

# Catch-Up Contributions

## Catching Up on Saving for Retirement

### Falling behind in saving for retirement?

**Catch up.** If you are age 50 or older and eligible to contribute to an IRA or employer-sponsored retirement plan, you may be able to deposit more than the maximum amount to your IRA or retirement plan each year with catch-up contributions.

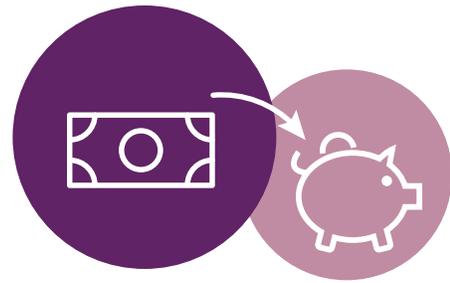
### Why Catch Up?

- Increased annual contribution limit
- More tax-deferred dollars accumulating in your IRA or plan
- Possibility of more income during retirement
- Potential for a higher tax deduction (for Traditional IRA)
- A little goes a long way
- Retirement

**Regular Annual Contribution Limit**

**+ Annual Catch-up Amount**

**Your New Contribution Limit**



You may be eligible to make catch-up contributions to your Traditional IRA, Roth IRA, or employer-sponsored retirement plan. Catch-up contributions benefit those who are close to retirement and want to make up for lost time, or who just want to cushion their retirement savings. Either way, this is an opportunity for you to save more each year until retirement.

### Catch Up to Your Traditional or Roth IRA

To make a catch-up contribution to your IRA, you must be age 50 or older before year-end. You also must have enough earned income to support your total contribution, including the catch-up amount. If you earn less than the regular annual limit, you will not have the income to support a catch-up contribution because you cannot contribute more than you (and your spouse) earn for the year.

If you are married and file a joint federal income tax return, you and your spouse can each make a catch-up contribution to your own IRAs based on your combined earned income, as long as you are both age 50 or older. Each catch-up amount must be made to each spouse's IRA or retirement plan; both catch-up amounts cannot be made to one spouse's IRA or retirement plan.

### Don't Fall Behind

The deadline for making catch-up contributions to an IRA is the same as the regular contribution deadline: your tax filing due date (generally April 15). If eligible, you also may deduct a Traditional IRA catch-up contribution on your federal income tax return.

“Now that I am closer to retiring, being able to contribute a little more each year to my IRA or retirement plan really does make a difference.”

## Catch Up to Your Employer-Sponsored Retirement Plan

If you make salary deferrals under a qualified retirement plan (e.g., 401(k) plan), 403(b) plan, governmental 457(b) plan, or SIMPLE IRA plan, and you are age 50 or older, you may be able to make catch-up contributions, or deferrals, to the plan. Ask your employer if your plan allows for catch-up contributions and, if so, how you can contribute them.

### Obey the Limit

There is a limit to how much you can catch up, and that limit depends on the plan type. You may even be able to take advantage of more than one limit—one limit for your retirement plan and another for your IRAs. But each limit is aggregated if you have more than one account. For example, if you have a Traditional IRA and a Roth IRA, a total \$1,000 annual limit applies to both IRAs. You may split the \$1,000 catch-up between the two IRAs however you choose.

#### Annual Catch-Up Limits

The maximum catch-up amount per year differs depending on the retirement plan.

Plan Type	2019	2020
Traditional IRA, Roth IRA	\$1,000	\$1,000
SIMPLE IRA, SIMPLE 401(k)	\$3,000	\$3,000
401(k), 403(b), Governmental 457(b)	\$6,000	\$6,500

## Stay Caught Up

Before making any contributions, consult a competent tax advisor to help you determine how much you can contribute to catch up and stay caught up.

For more information, visit us at [mtrustcompany.com](http://mtrustcompany.com) or call us at 800.258.7878

Millennium Trust Company performs the duties of a directed custodian, and as such does not provide due diligence to third parties on prospective investments, platforms, sponsors or service providers and does not sell investments or provide investment, legal, or tax advice. Millennium Trust Company® and Above and Beyond Custody® are registered trademarks of Millennium Trust Company, LLC in the United States. ©2019 Millennium Trust Company. All rights reserved.