

There's still time to make your 2011 IRA contribution

To get the most from an IRA or a Roth IRA, taxpayers should make their contributions as early in the year as possible. The procrastinators among us have until the tax-filing deadline to make a contribution for the 2011 tax year. Contributions for the 2012 tax year may be made as well, at any time. The contribution limit for each year, for either type of account, is \$5,000 for most taxpayers, \$6,000 for those 50 and older. The extra \$1,000 is allowed as a "catch-up contribution." Perhaps it's to make up for the years of skipped contributions when college costs were more important?

IRAs are still not universally available. See the table below for the phase-out ranges, which are based upon modified adjusted gross income. For the traditional IRA, the phase-out range concerns who may take the deduction, while for the Roth IRA it's about who is allowed to make a contribution. The full deduction or contribution is permitted at the bottom of the range, and it's gone at the top of the range. Note that the phase-out ranges for marrieds filing separately have never, by law, been adjusted for inflation.

IRA Phase-out Ranges

Traditional IRA

<i>Filing status</i>	<i>2011</i>	<i>2012</i>
Married, filing jointly, both active participants in employer plans	\$90,000 - \$110,000	\$92,000 - \$112,000
Married, filing jointly, one active participant in an employer plan	\$169,000 - \$179,000	\$173,000 - \$183,000
Single or head of household	\$56,000 - \$66,000	\$58,000 - \$68,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

Roth IRA

Married filing jointly	\$169,000 - \$179,000	\$173,000 - \$183,000
Single or head of household	\$107,000 - \$122,000	\$110,000 - \$125,000
Married filing separately	\$0 - \$10,000	\$0 - \$10,000

Source: U. S. Tax Code; M.A Co.

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