Abstract: The clock is ticking down to the tax filing deadline. The good news is that individuals may still be able to save on their impending 2017 tax bills by making contributions to certain retirement plans. This article looks at deadlines, limits and phaseout ranges for traditional and Roth IRAs, while also noting some important info about SEPs.

Making 2017 retirement plan contributions in 2018

The clock is ticking down to the tax filing deadline. The good news is that you still may be able to save on your impending 2017 tax bill by making contributions to certain retirement plans.

For example, if you qualify, you can make a deductible contribution to a traditional IRA right up until the April 17, 2018, filing date and still benefit from the resulting tax savings on your 2017 return. You also have until April 17 to make a contribution to a Roth IRA.

And if you happen to be a small business owner, you can set up and contribute to a Simplified Employee Pension (SEP) plan up until the due date for your company's tax return, including extensions.

Deadlines and limits

Let's look at some specifics. For IRA and Roth IRA contributions, the maximum regular contribution is $5,500. Plus, if you were at least age 50 on December 31, 2017, you are eligible for an additional $1,000 "catch-up" contribution.

There are also age limits. You must have been under age 70½ on December 31, 2017, to contribute to a traditional IRA. Contributions to a Roth can be made regardless of age, if you meet the other requirements.

For a SEP, the maximum contribution is $54,000, and must be made by the April 17th date, or by the extended due date (up to Monday, October 15, 2018) if you file a valid extension. (There's no SEP catch-up amount.)

Phaseout ranges

If not covered by an employer's retirement plan, your contributions to a traditional IRA are not affected by your modified adjusted gross income (MAGI). Otherwise, when you (or a spouse, if married) are active in an employer's plan, available contributions begin to phase out within certain MAGI ranges.

For married couples filing jointly, the MAGI range is $99,000 to $119,000. For singles or heads of household, it's $62,000 to $72,000. For those married but filing separately, the MAGI range is $0 to $10,000, if you lived with your spouse at any time during the year. A phaseout occurs between AGI of $186,000 and $196,000 if a spouse participates in an employer-sponsored plan.

Contributions to Roth IRAs phase out at mostly different ranges. For married couples filing jointly, the MAGI range is $186,000 to $196,000. For singles or heads of household, it's $118,000 to $133,000. But for those married but filing separately, the phaseout range is the same: $0 to $10,000, if you lived with your spouse at any time during the year.

Essential security

Saving for retirement is essential for financial security. What’s more, the federal government provides tax incentives for doing so. Best of all, as mentioned, you still have time to contribute to an IRA, Roth IRA or SEP plan for the 2017 tax year. Please contact our firm for further details and a personalized approach to determining how to best contribute to your retirement plan or plans.