

3 TIPS FOR MAKING YOUR 2022 IRA CONTRIBUTION

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Tax season is in full swing. That means that the 2022 tax-filing deadline is not far away. Are you considering making a 2022 IRA contribution? Time is quickly running out. Here are three tips to help you get your contribution done the right way.

1. DON'T Miss the Deadline. The deadline for making your 2022 IRA contribution is the tax-filing deadline, Tuesday, April 18, 2023. Do you have an extension? That won't buy you more time. Even if you have an extension for filing your 2022 federal income taxes, your deadline for making a traditional or Roth IRA contribution is still April 18, 2023.

2. DON'T Exceed your Limits. The maximum contribution that you can make to an IRA for 2022 if you were under 50 is \$6,000. If you reached age 50 or older in 2022, the maximum contribution limit is \$7,000. The annual limit is aggregated for traditional and Roth IRAs. You may not contribute \$6,000 to your traditional IRA and \$6,000 to your Roth IRA for 2022.

Your IRA contribution generally may not exceed your taxable compensation or earned income for 2022. However, if you are married you may be able to use your spouse's earned income or taxable compensation to make your IRA contribution.

If your 2022 modified adjusted gross income (MAGI) exceeded \$129,000, if you are single, or \$204,000, if you are married filing jointly, your ability to contribute to a Roth IRA for 2022 begins to be phased out. There are no income limits for

traditional IRA contributions.

Age does not preclude you from contributing to an IRA. You may make either a traditional or Roth IRA contribution at any age, if you are otherwise eligible.

3. DO Maximize your Benefits. Many people miss out on the benefits of IRA contributions simply because they do not understand the rules. This is particularly true when it comes to how participation in a company plan affects your IRA contribution.

Here is some good news: participating in a company plan does not affect your eligibility to make a Roth IRA contribution at all!

More good news . . . if you and your spouse, if married, are not active participants in a company plan, you can fully deduct your traditional IRA contribution regardless of how high your income is.

However, if you were an active participant in your company's retirement plan, and your MAGI exceeded \$68,000 if you are single, or \$109,000 if you are married, your ability to deduct your 2022 traditional IRA contribution begins to phase out. If you were not an active participant, but your spouse was, your ability to deduct phases out when MAGI reached \$204,000.

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