Accepting Regular and Spousal IRA Contributions

	Traditional	Roth
Eligibility	• Must have taxable compensation • Has not attained 70½ year	• Must have taxable compensation • Modified adjusted gross income (MAGI) must be within prescribed limits (See chart below*)
Limits	**Single filer** Lesser of • $5,500 ($6,500 if age 50 or older in the year of contribution), or • the individual's taxable compensation for the year. **Married individual filing a joint return** Lesser of • $5,500 ($6,500 if age 50 or older in the year of contribution), or • the married couple's taxable compensation for the year minus any regular/ spousal contributions (Traditional and/or Roth) for the year made for his/her spouse.	
Funding Deadline	Tax return due date ***not including extensions***	

* Roth IRA Contribution MAGI Phase-Out Ranges	2015	2016
Single Individuals	$116,000 - $131,000	$117,000 - $132,000
Married, Filing a Joint Federal Income Tax Return	$183,000 - $193,000	$184,000 - $194,000
Married, Filing a Separate Income Tax Return	$0 - $10,000	$0 - $10,000

Calculating a Phase-Out Amount

If an IRA owner's MAGI falls within the Roth IRA Contribution phase-out ranges, he or she is only entitled to a partial Roth IRA contribution. The partial contribution can be calculated using the following formula

$$\frac{\textit{(Upper MAGI threshold - actual MAGI)}}{\textit{Maximum - minimum MAGI thresholds}} \times \begin{array}{c}\textit{Maximum contribution}\\ \textit{amount for the year}\\ \textit{(including catch-up}\\ \textit{contribution, if age eligible)}\end{array} = \begin{array}{c}\textit{Maximum Roth IRA}\\ \textit{Contribution}\end{array}$$

Example: Jim, who is age 56, is married filing a joint federal income tax return. He and his wife Mary have $187,000 MAGI in 2016. Jim's reduced contribution amount would be figured as follows:

$$\frac{(\$194{,}000 - \$187{,}000)}{\$194{,}000 - \$184{,}000} \times \$6{,}500 = \boxed{\$4{,}550}$$

The instructions are included http://www.irs.gov/pub/irs-pdf/p590.pdf

☐ CORRECTED (if checked)

TRUSTEE'S or ISSUER'S name, street address, city or town, state or province, country, and ZIP or foreign postal code		1 IRA contributions (other than amounts in boxes 2-4, 8-10, 13a, and 14a) $	OMB No. 1545-0747 **2016** Form **5498**	**IRA Contribution Information**
		2 Rollover contributions $		
TRUSTEE'S or ISSUER'S federal identification no.	PARTICIPANT'S social security number	3 Roth IRA conversion amount $	4 Recharacterized contributions $	**Copy B**
		5 Fair market value of account $	6 Life insurance cost included in box 1 $	**For Participant**
PARTICIPANT'S name		7 IRA ☐ SEP ☐	SIMPLE ☐ Roth IRA ☐	This information is being furnished to the Internal Revenue Service.
		8 SEP contributions $	9 SIMPLE contributions $	
Street address (including apt. no.)		10 Roth IRA contributions $	11 If checked, required minimum distribution for 2016 ☐	
City or town, state or province, country, and ZIP or foreign postal code		12a RMD date	12b RMD amount $	
		13a Postponed contribution $	13b Year / 13c Code	
		14a Repayments $	14b Code	
Account number (see instructions)		15a FMV of certain specified assets $	15b Code(s)	

Form **5498** (keep for your records) www.irs.gov/form5498 Department of the Treasury - Internal Revenue Service

Notes: