Happy New Year!

January is a great time to re-evaluate your retirement savings goal of at least 15% of your household income including employer contributions. You can increase your savings gradually by increasing your savings by 1% each year, this increase can have a profound effect on your retirement. For instance, if you save an additional $100 per month over twenty years with a 7% average return, this extra monthly savings would be worth $52,093. If you are retired but earn some part-time income, Roth contributions can still make sense for you to hedge against higher taxes in the future or to leave tax-free money to your heirs.

The maximum deferral amounts have increased for 2019 (see below). You are able to make 2018 contributions to your Traditional, SEP, and Roth IRA accounts until April 15th or when you file your taxes.

Below are the contribution limits for both 2018 and 2019:

Type of Retirement Plan	2018	2019
401(k), 457 and 403(b) Plans Deferral Limit	$18,500	$19,000
401(k), 457 and 403(b) Plans Catch-up Contribution Limit for individuals aged 50 or over	$6,000	$6,000
Roth or Traditional IRA Contribution Limits	$5,500	$6,000
Roth or Traditional IRA Catch up Contribution Limits for individuals aged 50 or over	$1,000	$1,000

If you are deferring into your employer's plan, you may consider changing your contributions to Roth 401(k) or Roth 403(b) in 2019 since we are in a low tax environment due to Tax Reform.

Please contact me with any questions or if you are interested in increasing your monthly contributions to fully fund your Roth IRA.

Kind regards,
Meghan

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