From the desk of
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IRA Deposits can be made up to April 17

You may contribute to an Individual Retirement Arrangement (IRA) and claim it on your 2017 tax return.

An IRA is designed to enable employees and the self-employed to save for retirement.

Most taxpayers who work are eligible to start a traditional or Roth IRA or add money to an existing account.

Contributions to a traditional IRA are often tax deductible.

Distributions when made are taxable for Traditional IRA's.

Contributions to a Roth IRA are not deductible but qualified distributions are tax-free.

In addition to the tax savings relating to a IRA deduction contributions made by April 17, 2018, some taxpayers who are in the low- and moderate-income brackets may also qualify for the Saver's Credit.

Eligible taxpayers can contribute up to $5,500 to an IRA.

For anyone who was 50 years or older at the end of 2017 the amount that can be deposited is $6,500.

The same general contribution limit applies to both Roth and traditional IRAs.

A Roth IRA contribution might be limited based on filing status and income.

Once an individual reaches age 701/2 they cannot make contributions to a traditional IRA, however can still contribute to a Roth IRA and make rollover contributions to a Roth or traditional IRA regardless of age.

If neither a taxpayer or their spouse was covered for any part of the year by an employer retirement plan they can take a deduction for total contributions to one or more traditional IRAs up to the contribution limit or 100 percent of the taxpayer's compensation, whichever is less.

For 2017 if a taxpayer is covered by a workplace retirement plan the deduction for contributions to a traditional IRA is generally reduced if the taxpayer's modified adjusted gross income is between:

- $0 and $10,000; married filing separately
- $62,000 and $72,000; single and head of household
- $99,000 to $119,000; married filing jointly or a qualifying widow(er)
- $186,000 to $196,000; married filing jointly where the IRA contributor is not covered by a workplace retirement plan but is married to someone who is covered

While contributions to Roth IRAs are not tax deductible the maximum permitted amount of these contributions is phased out for taxpayers whose modified adjusted gross income is above a certain level:

- $0 to $10,000; married filing separately
- $118,000 to $133,000; single and head of household
- $186,000 to $196,000; married filing jointly

As mentioned above in addition to the IRA deduction there exists a Retirement Savings Contributions Credit, or Saver's Credit which is available to IRA contributors with adjusted gross income which falls below certain levels.

Eligible taxpayers can get the credit even if they qualify for other retirement-related tax benefits.

As with other tax credits the Saver's Credit can increase a taxpayer's refund or reduce the taxes they owe.

The amount of the credit is based on several factors including the amount contributed to either a Roth or traditional IRA and other qualifying retirement programs.

For 2017, the income limit is:

- $31,000; single and married filing separate
- $46,500; head of household
- $62,000; married filing jointly.

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