

# Accepting Regular and Spousal IRA Contributions

	Traditional	Roth
Eligibility	<ul style="list-style-type: none"> <li>• Must have taxable compensation</li> <li>• Has not attained 70½ year</li> </ul>	<ul style="list-style-type: none"> <li>• Must have taxable compensation</li> <li>• Modified adjusted gross income (MAGI) must be within prescribed limits (See chart below*)</li> </ul>
Limits	<p><b>Single filer</b> Lesser of</p> <ul style="list-style-type: none"> <li>• \$5,500 (\$6,500 if age 50 or older in the year of contribution), or</li> <li>• the individual's taxable compensation for the year.</li> </ul> <p><b>Married individual filing a joint return</b> Lesser of</p> <ul style="list-style-type: none"> <li>• \$5,500 (\$6,500 if age 50 or older in the year of contribution), or</li> <li>• 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.</li> </ul>	
Funding Deadline	<p><b>Tax return due date not including extensions</b></p> <p><b>Deadline for 2016 IRA contributions = April 18, 2017</b> By law, filing and payment deadlines (including the deadline for making IRA contributions) that fall on a Saturday, Sunday or a legal holiday are timely satisfied if met on the next business day. Legal holiday includes a legal holiday observed in the District of Columbia. For tax year 2016 IRA contributions, the later than usual contribution deadline is a result of April 15th falling on a Saturday, and then followed by Emancipation Day (a holiday observed in the District of Columbia), which falls on Sunday, April 16th, but is observed on Monday, April 17th. As a result, all U.S. taxpayers, nationwide have until Tuesday, April 18, 2017 to make Traditional and Roth IRA contributions for tax year 2016.</p> <p>Patriots' Day, which has played a role in the IRA contribution deadline in recent years for some taxpayers, will not further extend the deadline for 2016 IRA contributions, as Patriot's Day is also observed on Monday, April 17th, 2017.</p>	

* Roth IRA Contribution MAGI Phase-Out Ranges	2017	2016
Single Individuals	\$118,000 - \$133,000	\$117,000 - \$132,000
Married, Filing a Joint Federal Income Tax Return	\$186,000 - \$196,000	\$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

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

**Example:** Jim, who is age 56, is married filing a joint federal income tax return. He and his wife Mary have \$189,000 MAGI in 2017. Jim's reduced contribution amount would be figured as follows:

$$\frac{(\$196,000 - \$189,000)}{\$196,000 - \$186,000} \times \$6,500 = \$4,550$$

The instructions for the calculation of a reduced Roth IRA contribution limit can be found in [http://irastuff.com/downloads/SourceDocs/IRS%20Publications/Publication%20590-A%20\(2016\).pdf](http://irastuff.com/downloads/SourceDocs/IRS%20Publications/Publication%20590-A%20(2016).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		<b>IRA Contribution Information</b>
		\$	2017		
TRUSTEE'S or ISSUER'S federal identification no.		2 Rollover contributions	Form 5498		<b>Copy B</b>
		\$			
PARTICIPANT'S social security number		3 Roth IRA conversion amount	4 Recaptured contributions		<b>For Participant</b>
		\$	\$		
PARTICIPANT'S name		5 Fair market value of account	6 Life insurance cost included in box 1		This information is being furnished to the Internal Revenue Service.
		\$	\$		
Street address (including apt. no.)		7 IRA <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE <input type="checkbox"/> Roth IRA <input type="checkbox"/>	9 SIMPLE contributions		
		\$	\$		
City or town, state or province, country, and ZIP or foreign postal code		10 Roth IRA contributions	11 If checked, required minimum distribution for 2018 <input type="checkbox"/>		
		\$			
Account number (see instructions)		12a RMD date	12b RMD amount		
		\$	\$		
		13a Postponed contribution	13b Year	13c Code	
		\$			
		14a Repayments	14b Code		
		\$			
		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:

