024, the annual 401(k) and 403(b) contribution limits are \$23,000 for people under 50, and \$30,500 for people 50 and over. For IRAs, you can contribute \$7,000 if you're under 50, or \$8,000 if you're 50 or older.

Don't let those maximum contribution amounts discourage you — let them inspire you to shoot for saving as much as your budget allows during the year. The goal is that every year — as you receive raises or earn more money — you'll up the percentage of your income that you contribute, so you can save as much as possible. The same holds true for emergency funds. While the general rule of thumb is to keep three to six months' worth of living expenses in reserve, if you're not able to get close to that yet, don't panic. Research from the JP Morgan Chase Institute suggests that when people need to tap into their emergency funds, they usually only need access to around six weeks' worth of take-home income at one time. In terms of where to keep your emergency fund money, unlike with your retirement assets, your emergency fund should be stashed in a separate high-yield savings account at your credit union. This is because having that

money close by (but not *too* close) helps prevent you from reaching for it in your everyday life. That way it'll be there for you when you need it!

Figure Out What Kind Of Budget May Work Best For You In 2024

If you haven't set a 2024 budget, now can be a great time to set one — and make a New Year's resolution to stick to it. Thankfully, budgeting doesn't have to mean creating a three-page spreadsheet and itemizing every single expense down to the last pack of gum... But it *does* mean having a realistic picture of how much money is coming in and going out on a monthly basis, and knowing *where* it's going. There are countless budgeting apps and methods that can work for you — such as the backwards budget, the zero-sum budget, or the 50/30/30 budget. [Here's a breakdown on all of them](#). The goal is that you choose the one that works best for you!

And if you find yourself struggling with budgeting, know you're not alone. Hundreds of individuals who *never* had a budget (and didn't even know where to start with making one) have changed their financial lives for the better via the [FinanceFixx budgeting course](#). When you join the course, you'll be paired with a certified financial coach and a group of accountability partners who can help you take the first steps towards realizing the financial life you've always wanted.

Put Some Thought Into Next Year's Benefits

The end of the year is a great time to make thoughtful decisions about the employee benefits you want for next year. The last thing you want to do is let the open enrollment deadline creep up on you, and then be forced into making a split-second decision on the benefits you need.

Even if you've been happy with your health insurance copays and the overall experience of your current plan, you'll want to revisit your plan options as prices change. Also consider your family's expected medical expenses and medications for the year, as well as the doctors included in your plan's network.

Likewise, if you have a partner, and they are eligible for health insurance via their employer, you'll want to run the numbers to see which policy will give your family more for less. You may also want to consider the benefits of choosing a high-deductible health insurance policy that could make you eligible for HSA contributions — especially if your employer contributes to the account. Putting pen to paper on all of your options is the best place to start.

While you're at it, take a comprehensive look at all the benefits offered by your employer and make sure you're not leaving anything on the table. There may be benefits on offer that you didn't even know about, including disability insurance, gym memberships, healthy living programs, commuting benefits, or a financial wellness program. Your HR department can share details on everything available.

Speaking Of Benefits... If You're Eligible, Make HSA Contributions

Did you contribute to an HSA in 2023? If you have an insurance policy with a deductible of at least \$1,600 for self-only coverage, or \$3,200 for family coverage, it's definitely something you'll want to consider for 2024. It's easier if you have an HSA through your employer, but you can also open an HSA on your own — via your credit union — as long as your health insurance policy qualifies.

The limits on how much you can contribute to your HSA in 2024 are \$4,150 for self-only coverage and \$8,300 for family coverage. HSAs are amazing savings vehicles for several reasons. First, all contributions you make to an HSA are either pre-tax (if you make them through your employer) or tax-deductible (if you're making the contributions on your own). Also, the money you save grows tax-deferred, and it can be used tax-free for eligible medical expenses at any time. In other words, money in an HSA equals big tax savings for you!

Unlike a Flexible Spending Account (FSA), you don't have to use the money in an HSA by a certain deadline — the money is yours to use forever. Your HSA contributions can be used for health insurance deductibles, copayments, dental or vision care, prescription drugs and over-the-counter medications at any point throughout your life. Or, if you so choose, you can hang onto the money in your HSA until retirement. After you turn 65, you can withdraw HSA money for any reason, penalty free... But in order for HSA withdrawals to come out *tax free*, they need to be used on a qualified medical expense. (Withdrawals made for any other reason get taxed at your ordinary income tax rate.)

Lastly, Gather Documents You'll Need Come Tax Time

The end of the year is a great time to start gathering the essential documents you'll need for the New Year, explains certified financial planner Mike Hunsberger at [Next Mission Financial Planning](#). To start, don't get overwhelmed by the prospect: there are really just three primary categories of documents you need to successfully file your taxes next year.

The first is personal information, such as Social Security numbers or tax ID numbers and birthdates for you and any dependents on your tax forms, Hunsberger says. You likely already have your numbers on hand, but if you've had a new baby, adopted a child, or gotten married, this is a great time to locate everyone's Social Security cards and confirm their details.

The second category — some of which may not arrive at your door until early January 2024 — is income documents. For individuals who are classified as employees, this will be a W-2, but for contractors or freelancers, you'll be keeping an eye out for a 1099. Both a W-2 and a 1099 reflect how much you've earned over the course of the year. Also, depending on what your earning and employment situation has been throughout the year, you may also have a 1099-INT for interest income, a 1099-G for unemployment benefits, a 1099-R for retirement, IRA, and annuity income, or 1099-misc for miscellaneous items. It's good to go over a month-by-month mental checklist for everything you earned during 2023 to make sure you haven't forgotten anything that's due to come in the mail — or that you might need to print out yourself.

Lastly, the third category of information you'll need to gather is anything related to tax deductions that you plan to take, Hunsberger explains. "Since the standard deduction has been raised, itemizing your taxes is less common. But if you do itemize, here are the types of things you need: Home ownership records, such as a 1098 for mortgage interest, property tax, and insurance statements; charitable deductions like receipts for cash or donated items; childcare and education expenses, medical insurance and medical expenses. This list isn't exhaustive, but it will give you the types of information you need to file," he says.