

IRS SETS 2020 IRA AND 401(k) LIMITS

The Internal Revenue Service has announced the following retirement plan contribution limits for the 2020 tax year.

IRA CONTRIBUTIONS

- Roth: stayed the same at \$6,000
- Traditional: stayed the same at \$6,000
- Catch-up: stayed the same at \$1,000

401(k) CONTRIBUTIONS

- \$19,500 (increased)
- Catch-up: \$6,500 (increased)

TRADITIONAL IRA DEDUCTIBILITY PHASEOUT

	Modified Adjusted Gross Income range
Single filers covered by employer plan (increased)	\$65,000 to \$75,000
Married couples filing jointly, contributor covered by employer plan (increased)	\$104,000 to \$124,000
Joint filers with spouse covered by employer plan (increased)	\$196,000 and \$206,000

ROTH IRA ELIGIBILITY PHASEOUT

	Modified Adjusted Gross Income range
Single filers (increased)	\$124,000 to \$139,000
Married couples filing jointly (increased)	\$196,000 to \$206,000

SEP IRA CONTRIBUTIONS

- Company may contribute up to 25% of compensation or \$57,000 whichever is less (increased)

SIMPLE IRA CONTRIBUTIONS

- Salary deferral: \$13,500 (increased)
- Catch up: stayed the same at \$3,000

Source: irs.gov.

Contact your financial advisor if you have questions on these limits or are considering making any changes to an existing IRA or 401(k).

The investments you choose should correspond to your financial needs, goals, and risk tolerance. For assistance in determining your financial situation, consult an investment professional.

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