



# IRA and Retirement Plan Limits for 2018

## IRA contribution limits

The maximum amount you can contribute to a traditional IRA or a Roth IRA in 2018 is \$5,500 (or 100% of your earned income, if less), unchanged from 2017. The maximum catch-up contribution for those age 50 or older remains at \$1,000. You can contribute to both a traditional IRA and a Roth IRA in 2018, but your total contributions can't exceed these annual limits.

## Traditional IRA income limits

The income limits for determining the deductibility of traditional IRA contributions in 2018 have increased. If your filing status is single or head of household, you can fully deduct your IRA contribution up to \$5,500 in 2018 if your modified adjusted gross income (MAGI) is \$63,000 or less (up from \$62,000 in 2017). If you're married and filing a joint return, you can fully deduct up to \$5,500 in 2018 if your MAGI is \$101,000 or less (up from \$99,000 in 2017). Note that these figures assume you are covered by a retirement plan at work.

| <b>If your 2018 federal income tax filing status is:</b> | <b>Your IRA deduction is limited if your MAGI is between:</b> | <b>Your deduction is eliminated if your MAGI is:</b> |
|--|---|--|
| <b>Single or head of household</b>                       | \$63,000 and \$73,000   | \$73,000 or more                                     |
| <b>Married filing jointly or qualifying widow(er)</b>    | \$101,000 and \$121,000 (combined)                            | \$121,000 or more (combined)                         |
| <b>Married filing separately</b>                         | \$0 and \$10,000  | \$10,000 or more                                     |

If you're not covered by an employer plan but your spouse is, and you file a joint return, your deduction is limited if your MAGI is \$189,000 to \$199,000 (up from \$186,000 to \$196,000 in 2017), and eliminated if your MAGI exceeds \$199,000. Single filers, head-of-household filers, and married joint filers who are not covered by an employer plan can deduct the full amount of their contributions.

## Roth IRA income limits

The income limits for determining how much you can contribute to a Roth IRA have also increased for 2018. If your filing status is single or head of household, you can contribute the full \$5,500 to a Roth IRA if your MAGI is \$120,000 or less (up from \$118,000 in 2017). And if you're married and filing a joint return, you can make a full contribution if your MAGI is \$189,000 or less (up from \$186,000 in 2017). (Again, contributions can't exceed 100% of your earned income.)

| <b>If your 2018 federal income tax filing status is:</b> | <b>Your Roth IRA contribution is limited if your MAGI is:</b> | <b>You cannot contribute to a Roth IRA if your MAGI is:</b> |
|--|---|---|
| <b>Single or head of household</b>                       | More than \$120,000 but under \$135,000                       | \$135,000 or more   |
| <b>Married filing jointly or qualifying widow(er)</b>    | More than \$189,000 but under \$199,000 (combined)            | \$199,000 or more (combined)                                |
| <b>Married filing separately</b>                         | More than \$0 but under \$10,000                              | \$10,000 or more  |





## Employer retirement plans

Most of the significant employer retirement plan limits for 2018 have also increased. The maximum amount you can contribute (your "elective deferrals") to a 401(k) plan is \$18,500, up from \$18,000 in 2017. This limit also applies to 403(b) and 457(b) plans, as well as the Federal Thrift Plan. If you're age 50 or older, you can also make catch-up contributions of up to \$6,000 to these plans in 2018. (Special catch-up limits apply to certain participants in 403(b) and 457(b) plans.)

If you participate in more than one retirement plan, your total elective deferrals can't exceed the annual limit (\$18,500 in 2018 plus any applicable catch-up contributions). Deferrals to 401(k) plans, 403(b) plans, and SIMPLE plans are included in this aggregate limit, but deferrals to Section 457(b) plans are not. For example, if you participate in both a 403(b) plan and a 457(b) plan, you can defer the full dollar limit to each plan — a total of \$37,000 in 2018 (plus any catch-up contributions).

The amount you can contribute to a SIMPLE IRA or SIMPLE 401(k) plan remains unchanged at \$12,500, and the catch-up limit for those age 50 or older remains at \$3,000.

| Plan type:  | Annual dollar limit: | Catch-up limit: |
|---|----------------------|-----------------|
| <b>401(k), 403(b), governmental 457(b), Federal Thrift Plan</b> | \$18,500             | \$6,000         |
| <b>SIMPLE plans</b>   | \$12,500             | \$3,000         |

**Note:** Contributions can't exceed 100% of your income.

The maximum amount that can be allocated to your account in a defined contribution plan (for example, a 401(k) plan or profit-sharing plan) in 2018 is \$55,000, up from \$54,000 in 2017, plus age 50 catch-up contributions. (This includes both your contributions and your employer's contributions. Special rules apply if your employer sponsors more than one retirement plan.)

Finally, the maximum amount of compensation that can be taken into account in determining benefits for most plans in 2018 is \$275,000 (up from \$270,000 in 2017), and the dollar threshold for determining highly compensated employees (when 2018 is the look-back year) remains unchanged at \$120,000.

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