



Consultants, Actuaries and Administrators of Pension
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2018 IRA Rules & Limits

	Roth	Traditional
Eligibility & Tax Advantages		
Who is eligible?	<ul style="list-style-type: none"> An individual with earned income or W-2 compensation No age restrictions Adjusted gross income (AGI) within IRS limits 	<ul style="list-style-type: none"> An individual with earned income or W-2 compensation Under age 70 ½ No AGI limit for contributions; AGI limits apply for tax deductibility
Can a non-working spouse open this type of IRA?	<ul style="list-style-type: none"> Yes, if the couple files a joint federal income tax return and if combined contributions do not exceed \$11,000 (\$5,500 each) or \$13,000 (\$6,500 each) if age 50 or older 	
Are contributions tax deductible?	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Yes, subject to retirement plan participation status and AGI Non-working spouses and spouses not covered by an employer-sponsored plan have a higher deductible AGI limit
Federal tax advantages	<ul style="list-style-type: none"> Tax-free growth 	<ul style="list-style-type: none"> Tax-deferred growth
Contribution Restrictions		
	2018	
Income limits for contributions & deductibility	<u>Single filers</u> <ul style="list-style-type: none"> Full Contribution - Up to \$120,000 Partial Contribution - \$120,000 - \$135,000 Not Eligible - More than \$135,000 	<u>Full deductibility AGI limits</u> <ul style="list-style-type: none"> \$63,000 or less (single) \$101,000 or less (joint)
	<u>Joint filers</u> <ul style="list-style-type: none"> Full Contribution - Up to \$189,000 Partial Contribution - \$189,000 - \$199,000 Not Eligible - More than \$199,000 	<u>Partial deductibility AGI limits</u> <ul style="list-style-type: none"> Up to \$73,000 (single) and \$121,000 (joint) <u>Spouse who is not covered by an employer-sponsored plan</u> <ul style="list-style-type: none"> Full deductibility for AGI less than \$189,000 Partial deductibility for AGI up to \$199,000
Maximum annual contribution	<ul style="list-style-type: none"> \$5,500 or 100% of employment compensation, whichever is less (no change from 2017) 	
Catch up contributions	<ul style="list-style-type: none"> Individuals 50 years or older (in the calendar year of their contribution) can contribute an additional \$1,000 (no change from 2017) 	
Contribution deadline	<ul style="list-style-type: none"> April 15 of the following year for any given tax year 	
Roth IRA conversion rules	<ul style="list-style-type: none"> No AGI limit; Tax liability due in year of conversion 	
Withdrawal penalties	<ul style="list-style-type: none"> <i>Contributions</i> can be withdrawn at any time without penalty Penalty-free <i>withdrawals that include investment gain</i> are restricted to: age 59½, death, disability, or qualified first-time home purchase <u>and</u> accounts that have aged 5 years or more 	<ul style="list-style-type: none"> Withdrawals prior to age 59½ may be subject to a 10% penalty
Withdrawals for special purposes	Penalty-free withdrawals for both Roth and Traditional IRAs include but are not limited to: <ul style="list-style-type: none"> Qualified higher education expenses; Qualified first home purchase (lifetime limit of \$10,000); Certain major medical expenses; Certain long-term unemployment expenses; Disability; and Substantially equal periodic payments 	
Mandatory withdrawal age	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Withdrawals must begin after age 70½ based on required minimum distribution rules