

2010 Retirement Plans: Employer Plans, IRAs and the Saver's Credit

Employer-sponsored Programs		
Retirement Vehicle	Maximum 2010 Employee Contribution	Catch-up Contributions
401(k), 457 and 403(b) plans	\$16,500 – pre-tax dollars	\$5,500
Roth 401(k) and 403(b) plans	\$16,500 – after-tax dollars	\$5,500
SIMPLE plans	\$11,500 – pre-tax dollars	\$2,500
SARSEP* (Salary Reduction SEP)	\$16,500 – pre-tax dollars	\$5,500

IRAs**			
Retirement Vehicle	2010 Maximum Contribution Limits***	Catch-up Contributions	Adjusted Gross Income (AGI) Restrictions
Traditional Deductible IRA	\$5,000	\$1,000	For active participants in employer provided plan: Single filers: under \$56,000 phasing out completely at \$66,000 Married, filing jointly: under \$89,000 phasing out completely at \$109,000
Traditional Nondeductible IRA	\$5,000	\$1,000	N/A
Roth IRA Nondeductible	\$5,000	\$1,000	Single filers: under \$105,000 phasing out completely at \$120,000 Married, filing jointly: under \$167,000 phasing out completely at \$177,000

* SARSEPs must be established prior to January 1, 1997. The maximum contribution and catch-up amounts are the same as for 401(k), 457 and 403(b) plans.

** Individuals have until April 15, 2011, to make contributions to their IRAs for 2010.

*** Subject to COLAs starting in 2010.

Saver's Credit****		
Retirement Vehicle	2010 Maximum Credit	Adjusted Gross Income (AGI) Restrictions
IRAs, Roth IRAs, SIMPLE Plans, 401(k)s and other qualified retirement plans	\$1,000 for single filers \$2,000 for joint filers	<i>Single filers:</i> \$27,750 or less <i>Head of household filers:</i> \$41,625 or less <i>Married, filing jointly:</i> \$55,500 or less

**** Depending on AGI, the credit ranges from 10 percent to 50 percent with lower income taxpayers being eligible for a higher credit. For example, a married taxpayer filing jointly with an AGI of \$33,500 or less making a \$2,000 retirement plan contribution in 2010 could be eligible for a 50-percent credit, or \$1,000. By contrast, if that same taxpayer had an AGI between \$33,501 and \$36,000, she would be eligible for a 20-percent credit, or \$400; an AGI between \$36,001 and \$55,500 would make that same taxpayer eligible for a 10-percent credit, or \$200.

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