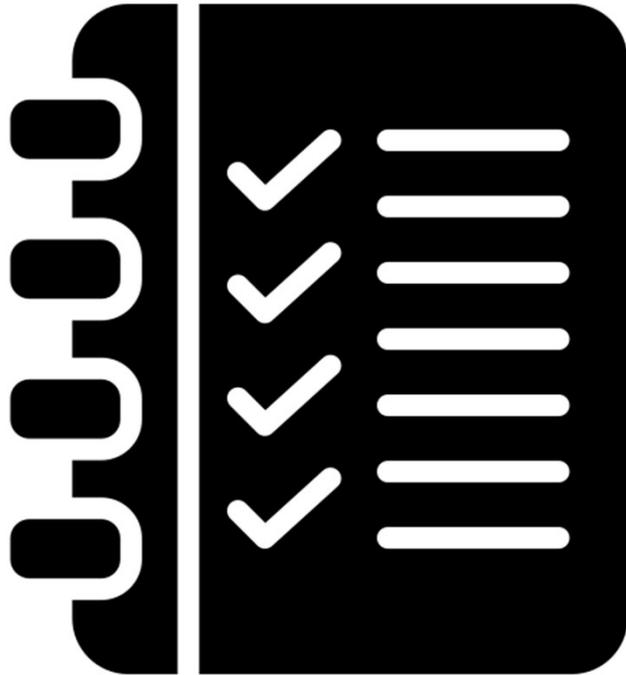


IRA Contributions

OVERVIEW OF TRADITIONAL & ROTH IRA CONTRIBUTIONS

What We'll Cover



- Eligibility
- Maximum contribution limits
- Regular, catch-up & spousal contributions
- Deductible v. nondeductible contributions
- Funding deadline
- Reporting

Regular/Spousal Contribution Limits

Contribution Year	Regular	Catch-up (age 50 or older)
2026	\$7,500	\$1,100
2025	\$7,000	\$1,000

- Maximum contribution limit is the *lesser* of:
 - The applicable annual limit, or
 - The IRA owner's* compensation for the year
- Limit is an aggregate (Traditional and Roth)

*Or spouse's compensation if filing a joint federal tax return

Catch-up Contribution Eligibility

Any individual who has attained the age of 50 or older before the close of the taxable year

Spousal IRA Contributions

1

Couple must file a joint federal income tax return

2

At least one spouse must have eligible earned income

3

For Roth IRAs, couple must have modified adjusted gross income (MAGI) within limits

Roth Funding Eligibility 2026

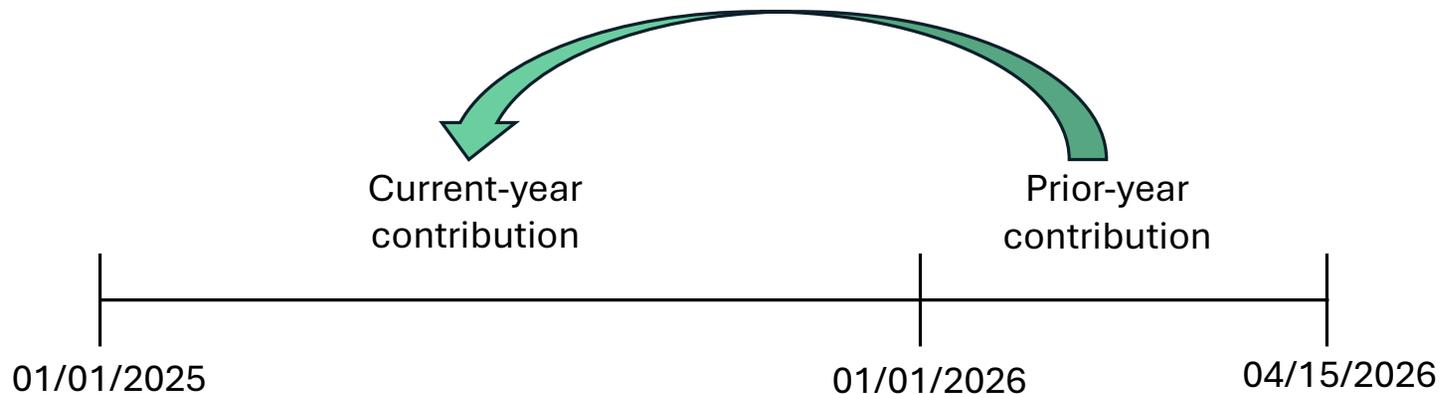
Single Individuals	MAGI	Contribution limit
	≤\$153,000	Eligible for full contribution
	\$153,000 - \$168,000	Eligible for a reduced amount
	>\$168,000	Ineligible
Married Filing Jointly (or qualifying surviving spouse)	MAGI	Contribution limit
	≤\$242,000	Eligible for full contribution
	\$242,000 - \$252,000	Eligible for a reduced amount
	>\$252,000	Ineligible
Married Filing Separately (lived with spouse at any time during the year)	MAGI	Contribution limit
	>\$0 but less than \$10,000	Eligible for a reduced amount
	\$10,000 or more	Ineligible

Roth Funding Eligibility 2025

Single Individuals	MAGI	Contribution limit
	≤\$150,000	Eligible for full contribution
	\$150,000 - \$165,000	Eligible for a reduced amount
	>\$165,000	Ineligible
Married Filing Jointly (or qualifying surviving spouse)	MAGI	Contribution limit
	≤\$236,000	Eligible for full contribution
	\$236,000 - \$246,000	Eligible for a reduced amount
	>\$246,000	Ineligible
Married Filing Separately (lived with spouse at any time during the year)	MAGI	Contribution limit
	>\$0 but less than \$10,000	Eligible for a reduced amount
	\$10,000 or more	Ineligible

IRA Contribution Deadline

- Deadline: tax return due date, not including extensions (generally April 15)
 - If April 15 falls on a Saturday, Sunday, or legal holiday, the deadline is extended to the next business day.



Tax Treatment of IRAs

IRA Type	Contributions	Earnings	Distributions
Traditional	<ul style="list-style-type: none"> <input type="checkbox"/> May be deductible <input type="checkbox"/> May qualify for tax credit 	<ul style="list-style-type: none"> <input type="checkbox"/> Tax-deferred 	<ul style="list-style-type: none"> <input type="checkbox"/> Generally taxable
Roth	<ul style="list-style-type: none"> <input type="checkbox"/> Not deductible <input type="checkbox"/> May qualify for tax credit 	<ul style="list-style-type: none"> <input type="checkbox"/> Tax-deferred 	<ul style="list-style-type: none"> <input type="checkbox"/> Tax free qualified distributions

What Factors Affect Deductibility for Traditional IRAs?

Factor #1: Active Participant (AP) Status

Did the individual (or his/her spouse) accrue benefits under an employer-sponsored retirement plan?

- **No** = Traditional IRA contributions are fully deductible
- **Yes** = Eligibility for deduction determined by modified adjusted gross income (MAGI)

How is Active Participant Status Determined?



Form W-2 (Box 13)



IRS Notice 98-49



IRS Publication 590-A

22222		a Employee's social security number		OMB No. 1545-0029			
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld		
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld		
			5 Medicare wages and tips		6 Medicare tax withheld		
			7 Social security tips		8 Allocated tips		
d Control number			9		10 Dependent care benefits		
e Employee's first name and initial	Last name		Suff.	11 Nonqualified plans		12a	
f Employee's address and ZIP code			13 Statutory employee	Retirement plan	Third-party sick pay	12b	
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12c	
			14 Other		12d		
15 State	Employer's state ID number		16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement
 Copy 1 – For State, City, or Local Tax Department

2025

Department of the Treasury—Internal Revenue Service

What Factors Affect Deductibility for Traditional IRAs?

Factor #2: MAGI

Filing status and MAGI determine the portion of deposit eligible for deduction.

Filing Status	Household Modified Adjusted Gross Income (2026)		
	Full Deduction	Partial Deduction	No Deduction
Single	$\leq \$81,000$	$> \$81,000 < \$91,000$	$\geq \$91,000$
Married Filing Joint (IRA Owner= AP)	$\leq \$129,000$	$> \$129,000 < \$149,000$	$\geq \$149,000$
Married Filing Joint (Spouse = AP)	$\leq \$242,000$	$> \$242,000 < \$252,000$	$\geq \$252,000$

MAGI Thresholds for 2025

Filing Status	Household Modified Adjusted Gross Income (2025)		
	Full Deduction	Partial Deduction	No Deduction
Single	$\leq \$79,000$	$> \$79,000 < \$89,000$	$\geq \$89,000$
Married Filing Joint (IRA Owner = AP)	$\leq \$126,000$	$> \$126,000 < \$146,000$	$\geq \$146,000$
Married Filing Joint (Spouse = AP)	$\leq \$236,000$	$> \$236,000 < \$246,000$	$\geq \$246,000$

Traditional IRA Deduction

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

Attach to Form 1040, 1040-SR, or 1040-NR.

Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2025

Attachment
Sequence No. **01**

Schedule 1 (Form 1040) 2025

Page **2**

Part II Adjustments to Income			
11	Educator expenses	11	
12	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106	12	
13	Health savings account deduction. Attach Form 8889	13	
14	Moving expenses for members of the Armed Forces. Attach Form 3903. If claiming only storage fees (see instructions), check here <input type="checkbox"/>	14	
15	Deductible part of self-employment tax. Attach Schedule SE	15	
16	Self-employed SEP, SIMPLE, and qualified plans	16	
17	Self-employed health insurance deduction	17	
18	Penalty on early withdrawal of savings	18	
19a	Alimony paid	19a	
b	Recipient's SSN		
c	Date of original divorce or separation agreement (see instructions):		
20	IRA deduction. If you are married filing separately and lived apart from your spouse for the entire year (see instructions), check here <input type="checkbox"/>	20	

Nondeductible Contributions

- Don't confuse eligibility with deductibility
- Individuals who are eligible to contribute—but ineligible to *deduct*—may make nondeductible contributions
- Nondeductible contributions are tracked by IRA owner on IRS Form 8606;
 - Not tracked by financial organization
 - Lifetime obligation for taxpayer
 - Not difficult, but important

IRS Form 8606

Form 8606 Department of the Treasury Internal Revenue Service	Nondeductible IRAs Attach to 2025 Form 1040, 1040-SR, or 1040-NR. Go to www.irs.gov/Form8606 for instructions and the latest information.	OMB No. 1545-0074 2025 Attachment Sequence No. 48
Name. If married, file a separate form for each spouse required to file 2025 Form 8606. See instructions.		Your social security number
Fill in Your Address Only if You Are Filing This Form by Itself and Not With Your Tax Return	Home address (number and street, or P.O. box if mail is not delivered to your home)	
	City, town or post office, state, and ZIP code. If you have a foreign address, also complete the spaces below. See instructions.	
	Foreign country name	Foreign province/state/county
		Foreign postal code
Note: Except where stated otherwise, "traditional IRA" includes traditional SEP IRAs and traditional SIMPLE IRAs. "Roth IRA" includes Roth SEP IRAs and Roth SIMPLE IRAs.		
Part I Nondeductible Contributions to Traditional IRAs and Distributions From Traditional IRAs Complete this part only if one or more of the following apply.		
<ul style="list-style-type: none"> You made nondeductible contributions to a traditional IRA for 2025. Nondeductible contributions to a traditional IRA do not include employer contributions made to a SEP IRA pursuant to a SEP arrangement or to a SIMPLE IRA pursuant to a SIMPLE IRA plan. You took distributions from a traditional IRA in 2025 and you made nondeductible contributions to a traditional IRA in 2025 or an earlier year. For this purpose, "distributions" does not include rollovers (but does include certain 2025 retirement plan distribution repayments treated as rollovers (see instructions)). Also, it does not include qualified charitable distributions, one-time distributions to fund an HSA, conversions, recharacterizations, or returns of certain contributions. You converted part, but not all, of your traditional IRAs to Roth IRAs in 2025 and you made nondeductible contributions to a traditional IRA in 2025 or an earlier year. 		

IRA Contribution Reporting Form 5498

- IRS Form 5498 – reports contribution activity and FMV to IRS
 - Box 1 – Traditional IRA contributions
 - Box 10 – Roth IRA contributions
- Reporting deadline
 - May 31st – Form 5498 due to IRS

Note: If an IRA owner has a Traditional IRA and a Roth IRA, they will receive a Form 5498 for each IRA type.

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	
		\$	2025	
TRUSTEE'S or ISSUER'S TIN		2 Rollover contributions	Form 5498	
		\$		
PARTICIPANT'S TIN		3 Roth IRA conversion amount	4 Recharacterized contributions	
		\$	\$	
PARTICIPANT'S name		5 FMV of account	6 Life insurance cost included in box 1	
		\$	\$	
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	
		8 SEP 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 2026 <input type="checkbox"/>	
		\$		
Account number (see instructions)		12a RMD date	12b RMD amount	
		\$	\$	
		13a Postponed/late contrib.	13b Year	13c Code
		\$		
		14a Repayments	14b Code	
		\$		
		15a FMV of certain specified assets	15b Code(s)	
		\$		

IRA Contribution Information

Copy B

For Participant

This information is being furnished to the IRS.

Form **5498** (keep for your records) www.irs.gov/Form5498 Department of the Treasury - Internal Revenue Service

Questions?



CHAT WITH US OR CALL US AT 888.470.4542

MONDAY-FRIDAY, 8:00 A.M.-5:00 P.M., CT