

Can I still have a traditional IRA if I contribute to my 401(k) plan at work?

Answer:

Yes. Anyone with earned income who is under age 70½ can open and contribute to a traditional IRA. The contribution limit is \$5,500 for 2018 (unchanged from 2017), plus an additional "catch-up" contribution of \$1,000 in 2017 and 2018 if you're 50 or older. However, you may not be able to deduct your IRA contributions if you're covered by a 401(k) plan at work. Whether or not you can deduct your IRA contributions depends on your filing status and annual income (adjusted gross income, or AGI). Specifically, for tax year 2018:

If your filing status is:	Your IRA deduction is reduced if your AGI is between:	Your deduction is eliminated if your AGI is:
Single or head of household	\$63,000-\$73,000	\$73,000 or more
Married filing jointly or qualifying widow(er)	\$101,000-\$121,000	\$121,000 or more
Married filing separately	\$0-\$10,000	\$10,000 or more

Special rules apply if your spouse is covered by a plan at work, but you are not. You may also qualify for a partial tax credit for amounts contributed to your traditional IRA or your 401(k) plan.



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Faith 401k & Money Management, LLC
DENNIS R. HERR, AIF, PPC®
Advisor
6281 Tri-Ridge Blvd
Suite 100
Loveland, OH 45140
513-898-1897 x20
dhorr@faith401kmgmt.com
www.fait401kmgmt.com

