**HEALTH SAVINGS ACCOUNT**

1. A Health Savings Account (HSA) is a tax-advantaged account created for or by individuals covered under [high-deductible health plans (HDHPs)](https://www.investopedia.com/terms/h/hdhp.asp) to save for qualified medical expenses. Contributions are made into the account by the individual or their employer and are limited to a maximum amount each year.
2. The contributions to an HSA are invested over time and can be used to pay for qualified medical expenses, such as medical, dental, and vision care and prescription drugs.
3. The maximum contribution for an HSA in 2024 is $4,150 for an individual ($3,850 for 2023) and $8,300 for a family ($7,750 in 2023).
4. The minimum deductible required to open an HSA is $1,600 for an individual or $3,200 for a family for the 2024 tax year ($1,500 and $3,000, respectively, for 2023).
5. Driven by falling [inflation](https://hrexecutive.com/mercer-study-ai-hr-leaders-talent-and-the-art-of-the-possible/) rates as economic growth slows, the IRS has determined that annual health savings account contribution limits will increase by 3.6% for individuals and 3% for families next year. The increases nearly mirror the [3.3% inflation rate in May.](https://www.cnbc.com/2024/06/12/cpi-report-june-inflation.html)
6. The Internal Revenue Service recently [announced](http://chrome-extension/efaidnbmnnnibpcajpcglclefindmkaj/https:/www.irs.gov/pub/irs-drop/rp-24-25.pdf)that for the calendar year 2025, the health savings account contribution limits for individuals with self-only coverage will jump to $4,300—up $150 from $4,150 for this year. For family coverage, the limit will increase to $8,550 next year from $8,300 in 2024.
7. Amounts withdrawn from an HSA aren’t taxed as long as they are used to pay for services that the IRS treats as qualified medical expenses. The plan's manager will issue an [IRS Form 1099-SA](https://www.investopedia.com/1099-sa-form-understanding-your-1099-sa-form-4782433) for distributions from the HSA.
8. If distributions are made from an HSA to pay for anything other than a qualified medical expense, that amount is subject to both income tax and an additional 20% tax penalty. However, once an individual turns 65, the 20% tax penalty is eliminated, and only income tax would apply for non-qualified withdrawals.

**Best Health Savings Accounts June 2024**

* Fidelity HAS
* Consumers Credit Union HAS
* Lively HAS
* GROWTH OF HSAs

|  |  |  |
| --- | --- | --- |
| Year | Number of Accounts (in millions) | Assets (in billions) |
| 2010 | 6.2 | $7.4 |
| 2012 | 9.1 | $14.1 |
| 2014 | 13.8 | $23.8 |
| 2016 | 20.2 | $37.0 |
| 2018 | 25.1 | $53.8 |
| 2020 | 30.2 | $72.5 |
| 2022 | 33.1 | $97.2 |

**PERSONAL LOANS**

* A personal loan is an unsecured instalment loan. If you qualify, you'll receive a lump sum of cash, which you can use for just about any purpose, from home improvements to medical expenses. You'll repay it over time (usually several years), with fixed monthly payments. It's a versatile financial tool, and often cheaper than alternatives like credit cards or short-term, emergency loans.
* [SoFi](https://fiona.com/partner/investopedialoans/loans?preferred_offer_partner=d69e3813-7f29-486b-8c1d-3de6e3e043c0&tag.pref_partner=sofi&tag.lender=sofi&tag.docid=4773300&tag.reqid=ncce6ca5adb674c87b1af02c9fa747de102) is the best overall personal loan lender due to its low cost, high customer satisfaction ratings, and excellent benefits package.
* The U.S. personal loan market has grown significantly over the past decade. By 2022, the outstanding personal loan balances reached approximately $160 billion, reflecting a growing trend among consumers using personal loans for various purposes.
* The average personal loan amount in the U.S. was around $8,085 in 2022.
* Personal loan interest rates vary widely depending on credit score, loan amount, and lender. As of 2022, average rates ranged from about 6% to 36%, with the average rate being around 9.41% for a 24-month personal loan.
* Personal loan terms typically range from 12 to 60 months. Longer terms generally mean lower monthly payments but higher total interest costs.
* Passed in 1974, the ECOA prohibits lenders from discriminating against applicants based on race, colour, religion, national origin, sex, marital status, age, or because they receive public assistance.
* Part of TILA, Regulation Z requires lenders to provide written disclosures of critical terms of credit, such as the APR, finance charges, amount financed, and total payments, ensuring transparency and helping consumers make informed decisions.
* Personal loans can be either secured (requiring collateral) or unsecured (no collateral required). Most personal loans are unsecured.
* Over the past two years, outstanding balances for personal loans have increased by nearly 59%, from $146 billion to $232 billion, [according to TransUnion data](https://newsroom.transunion.com/q2-2023-ciir/)
* Delinquency rates were also up, TransUnion reports. To be sure, the delinquency rate for personal loans that are 60 days or more past due was 3.62% as of Q2 2023. This delinquency figure is about a percentage point higher than it was two years prior when it stood at 2.28%.

**Reason for Personal Loans**

|  |  |
| --- | --- |
| Reason for personal loan | Percentage (%) |
| Debt consolidation | 21.2 |
| Home Improvement | 20.1 |
| Car financing | 18.8 |
| Everyday bills | 14.5 |
| Medical Expenses | 9.1 |
| Moving Expense | 4.9 |
| Education Expenses | 3.8 |
| Other | 2.9 |
| Vacation | 2.6 |
| Wedding Expenses | 2.1 |