

20

IRA CONTRIBUTIONS & DEDUCTIONS GUIDE

20

IRAS & Other Accounts



Max Contribution Limit Standard ¹	Max Catch Up	Distributions	Contributions	Account Creation Deadline	Contribution Deadline
\$6,000 TRADITIONAL IRA	\$7,000	Tax-Deferred	Deductible	4/15/2021	4/15/2021
\$6,000 ROTH IRA	\$7,000	Tax-Free	Not Deductible	4/15/2021	4/15/2021
\$19,500 ROTH 401(k)	\$26,000	Tax-Free	Not Deductible	12/31/2020	12/31/2020
\$19,500 SOLO 401(k)	\$26,000	Tax-Deferred	Deductible	12/31/2020 Calendar year reporting	12/31/2020
\$13,500 SIMPLE IRA	\$16,500	Tax-Deferred	Deductible	4/15/2021	4/15/2021
\$57,000 SEP IRA	None	Tax-Deferred	Deductible	4/15/2021 (Employee)	Employers' tax-filing deadline ²
\$2,000 CESA	None	Tax-Free	Deductible	4/15/2021	4/15/2021
\$3,550 HSA - Single	\$4,550	Tax-Free	Deductible	4/15/2021	4/15/2021
\$7,100 HSA - Family	\$8,100	Tax-Free	Deductible	4/15/2021	4/15/2021

Individual Retirement Plans

TRADITIONAL IRA

IF YOU ARE COVERED BY A RETIREMENT PLAN AT WORK

2020 Deductible Contribution Limits - Based on Modified Adjusted Gross Income (MAGI)	Single or Head of Household	Married Filing Jointly or Qualifying Widow(er)	Married Filing Separately
FULL DEDUCTION	≤ \$65,000	≤ \$104,000	-
PARTIAL DEDUCTION	> \$65,000 but < \$75,000	> \$104,000 but < \$124,000	< \$10,000
NO DEDUCTION	≥ \$75,000	≥ \$124,000	≥ \$10,000

IF YOU ARE NOT COVERED BY A RETIREMENT PLAN AT WORK

2020 Deductible Contribution Limits - Based on Modified Adjusted Gross Income (MAGI)	Single or Head of Household or Qualifying Widow(er)	Married Filing Jointly or Separately (with a spouse who is not covered by a plan at work)	Married Filing Jointly (with a spouse who is covered by a plan at work)	Married Filing Separately (with a spouse who is covered by a plan at work)
FULL DEDUCTION	Any Amount	Any Amount	≤ \$196,000	-
PARTIAL DEDUCTION	-	-	> \$196,000 but < \$206,000	< \$10,000
NO DEDUCTION	-	-	≥ \$206,000	≥ \$10,000

ROTH IRA

Modified Adjusted Gross Income (MAGI) levels required for contributing to a Roth IRA	Single, Head of Household or Married Filing Separately (and you did not live with your spouse at any time during the year)	Married Filing Jointly or Qualifying Widow(er)	Married Filing Separately (and you lived with your spouse at any time during the year)
FULL CONTRIBUTION	< \$124,000	< \$196,000	-
PARTIAL CONTRIBUTION	≥ \$124,000 but < \$139,000	> \$196,000 but < \$206,000	< \$10,000
NO CONTRIBUTION	≥ \$139,000	≥ \$206,000	≥ \$10,000

Small Business Retirement Plans

SIMPLE IRA

Employer must contribute a matching contribution of **1-3% or a 2%** nonelective contribution of employee's salary. Employees may contribute through salary deduction.

SEP IRA

Employer contributes only up to **25% of employee's salary up to \$57,000** maximum employer contribution limit. **Maximum considered compensation of \$285,000**

SOLO 401(k)³

Employee can contribute up to **\$19,500** **\$26,000 (if 50 or older)**. Employer can contribute up to **\$37,500**

Other Plans

CESA

2020 Contribution Limits - Based on Modified Adjusted Gross Income (MAGI)	Single, Head of Household or Married Filing Jointly	Married Filing Jointly
UP TO THE LIMIT	< \$95,000	< \$190,000
A REDUCED AMOUNT	≥ \$95,000 but < \$110,000	≥ \$190,000 but < \$220,000
NO CONTRIBUTION	≥ \$110,000	≥ \$220,000