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MERCER PROJECTS 2020 IRA AND SAVER'S CREDIT LIMITS

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 Aug. 16, 2019*

Mercer has projected 2020 limits for individual retirement accounts (IRAs) and the saver's credit. These unofficial 2020 limits are determined using the Internal Revenue Code's cost-of-living adjustment methods, [chained Consumer Price Index for All Urban Consumers](#) (chained CPI) values through July and Mercer's projected chained CPI for August. IRS is expected to announce official 2020 limits for these benefits in October, along with final 2020 limits for qualified retirement plans.

TRADITIONAL AND ROTH IRA LIMITS

Maximum 2020 deductions for traditional IRA contributions are projected to remain at 2019 levels. Adjusted gross income (AGI) phase-out thresholds for Roth IRA contributions and a qualified plan participant's deductible traditional IRA contributions are projected to increase slightly in 2020. The catch-up contribution limit and AGI thresholds for married taxpayers filing separately aren't annually adjusted.

TRADITIONAL AND ROTH IRA LIMITS	PROJECTED 2020	2019
Traditional IRA deduction limits (IRC §§ 219(b)(5) and 219(g)(3)(B))		
IRA maximum deductible amount	\$6,000	\$6,000
IRA catch-up contribution limit*	1,000	1,000
Modified AGI threshold for determining deductible IRA contributions for active participants in qualified plans		
Married filing jointly or qualifying widow(er)	104,000	103,000
Married filing separately*	0	0
Single or head of household	65,000	64,000
Spouse (but not taxpayer making IRA contribution) is active participant	196,000	193,000

TRADITIONAL AND ROTH IRA LIMITS	PROJECTED 2020	2019
Roth IRA contribution limits (IRC § 408A(c)(3)(C)(ii))		
AGI for determining maximum Roth IRA contribution		
Married filing jointly or qualifying widow(er)	\$196,000	\$193,000
Married filing separately*	0	0
Other filing status	124,000	122,000
* Limit is not adjusted for cost-of-living changes.		

SAVER'S CREDIT

AGI levels at which employee contributions to a qualified retirement plan or an IRA qualify for a 50% or 20% saver's credit are all expected to increase slightly in 2020. However, AGI thresholds for the 10% credit are too close to call.

SAVER'S CREDIT AGI THRESHOLDS (IRC § 25B)	PROJECTED 2020	2019
50% saver's credit if AGI is no more than specified amount		
Married filing jointly	\$39,000	\$38,500
Head of household	29,250	28,875
Other filing status	19,500	19,250
20% saver's credit if AGI exceeds threshold for 50% credit but is no more than specified amount		
Married filing jointly	42,500	41,500
Head of household	31,875	31,125
Other filing status	21,250	20,750
10% saver's credit if AGI exceeds threshold for 20% credit but is no more than specified amount		
Married filing jointly	65,000 or 65,500*	64,000
Head of household	48,750 or 49,125*	48,000
Other filing status	32,500 or 32,750*	32,000
* Projected limit is close to the rounding breakpoint; August inflation of approximately 0.2% will produce the higher limit		

RELATED RESOURCES

Non-Mercer Resources

- [Chained Consumer Price Index for All Urban Consumers](#) (Bureau of Labor Statistics)

Mercer Law & Policy Resources

- [Mercer Projects 2020 Retirement Plan Limits](#) (June 20, 2019)
- [Summary of 2019 Benefit-Related Cost-of-Living Adjustments](#) (March 18, 2019)

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