



QUICK GUIDE TO: PAYROLL DEDUCTED IRA

CONTRIBUTIONS & MATCHING

- Contributions up to **\$6,000** for 2020 and 2021.
- Catch-Up contributions up to **\$1,000**.
- Employer does not match contributions.
- Employer deducts contributions from employee's paycheck and sends to the financial institution.
- All employees may participate in the program.

TAX ADVANTAGES

- Employee contributions and investment gains may enjoy tax deferral until distribution.
- Both traditional and Roth IRAs available.
- IRS income limits do apply.

FILING & COMPLIANCE

- Employer does not need to file a 5500.
- Discrimination testing is not required.
- Once the employer submits the contributions, they have no further responsibility.