



END OF THE YEAR PLANNING FOR YOUR IRA

KNOW YOUR NUMBERS

Traditional and Roth IRA Contributions: For 2021, 2020 and 2019, the total contributions you make each year to all of your traditional and Roth IRAs can't be more than:

- \$6,000 (\$7,000 if you're age 50 or older), or
- If less, your taxable compensation for the year

Modified AGI limit for traditional IRA contributions increased: For 2020, if you are covered by a retirement plan at work, your deduction for contributions to a traditional IRA is reduced (phased out) if your modified AGI is:

- More than \$104,000 but less than \$124,000 for a married couple filing a joint return or a qualifying widow(er),
- More than \$65,000 but less than \$75,000 for a single individual or head of household,
- Less than \$10,000 for a married individual filing a separate return.

Required Minimum Distributions:

Typically, you must begin making withdrawals from your IRA, SIMPLE IRA, SEP IRA, or retirement plan account when you reach age 70½. However, the Setting Every Community Up for Retirement Enhancement (SECURE) Act, which was signed by the President on December 20, 2019, made some changes to the age for RMDs. Currently, if your 70th birthday is July 1, 2019 or later, you do not have to take withdrawals until you reach age 72. Roth IRAs do not require withdrawals until after the death of the owner.

Beginning date for your **first** required minimum distribution

IRAs (including SEPs and SIMPLE IRAs)

- April 1 of the year following the calendar year in which you reach age 70½, if you were born before July 1, 1949.
- April 1 of the year following the calendar year in which you reach age 72, if you were born after Jun 30, 1949.

401(k), profit-sharing, 403(b), or other defined contribution plan

Generally, April 1 following the later of the calendar year in which you:

- reach age 72 (age 70½ if born before July 1, 1949), or
- retire (if your plan allows this).

*****with subsequent RMDs due on December 31st annually thereafter**

Source: IRS.gov

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