Sample article for organizations to use to reach customers (514 word count)

Post the following article on your websites and/or use in other communication vehicles to help your customers.

Catching up on your retirement savings

If you will be 50 or older by the end of 2017, you may be able to contribute more money to your employer-sponsored retirement plan and your individual retirement arrangements (IRAs). Contributing more money will help you save more for your retirement and reduce your taxable income if you make pre-tax retirement plan contributions or deductible IRA contributions.

Employer-sponsored retirement plans

If your retirement plan permits you to contribute from your wages, it may allow an age-50 catch-up contribution. This means you may contribute additional amounts to the plan every year starting with the year in which you turn 50. For 2017, you may be able to contribute the lesser of 100 percent of your compensation or:

- $24,000 ($18,000 plus an additional $6,000 of catch-up contributions) to 401(k), 403(b) and governmental 457(b) plans; or
- $15,500 ($12,500 plus an additional $3,000 of catch-up contributions) to SIMPLE plans.

If you contribute to the plan on a pre-tax basis, the contribution is not subject to federal income tax.

Individual Retirement Arrangements

If you will be 50 or older by the end of the year, you may also be able to contribute additional amounts every year to your IRA. For 2017, you can contribute the lesser of your taxable compensation or $6,500 ($5,500 plus an additional $1,000 of catch-up contributions). This limit applies to the combined contributions to all your traditional and Roth IRAs. Here are a few things to remember about making IRA contributions:

- You can't contribute to a traditional IRA starting with the year in which you are 70½ years old (you can contribute to a Roth IRA regardless of your age). Amounts you contribute to a traditional IRA after you are 70½ years old are excess contributions and incur a 6 percent tax per year as long as the excess amounts remain in the IRA.
- Your ability to deduct contributions to a traditional IRA may be limited if you or your spouse is covered by a retirement plan at work and your income exceeds certain limits.

- Your ability to contribute to a Roth IRA may be limited based on your filing status and income.

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NOTE TO EDITOR: Below are helpful resources about retirement plans and IRAs.

IRS.gov

- Retirement Topics: Contributions – lists contribution limits for common types of retirement plans and explains the types of contributions that can be made to the plans.
- Retirement Topics: IRA Contribution Limits – explains contribution limits for traditional and Roth IRAs, deduction limits for traditional IRA contributions and tax on excess IRA contributions.
- Retirement Plans Frequently Asked Questions (FAQs) – answers many commons questions about IRAs and employer-sponsored retirement plans.
- Traditional and Roth IRAs – shows a side-by-side comparison of common features of these types of IRAs.

On Twitter? Send these Tweets:

- Learn how to save for your #retirement https://go.usa.gov/xnC6Y #IRS
- Read how changes in your life may affect #retirement planning https://go.usa.gov/xnC65 #IRS