

FISCAL FITNESS



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Limits on Retirement Plans for 2015

- The elective deferral (contribution) limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased from \$17,500 to \$18,000.

- The catch-up contribution limit for employees aged 50 and over who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is increased from \$5,500 to \$6,000.



- The limit on annual contributions to an Individual Retirement Arrangement (IRA) remains unchanged at \$5,500. The

additional catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment and remains \$1,000.

- The deduction for taxpayers making contributions to a traditional IRA is phased out for singles and heads of household who are covered by a workplace retirement plan and have modified adjusted gross incomes (AGI) between \$61,000 and \$71,000, up from \$60,000 and \$70,000 in 2014. For married couples filing jointly, in which the spouse who makes the IRA contribution is covered by a workplace retirement plan, the income phase-out range is \$98,000 to \$118,000, up from \$96,000 to \$116,000.

- For an IRA contributor who is not covered by a workplace retirement plan and is married to someone who is covered, the deduction is phased out if the couple's income is between \$183,000 and \$193,000, up from \$181,000 and \$191,000. For a married individual filing a separate return who is covered by a workplace retirement plan, the

phase-out range is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000.

- The AGI phase-out range for taxpayers making contributions to a Roth IRA is \$183,000 to \$193,000 for married couples filing jointly, up from \$181,000 to \$191,000 in 2014. For singles and heads of household, the income phase-out range is \$116,000 to \$131,000, up from \$114,000 to \$129,000. For a married individual filing a separate return, the phase-out range is not subject to an annual cost-of-living adjustment and remains \$0 to \$10,000.

The AGI limit for the saver's credit (also known as the retirement savings contribution credit) for low- and moderate-income workers is \$61,000 for married couples filing jointly, up from \$60,000 in 2014; \$45,750 for heads of household, up from \$45,000; and \$30,500 for married individuals filing separately and for singles, up from \$30,000.