



First Quarter 2019

## Optimize Your Retirement Contributions for 2018 and 2019

Retirement account contribution limits are on the rise in 2019, with IRAs experiencing their first increase since 2013. The numbers below are the maximum amounts employees can contribute to their retirement plan. Remember to fully fund your account(s) for 2018 by April 15th and start funding your 2019 contributions as soon as possible to take advantage of compounding.

Type of Retirement Plan	Maximum Annual Contributions			
	2018		2019	
	Under Age 50	50 and Older	Under Age 50	50 and Older
<b>Individual Retirement Plans*</b>				
Traditional, Non-Deductible and Roth IRA	\$5,500	\$6,500	\$6,000	\$7,000
<b>Employer-Sponsored Retirement Plans</b>				
401(k), Roth 401(k), 403(b), 457 and SARSEP Plans – Employee contribution	\$18,500	\$24,500	\$19,000	\$25,000
SEP (Simplified Employee Pension) IRA	Employer contribution - 25% of compensation up to \$55,000 Employee contribution up to \$5,500 (\$6,500 over 50)		Employer contribution - 25% of compensation up to \$56,000 Employee contribution up to \$6,000 (\$7,000 over 50)	
<b>Small Business or Self-Employed Retirement Plans</b>				
	Salary deferral of 20-25% of compensation, plus			
Self-Employed 401k (a.k.a., Solo-401k, Individual 401k, Roth 401k)	\$18,500	\$24,500	\$19,000	\$25,000
	up to a combined maximum of \$55,000 (\$61,000 over 50)		up to a combined maximum of \$56,000 (\$62,000 over 50)	
SIMPLE (Savings Incentive Match Plan for Employees) IRA - Employee contribution	\$12,500	\$15,500	\$13,000	\$16,000

*\*The income limit for taking a full deduction for contributions to a traditional IRA while participating in a workplace retirement increases to \$64,000 for singles, and \$103,000 for married filing jointly or qualifying widow(er) in 2019. The deduction completely phases out when income goes above \$74,000 for singles and \$123,000 for married filing jointly or qualifying widow(er). 2019 income limits for full contributions to Roth IRAs are \$122,000 single, head of household, or married filing separately IF you didn't live with your spouse during the year, phasing out completely at \$137,000. Married filing jointly or qualifying widow or widower can make full contributions if their income is below \$193,000. Partial contributions phase out completely once income exceeds \$203,000.*

The start of the year is also a good time to check and make certain your beneficiary designations are correct. Beneficiary designations spell out who—or what trust—is going to inherit the retirement account when the account holder dies. These designations take precedence over any provisions made in the will.

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