Information Affecting
Your IRA and Your Roth IRA for 2018 & 2017

The following is a summary of recent law changes and an update of certain IRS limitations due to cost of living increases.

You are encouraged to consult a tax advisor with respect to any tax questions to determine how these changes may affect your personal situation.

Contribution Information.

Annual IRA and Roth IRA contribution Limit:

Tax Years	Annual IRA/Roth Contribution Limit	Annual IRA/Roth Catch-Up Contribution for Age 50 or Older	Combined Maximum Annual IRA Contribution for Age 50 or older (Including Catch-Up)
2018	$5,500*	$1,000	$6,500
2017	$5,500*	$1,000	$6,500

* After 2009. the maximum annual IRA contribution limit will be indexed for cost-of- living in $500 increments.

Before a U.S. Tax court ruling in January 2014, for each Traditional IRA or Roth IRA Account, an owner can do one rollover into another IRA for each IRA in a 12-month period as long as the rollover is done within 60 days after receiving the check.

New IRA One-Per-Year Limit Rollover Rule. *After a U.S. Tax Court Ruling, beginning on January 1, 2015, only one rollover is allowed within a 12-month period no matter how many IRA or Roth accounts you may have. Another rollover from any of your IRA accounts within 12 months will be treated as a distribution and will be subject to income tax or penalty, if any. However, IRS considers that direct IRA to IRA rollovers in a year, if they are done on a trustee to trustee or custodian to custodian direct transfer basis, are not treated as distributions regardless of how many times they are done within one year. IRA trustees or custodians, however, may have their own company rules to restrict the number of rollovers you can have in a year. For example, if you want to move some money from an IRA with Bank A to your other IRA with Insurance Company B you can either: a) ask Bank A to send your IRA check directly to Insurance Company B and credit it into your IRA account, or b) ask Bank A to make the check payable to Insurance Company B for the benefit of your IRA and you send the check to Insurance Company B to credit it to your IRA. This is called direct trustee to trustee transfer and will not trigger a taxable event no matter how many times this is done within a year.*

Inherited/Beneficiary Rollover IRA. Beginning in 2007, if you are an eligible non-spouse beneficiary who inherited a distribution from a qualified retirement plan, you may directly rollover the inherited assets into an inherited IRA subject to the rules applying to an inherited account and subject to the beneficiary distribution requirements.

Rollovers of Designated Roth Account. Roth salary reduction account distributed from a 401(k) cash or deferred arrangement or from a 403(b) tax-sheltered annuity may be rolled into your Roth IRA. The period that the rolled over funds were in the employer-sponsored plan do not count toward the determination of the 5 year period in the Roth IRA. However, if an individual had established a Roth IRA in a year prior to the rollover, the 5 year period for determining qualified distributions from the Roth IRA, which began with the first contribution to that Roth IRA, would also apply to any funds subsequently rolled over from an employer-sponsored plan.

Rollovers from Employer-Sponsored Retirement Plans. Distributions taken from your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) governmental deferred compensation plan after December 31, 2007 may be rolled over to your Roth IRA.

Direct Contribution of tax refunds to IRAs. The Pension Protection Act of 2006 (PPA) allows taxpayers to direct that a portion of his or her federal income tax refund may be directly deposited into the taxpayer's IRA as a contribution. In certain cases, taxpayers must complete IRS Form 8888 to direct the contribution to their IRA provider.

Annual IRA Contributions.

AGI Limits for Deductible contributions to a Traditional IRA. If you are married to someone who is an active participant but you are not and your tax filing status is married filing jointly, then your Phase-out range is as follows:

Year	Married Taxpayers Filing Joint Returns
2018	$189,001 - $199,000
2017	$186,001 - $196,000

For "active participants" in an employer-sponsored retirement plan, full deduction is phased out between the following modified AGI limits:

Year	Married Taxpayers Filing Joint Returns	Single Taxpayers
2018	$101,001 - $121,000	$63,001 - $73,000
2017	$99,001 - $119,000	$62,001 - $72,000

Year	Married Taxpayers Filing Separately
2018	$0 - $10,000
2017	$0 - $10,000

PTO

AGI Limits for Roth IRA Contributions. Eligibility to make annual Roth IRA contributions is phased out between the following modified AGI limits:

Year	Married Taxpayers Filing Joint Returns	Single Taxpayers
2018	$189,001 - $199,000	$120,001- $135,000
2017	$186,001 - $196,000	$118,001 - $133,000

Year	Married Taxpayers Filing Separately
2018	$0 - $10,000
2017	$0 - $10,000

Please refer to your IRA Disclosure Statement, or IRS Publication 590, "Individual Retirement Arrangements," to calculate the amount of your contribution if you are subject to the above limits.

Savers Credit for IRA Contributions. This tax credit was originally available for contributions made for taxable years beginning after December 31, 2001, and before January 1, 2007, under EGTRRA. The credit was made permanent under PPA. Also, as a result of PPA, the AGI limits which determine eligibility to receive the tax credit will now be subject to cost-of-living adjustments (COLA).

Adjusted Gross Income for 2018			
Joint Return	Head of a Household	All other Cases	Applicable Percentage
$1 – 38,000	$1 – 28,500	$1 – 19,000	50
38,001 – 41,000	28,501 – 30,750	19,001 – 20,500	20
41,001 – 63,000	30,751 – 47,250	20,501 – 31,500	10
Over $63,000	Over $47,250	Over $31,500	0

Adjusted Gross Income for 2017			
Joint Return	Head of a Household	All other Cases	Applicable Percentage
$1 – 37,000	$1 – 27,750	$1 – 18,500	50
37,001 – 40,000	27,751 – 30,000	18,501– 20,000	20
40,001 – 62,000	30,001 – 46,500	20,001 – 31,000	10
Over $62,000	Over $46,500	Over $31,000	0

SEP-IRA Contributions. If you are a participant in a SEP plan offered by your employer, your employer may make annual SEP contributions on your behalf up to the lesser of 25% of compensation, or $55,000, per participant for 2018 ($54,000 for 2017). The limit is indexed for cost-of-living adjustments in $1,000 increments in subsequent years. An employee cannot be excluded if his annual compensation is over $600. The maximum compensation on which contributions to SEPs and SARSEPs can he based is $275,000 in 2018 ($270,000 in 2017), and indexed for cost-of-living adjustments in $5,000 increments in subsequent years. Elective deferrals to SARSEPs are also subject to the limits more fully described below. Additionally, SARSEP participants who reach age 50 by December 31 of the tax year for time corresponding contribution may be able to contribute an additional catch-up contribution, if the plan allows.

Tax Year	Annual Elective Deferral Limit	SARSEP Catch-Up Contribution for Participants at Least Age 50	Maximum Annual Elective Deferral Limit for Participants at Least Age 50 (Including Catch-Up)
2018	$18,500	$6,000	$24,500
2017	$18,000	$6,000	$24,000

Simple IRA Salary Deferral limits are $12,500 and $12,500 for 2018, 2017, respectively. Maximum catch up contribution is at $3,000 and $3,000 respectively.

The PPA (Pension Protection Act of 2006), as well as certain other legislative changes, included provisions that affect distributions from IRAs and Roth IRAs are described as below:

Distributions.

Designated Roth Account Rollovers and the 5-Taxable-Year Period of Participation. If there is a rollover of designated Roth account assets from an employer-sponsored plan to a Roth IRA, the period that the rolled-over funds were in the employer-sponsored plan do not count toward the determination of the 5-year period in the Roth IRA. However, if an individual had established a Roth IRA in a year prior to the rollover, the 5-year period for determining qualified distributions from the Roth IRA, which began with the first contribution to that Roth IRA, would also apply to any funds subsequently rolled over from an employer-sponsored plan.

Health Savings Account Transfer. Beginning in 2007 you will be allowed a one-time, tax-free transfer from an IRA to use toward your annual Health Savings Account contribution. Eligible individuals may make an irrevocable one-time, tax-free "qualified Health Savings Account funding distribution" from an IRA and move it directly into a Health Savings Account, subject to strict requirements. The Health Savings Account funding distribution must be directly transferred from the IRA custodian or trustee to the Health Savings Account custodian or trustee. The amount of the transfer cannot exceed the maximum Health Savings Account contribution limit for the year that the amount is transferred. The deposited amount is counted toward the individual's total Health Savings Account annual contribution limit.

Qualified Reservist Distribution Relief. If you are a qualified reservist called to active duty after September 11, 2001, you may be qualified to take an early withdrawal distribution from your IRA penalty free. You can recontribute the same amount to an IRA within two years after your active duty period ends. You cannot claim a tax deduction for the repayments. Please check IRS Publication 590 for more information.