

ASK THE ADVISERS

The views and opinions expressed in "Ask the Advisers" are solely those of Keith Singer.



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2022 IRA Contribution Deadlines

It is not too late to add funds to your retirement account for the calendar year 2022. Retirement accounts will grow tax deferred and provide other potential tax benefits. Those who have earned income for 2022, as well as their spouses, have until April 18th to contribute to either a traditional IRA (contributions are tax deductible) or a Roth IRA (income is tax free) for the 2022 tax year.

The 2022 limits are \$6000 if for those under 50 and \$7000 for everyone else. If you are covered by a retirement plan at work, there are income limitations to contributing to an IRA. Single people who make less than \$73,000 and married people who make less than \$116,000 can contribute to an IRA and receive a tax deduction even if they are covered by a work retirement plan. If your income exceeds the threshold, then IRA contributions are not tax deductible.

A Roth IRA is an extremely attractive option because although there is no tax deduction, all the investments in the account will

grow tax free and all the income will be tax free as well. Almost everyone who has earned income and investments that are currently held in taxable accounts should be contributing to a Roth IRA each year. To make a full contribution to a Roth IRA, income needs to be below \$204,000 for married couples and under \$129,000 for single filers.

All is not lost for higher income earners who want their retirement accounts growing tax free. They can still make a traditional IRA contribution and then simply convert their IRA to a Roth. This is also known as a "back door" Roth. They will get a tax deduction for the contribution which will be offset by the realized income from the conversion. With taxes set to rise soon, investors should be trying to maximize their sources of tax-free retirement income. **To receive a complementary tax report, text the word "tax report" to 954-462-3300.**

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