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# The Eligibility Requirements of Roth IRAs



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If eligible, the benefit of contributing to a [Roth IRA](#) for retirement savers is that they can make [after-tax contributions](#) to the account and all future earnings grow untaxed forever. It is one of the few “free lunches” available in retirement planning. You can also leave these IRAs to your heirs who can then extend those tax-free distributions over their own lifetimes. Are you eligible to contribute to a Roth IRA?

The answer to this question depends on your tax-filing status (single, [married filing jointly](#), married filing separately, head of household) and your [modified adjusted gross income](#) (MAGI). (For related reading, see: [5 Secrets You Didn't Know About Roth IRAs](#).)

## MAGI Explained

Your MAGI is the total of your household's [adjusted gross income](#) (which can be found on line 37 of IRS [form 1040](#)) plus any tax-exempt interest income you may have (which can be found on line 8b of IRS form 1040).

For 2018, the annual Roth IRA contribution limit is \$5,500 with a \$1,000 catchup for anyone over 50. If you are married filing separately you are not eligible to make a full direct contribution to a Roth IRA. If your MAGI is between \$1-\$10,000 you are eligible for a partial contribution.

## Contribution Eligibility

If you are included in any of the following, then you are eligible to make a full direct contribution to a Roth IRA:

- If you are single and your MAGI is less than \$120,000.
- If you are married filing jointly and your MAGI is less than \$189,000.

If you are included in any of the following, then you are not eligible to make a direct contribution to a Roth IRA:

- If you are single and your MAGI is more than \$135,000. The phase out starts at \$120,000.
- If you are married filing jointly and your MAGI is more than \$199,000. The phase out starts at \$189,000.
- If you are married filing separately and your MAGI is more than \$10,000. The phase out starts at \$1. If you are in the phase-out range based on your MAGI, then you may be eligible to make a partial contribution.

## Roth Conversion and Backdoor Roth

Are you outside the MAGI phase out for your tax filing status but still want to contribute to a Roth IRA? There are a few other ways that you may be able to contribute to a Roth IRA outside of a direct contribution. You may be able to do a [backdoor Roth](#) contribution or a [Roth conversion](#).

A Roth conversion occurs when you take your [traditional IRA](#) and covert it to a Roth IRA by paying income tax on the amount converted in that year. The conversion amount is not limited to the \$5,500 annual contribution amount.

A backdoor Roth IRA allows you to go around the MAGI limits by contributing to a traditional IRA and then converting it to a Roth IRA.

It's important to do your research before deciding to open a Roth IRA account to find out if it's a good option for you. Also keep in mind that contribution limits and phase outs can change from year to year. (For more, see: [Pros and Cons of Creating a Backdoor Roth IRA](#).)



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