

IT'S A GOOD TIME TO CONSIDER YOUR IRA CONTRIBUTION

It's not too late to contribute to your 2021 traditional or Roth IRA, or too early to get a start on 2022. The deadline for 2021 is April 18th (April 19th if you live in Maine or Massachusetts). This deadline holds even if you file an extension for your income tax returns.



The maximum allowable IRA contribution for both years is \$6,000 a person. If you are 50 years or older you can make an additional "catch up" contribution of \$1,000.

There are Adjusted Gross Income limitations on the eligibility to make Roth IRA and tax-deductible traditional IRA contributions. However, you can make non-deductible traditional IRA contributions regardless of your Adjusted Gross Income.

Here are a couple of other possibilities you might wish to consider:

- **Roth IRA Conversions:** A Roth IRA conversion is where you take money from your traditional IRA, pay the taxes on it now, and convert it to your Roth IRA. Then, your contributions and earnings grow tax free. Although there are no tax breaks for a Roth IRA conversion at the time it is done, this strategy might help reduce your tax liability in the future. However, proceed with caution as a Roth IRA conversion could put you into a higher tax bracket in the year of the conversion.
- **Qualified Charitable Distributions (QCDs):** If you plan to do charitable giving and are at least age 70½, you are eligible to make a gift of up to \$100,000 per person in QCDs directly from your IRA. By doing so, it lowers your taxable income whether or not you take the standard deduction or itemize your deductions. If you must take a Required Minimum Distribution, any amounts made as QCDs count as part of it.

Of course, the strategy depends on your individual situation. We'll help you make the best decision.

— Claudia Gray, Financial Planner

TAX TIP

This year you can contribute up to \$20,500 to an employer-sponsored plan such as a 401(k), 403(b) or 457. That's a \$1,000 increase over 2021.

For these types of plans you can make an additional contribution of \$6,500 if you're 50 or older.

GIVING

If you donate property other than cash to a qualified organization, you may generally deduct the fair market value of the property. The rules for determining fair market value are in IRS Publication [561](#), "Determining the Value of Donated Property."

WHO KNEW?

In 2021, Americans spent \$21.8 billion on Valentine's Day gifts and activities. \$2 billion of that was on flowers. And of the flowers, 70 percent were red roses.



IN THE MARKET

Here's an interesting term for you: "Backwardation." Simply put, that means the strike price of a futures contract is lower than today's spot price. It suggests investors believe the current price is too high and the spot price eventually will fall.