

Make a 2015 Contribution to an IRA Before Time Runs Out



ARTICLE 03.16.16 DEAN DORTON

Tax-advantaged retirement plans allow your money to grow tax-deferred — or, in the case of Roth IRA accounts, tax-free. But annual contributions are limited by tax law, and any unused limit *can't* be carried forward to make larger contributions in future years. So it's a good idea to use up as much of your annual limits as possible. Have you maxed out your 2015 limits?

April 18 deadline

While it's too late to add to your 2015 401(k) contributions, there's still time to make 2015 IRA contributions. The deadline is April 18, 2016. The limit for total contributions to all IRAs generally is \$5,500 (\$6,500 if you were age 50 or older on December 31, 2015).

A traditional IRA contribution also might provide some savings on your 2015 tax bill. If you and your spouse don't participate in an employer-sponsored plan such as a 401(k) — or you do but your income doesn't exceed certain limits — your traditional IRA contribution is fully deductible on your 2015 tax return.

Evaluate your options

If you don't qualify for a deductible traditional IRA contribution, see if you qualify to make a Roth IRA contribution. If you exceed the applicable income-based limits, a nondeductible traditional IRA contribution may even make sense. Neither of these options will reduce your 2015 tax liability, but they still provide valuable opportunities for tax-deferred or tax-free growth.

We can help you determine which type of contributions you're eligible for and what makes sense for you.