

Fidelity Viewpoints®

# market sense

The latest headlines, the current market conditions, and what it all means for you.

# 401(k) Contribution Limits

Year	Pretax and Roth employee contributions	Employee and employer contributions	Catch-up contributions (in addition to the employee and employer limit)
2024	\$23,000	\$69,000	\$7,500
2025	\$23,500	\$70,000	\$7,500 (50-59 or 64+) \$11,250 (60-63)

Source: IRS

# What are the advantages of HSAs?



Balance not subject to "use-it-or-lose-it" rule



Opportunity to save for future qualified medical expenses, including in retirement



Most employers offer Company contribution



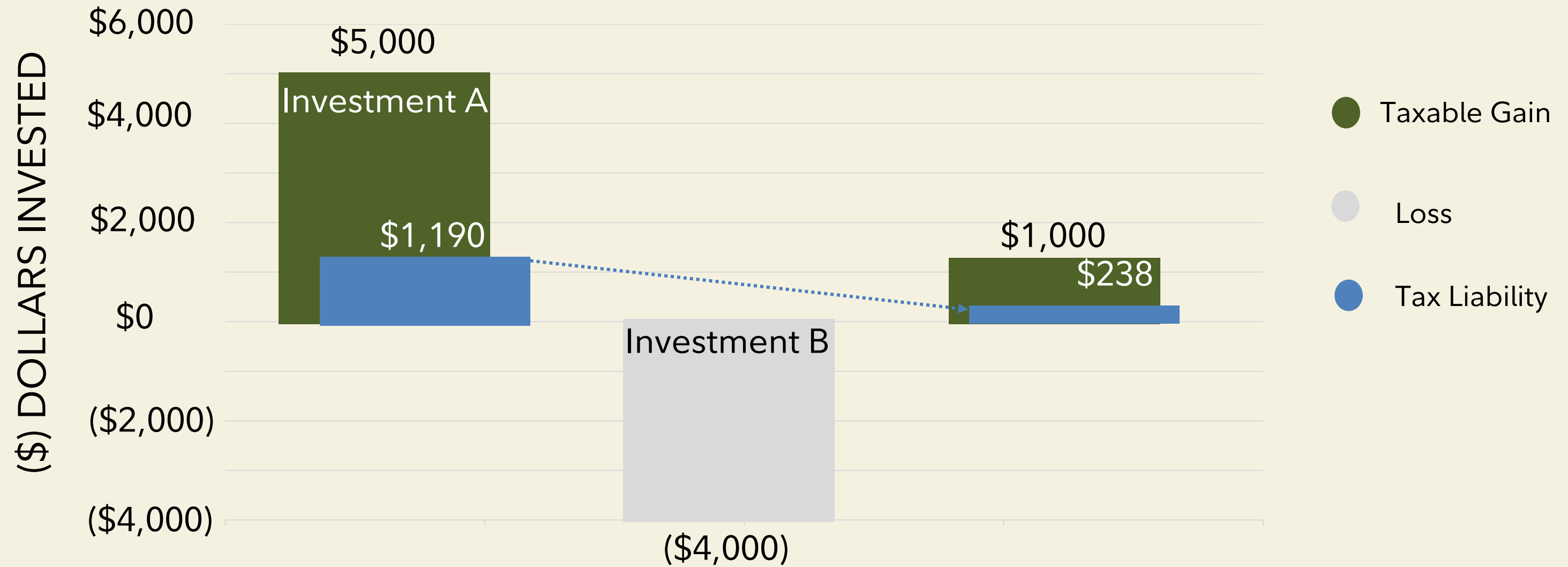
A convenient vehicle to save for out of pockets costs with an HSA-eligible plan



Triple tax advantage:  
Contributions, earnings, and withdrawals are tax-free\*

\*With respect to federal taxation only. Contributions, investment earnings, and distributions may or may not be subject to state taxation. Please consult with your tax advisor regarding your specific situation.

# How Tax-Loss Harvesting Works



$$\begin{array}{r}
 \$5,000 \\
 \text{Long-term} \\
 \text{gain from} \\
 \text{Investment A}
 \end{array}
 +
 \begin{array}{r}
 (\$4,000) \\
 \text{Long-term} \\
 \text{loss from} \\
 \text{Investment B}
 \end{array}
 =
 \begin{array}{r}
 (\$1,000) \\
 \text{Net long-term gain} \\
 \text{and federal capital} \\
 \text{gains tax liability}
 \end{array}$$

# Charitable Donation Strategies

## Qualified charitable distribution (QCD)

Must be at least 70 ½ to direct transfer funds from your IRA to a qualified charity. Transferred funds count towards satisfying your annual RMD up to \$105,000

## Bunching charitable contributions

Combining multiple years of investing into a single year so you can itemize deductions

## Donating appreciated assets

Deducting the full fair market value of the asset from taxes to avoid paying capital gains

www.fidelity.com/taxplanning2024

The screenshot shows the Fidelity website interface. At the top, the Fidelity logo is on the left, followed by navigation links: CUSTOMER SERVICE | PROFILE | OPEN AN ACCOUNT | VIRTUAL ASSISTANT | LOG IN. A search bar on the right contains the text "How can we help?". Below this is a horizontal menu with categories: Accounts & Trade, Planning & Advice, News & Research, Products, and Why Fidelity. The main content area features a green header with the title "12 year-end tax tips for 2024" and a sub-header "Act now to save money on 2024 taxes." Below the header is a large image of hands placing puzzle pieces. A QR code is overlaid on the right side of the image. Underneath the image is a section titled "Key takeaways" with three bullet points. On the left side of the page, there is a vertical sidebar with the heading "Learn" and icons for Learn, Favorites, Topics, Events, and Search.

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Accounts & Trade | Planning & Advice | News & Research | Products | Why Fidelity

November 12, 2024 | 8 min

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# Learn

- Learn
- Favorites
- Topics
- Events
- Search

## 12 year-end tax tips for 2024

Act now to save money on 2024 taxes.

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### Key takeaways

- Retirement savings plans such as 401(k)s and 403(b)s have a December 31 deadline for contributions through payroll deductions.
- If you itemize, consider medical expenses and accelerating charitable contributions before the end of the year.
- If you're 73 or older, consider strategies to reduce taxes on required minimum distributions (RMDs) from retirement accounts, such as a qualified charitable distribution.

# Watch other Market Sense episodes



1. Fidelity Viewpoints, November 12, 2024: [www.fidelity.com/learning-center/personal-finance/tax-planning-strategies-2024](https://www.fidelity.com/learning-center/personal-finance/tax-planning-strategies-2024)
2. Fidelity.com: [www.fidelity.com/learning-center/wealth-management-insights/year-end-tax-tips](https://www.fidelity.com/learning-center/wealth-management-insights/year-end-tax-tips)
3. Fidelity Viewpoints, September 23, 2024: [www.fidelity.com/learning-center/personal-finance/retirement/answers-to-roth-conversion-questions](https://www.fidelity.com/learning-center/personal-finance/retirement/answers-to-roth-conversion-questions)
4. Fidelity Viewpoints, October 25, 2024: [www.fidelity.com/learning-center/personal-finance/tax-brackets](https://www.fidelity.com/learning-center/personal-finance/tax-brackets)
5. Fidelity Smart Money, November 1, 2024: [401\(k\) contribution limits 2023, 2024, and 2025 | Fidelity](https://www.fidelity.com/smart-money/401k-contribution-limits-2023-2024-and-2025)
6. Fidelity Smart Money, November 1, 2024: [IRA contribution limits for 2024 and 2025 | Fidelity](https://www.fidelity.com/smart-money/ira-contribution-limits-2024-and-2025)
7. Fidelity.com: [Health Savings Account | Contribution Options | Fidelity Investments](https://www.fidelity.com/health-savings-account/contribution-options)
8. Fidelity Viewpoints, July 24, 2024: [www.fidelity.com/viewpoints/personal-finance/hsa-healthy-habits](https://www.fidelity.com/viewpoints/personal-finance/hsa-healthy-habits)
9. Fidelity.com: <https://www.fidelity.com/go/dsk-umh/harvest-tax-loses>
10. Fidelity Viewpoints, [www.fidelity.com/viewpoints/personal-finance/tax-loss-harvesting](https://www.fidelity.com/viewpoints/personal-finance/tax-loss-harvesting)
11. Fidelity Viewpoints, January 2, 2024: [www.fidelity.com/learning-center/smart-money/deducting-charitable-donations](https://www.fidelity.com/learning-center/smart-money/deducting-charitable-donations)

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It is not possible to invest directly in an index.

Fidelity Wealth Services provides non-discretionary financial planning and discretionary investment management through one or more

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The Fidelity Retiree Health Care Cost Estimate is based on a single person retiring in 2024, 65-years-old, with life expectancies that align with Society of Actuaries' RP-2014 Healthy Annuitant rates projected with Mortality Improvements Scale MP-2021 as of 2022. Actual assets needed may be more or less depending on actual health status, area of residence, and longevity. Estimate is net of taxes. The Fidelity Retiree Health Care Cost Estimate assumes individuals do not have employer-provided retiree health care coverage, but do qualify for the federal government's insurance program, original Medicare. This calculation takes into account Medicare Part B base premiums and cost-sharing provisions (such as deductibles and coinsurance) associated with Medicare Part A and Part B (inpatient and outpatient medical insurance). It also considers Medicare Part D (prescription drug coverage) premiums and out-of-pocket costs, as well as certain services excluded by original Medicare. This estimate does not include other health-related expenses, such as over-the-counter medications, most dental services and long-term care.

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