

2020 Financial and Retirement Planning Facts

Traditional and Roth IRA Contribution Limits

\$6,000 Maximum or 100% of Compensation
\$1,000 Persons age 50+ are entitled to an additional catch-up contribution

Last day for contribution is the 2020 tax filing deadline
Distributions taken prior to 59 ½ may be subject to a 10% penalty, in addition to ordinary income tax
Required minimum distribution age 72 (Traditional IRAs only)

If you are not covered by a plan at work and your filing status is Single, Head of Household, Qualifying Widow(er), and Married Filing Jointly or Separately with a spouse who is covered by a plan at work then you can take a full deduction up to the amount of your contribution limit.

The deduction for taxpayers making contributions to a Traditional IRA is phased out for singles and heads of household who are covered by a workplace retirement plan and have modified adjusted gross incomes between \$65,000 and \$75,000. For married couples filing jointly, in which the spouse who makes the IRA contribution is covered by a workplace retirement plan, the income phase-out range is \$104,000 to \$124,000. For a Traditional IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$196,000 and \$206,000. If your filing status is Single, Head of Household, Qualifying Widower, Married Filing Jointly or Separately, there is no limit to your AGI and you can take a deduction up to the amount of the contribution limit.

The adjusted gross income phase-out range for taxpayers making contributions to a Roth IRA is \$196,000 to \$206,000 for married couples filing jointly. For singles and heads of household, the income phase-out range is \$124,000 to \$139,000. For a married individual filing a separate return who is covered by a retirement plan at work, the phase-out range remains \$0 to \$10,000.

Simple IRA Contribution Limit

\$13,500 Maximum
\$3,000 Persons age 50+ are entitled to an additional catch-up contribution
Must be established by October 1

SEP IRA Contribution Limit

The lesser of 25% of compensation (up to \$285,000) or \$57,000

401k Contribution Limit

\$19,500 Maximum Salary deferral
\$6,500 Persons age 50+ are entitled to an additional catch-up contribution

Total annual contributions to all of your accounts in plans maintained by one employer (and any related employer) are limited to: elective deferrals, employer matching contributions, employer non elective contributions and allocations of forfeitures. All sources combined can be a maximum of 100% of a participant's compensation or \$57,000 (\$63,500 if age 50 or older).

Health Savings Account (HSA) Contribution Limits

\$3,550 Individuals, \$7,100 Families
\$1,000 Persons age 55+ are entitled to an additional catch-up contribution

HSAs are only available to individuals and families who are covered by a high deductible health insurance plan with an annual deductible of not less than \$1,400 for individuals, \$2,800 for families and has required out-of-pocket maximums of not more than \$6,900 for individuals or \$13,800 for families.

This information is not intended to be a substitute for specific individualized tax advice. We recommend that you discuss specific tax issues with a qualified advisor.

This material was created for educational and informational purposes only and is not intended as ERISA, tax, legal or investment advice. If you are seeking investment advice specific to your needs, such advice services must be obtained on your own separate from this educational material.

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