

Alert! There's still time to make your IRA contribution

Didn't make a contribution to your IRA or Roth IRA for 2006? It's not too late.

You have until the deadline for filing your 2006 tax return to make a contribution (this year, April 16, because April 15 falls on a Sunday). Make your contribution for 2007 as well, and take advantage of the tax-deferred growth of the income from your contribution for the full year. You can contribute \$4,000 for both 2006 and 2007. If you are age 50 or older, you can boost your 2006 and 2007 contributions to \$5,000 for each year.

If you have a Keogh plan, the same April 2007 deadline applies for your 2006 contribution. As an example, you can put up to \$44,000 into a defined contribution Keogh plan in 2006. The maximum for 2007 is \$45,000.

For some people coverage by a company plan phases out or eliminates the possibility of taking tax deductions for their IRA contributions. But every year, more and more people join the ranks of those who may be able to make contributions. For 2007 the phaseout range for marrieds filing jointly now falls between \$80,000 and \$100,000 of adjusted gross income (AGI). For singles the phaseout range is between \$50,000 and \$60,000 of AGI. Above the \$100,000 and \$60,000 amounts, contributions are not deductible.

If both you and your spouse work, the amounts that can be set aside in a traditional or Roth IRA are doubled. But what happens if your spouse doesn't work? As long as you file a joint return, you are entitled to set up a "spousal IRA." You may contribute up to the maximum allowed, on behalf of your spouse, even if he or she has little or no compensation. There is a phaseout range here as well: The maximum deductible amount phases out between \$150,000 and \$160,000 of AGI.

(January 2007)

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