A BASIC GUIDE TO UNDERSTANDING:
THE VOLUNTARY CONTRIBUTION PROGRAM FUNDING A ROTH IRA
THE BACKDOOR ROTH IRA CONVERSION

July 23, 2018

I. VOLUNTARY CONTRIBUTION OPPORTUNITY

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b. OPM & IRS Forms

LISTEN TO OUR JULY 23, 2018 “For Your Benefit” RADIO SHOW
c. See Website: www.nitpinc.com

II. BACKDOOR ROTH IRA CONVERSION

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III. KNOW THE BASICS AND SEEK PROFESSIONAL GUIDANCE

a. LISTEN TO OUR JULY 23, 2018 “For Your Benefit” RADIO SHOW
   i. See Website: www.nitpinc.com
There’s another option for CSRS employees who want to invest in their own retirement. It’s called Voluntary Contributions. I last wrote about this program in a 2010 column. I figured it’s time for an update.

**What It Is**

Voluntary Contributions is a savings program open to current employees (and recently retired employees who are waiting for the final processing of their retirement request) covered by CSRS and CSRS Offset. Employees can contribute up to 10 percent of their lifetime federal salaries to this account during their careers. These contributions can be made on a regular basis, sporadically, or all at once. Contributions must be made in multiples of $25.

Putting money into Voluntary Contributions is very similar to making a deposit to a bank account. The money is safe (it is protected by the full faith and credit of the federal government) and earns interest. The 2013 interest rate is 1.625 percent* -- the same as in the Civil Service Trust Fund. The interest credited to voluntary contributions accounts is compounded annually on Dec. 31. While you're contributing after-tax dollars, the interest grows tax-deferred and your investment is safe.

**Getting Started**

To set up a Voluntary Contributions account, you will need an SF 2804 form. You can fill it out online, but the form itself must be printed on paper and submitted to a retirement specialist in your human resources office. The specialist will complete the agency certification section and submit the form to the Office of Personnel Management for you.

If you’re planning to retire within the next three to four months, you can include the completed SF 2804 with your retirement application package. If you’ve already have left federal service and are waiting for your retirement to be approved, then you can send your application directly to OPM's Retirement Operations Center at P.O. Box 45, Boyers, Pa., 16017-0045. No agency certification is necessary at this point. If your retirement claim already has been finalized, then you are not eligible to make Voluntary Contributions deposits.

One caveat: If you owe money to the retirement fund for non-deduction service (service that was not subject to civil service retirement withholding, such as temporary service), or refunded civil service retirement contributions, you won't be permitted to participate in Voluntary Contributions unless you pay your deposit, or redeposit the refunded contributions.

**Withdrawal Options**

You are permitted only one withdrawal from Voluntary Contributions, and it must be for the full amount of the account. You can make this withdrawal while you are still employed, or choose to do so when you file for retirement benefits. The withdrawal is made using form RI 38-124. Be sure you use the most recent version of the form, issued in July 2010.

The withdrawal options are:

- A lump-sum refund either at retirement, or as soon as possible. Remember, once you make a withdrawal you will no longer be able to contribute unless you have a break in service and are rehired.

* Current Rate is 2.125% - 2018

- **A rollover.** The interest portion can be paid to you with 20 percent income tax withholding, or it can be paid directly to an individual retirement arrangement. If the money is going to a Roth IRA, you can choose to have taxes withheld from the interest portion. The interest portion also can be transferred directly to the TSP (which requires form TSP 60). The contributions portion can be paid in a lump sum to you, or sent directly to your IRA. You can’t have some of the funds paid to you and some to your IRA.

- **An additional CSRS annuity.** If you select this option, then the additional annuity will not include any cost-of-living adjustments. Upon your death, any balance that was not paid to you will be paid in a lump sum to the beneficiary of your CSRS contributions as indicated in your CSRS Beneficiary Designation form SF 2808, or according to the standard federal order of precedence if no valid beneficiary form has been filed. If you retire at age 55 or younger and do not choose a survivor annuity benefit, then for every $100 in Voluntary Contributions, you will receive an additional $7 per year in retirement benefits. The annuity is payable for the rest of your life. It increases by 20 cents for every year you are older than 55 at retirement.

**Why Is This So Cool?**

Here are a few reasons:

- The interest rate (1.625 percent*) is higher than any bank I know of is paying right now. (When did we get to the point that an interest rate below 2 percent is considered great?)

- The 10 percent of lifetime salary that can be contributed could add up to more than six figures for some feds. Compare that to an IRA: If you're younger than 50, then your 2013 contributions to a traditional IRA or a Roth IRA are limited to $5,000, or the total of your taxable compensation, whichever is smaller. If you're 50 or older before the end of the year, then you're allowed to contribute up to an additional $1,000.

- There are no income limits for participating in Voluntary Contributions. The amount you can contribute to a Roth IRA, on the other hand, depends on your income. To make the full contribution, your modified adjusted gross income must be less than $112,000 if you're single, or $178,000 as a married couple filing jointly. If you earn slightly above those amounts, you might be able to make smaller contributions, which phase out after $127,000 and $188,000, respectively.

- You can transfer your entire Voluntary Contributions account to an IRA and you are not subject to the $5,000 limit, or by your income.


**Tammy Flanagan** is the senior benefits director for the National Institute of Transition Planning Inc., which conducts federal retirement planning workshops and seminars. She has spent 25 years helping federal employees take charge of their retirement by understanding their benefits.

*Current Rate is 2.125% - 2018*
# APPLICATION TO MAKE VOLUNTARY CONTRIBUTIONS

**Civil Service Retirement System**

1. **Name** (Last, first, middle)
2. **Date of birth** (mm/dd/yyyy)
3. **Social Security Number**

4. **Address** (Number, street, city, state, and ZIP code)
5. **List all other names you have used** (Include maiden name, if applicable)

<table>
<thead>
<tr>
<th>6a. Do you have any civilian government service during which no Civil Service Retirement deductions were taken from your salary?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>6b. Have you made a deposit to the Civil Service Retirement and Disability Fund to cover this non-deduction service?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>7a. Do you have any service during which Civil Service Retirement deductions were taken from your salary and later refunded to you?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>7b. Have you made a redeposit to the Civil Service Retirement and Disability Fund of the amount refunded to you?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>8a. Have you ever made voluntary contributions and later received a refund of them?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>8b. Have you since been separated from the government service for a period of more than 3 calendar days?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

**If your answer to question 6b, 7b, or 8b is "No", do not file this application.**

*See the attached information.*

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**Agency Certification**

I certify that the applicant is an employee of the agency shown below, is in a position subject to the Civil Service Retirement System, and has answered question 6a correctly.

<table>
<thead>
<tr>
<th>Agency address</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official title</td>
<td></td>
</tr>
<tr>
<td>Telephone number</td>
<td>Date</td>
</tr>
</tbody>
</table>

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**Privacy Act Statement**

Title 5, U.S. Code, Chapter 83, Civil Service Retirement authorizes the solicitation of this information. The data you furnish will be used to identify records properly associated with this application, to obtain additional information if necessary, and to determine if you are eligible to make voluntary contributions to the Civil Service Retirement and Disability Fund. This information may be shared and is subject to verification, via paper, electronic media, or through the use of computer matching programs, with national, state, local or other charitable or social security administrative agencies to determine and issue benefits under their programs or to report income for tax purposes. It may also be shared and verified, as noted above, with law enforcement agencies when they are investigating a violation or potential violation of civil or criminal law. Executive Order 9597 (November 22, 1943) authorizes use of the Social Security Number. Failure to supply all of the requested information may delay or prevent approval of your application.

You need to read the attached information so that you understand the effect of making voluntary contributions. Ask your personnel office if you are employed and need more information. If your personnel office is not available, contact the Office of Personnel Management at the address given or call 1-888-767-6768 (TDD: 1-800-878-5107).
Voluntary Contributions Election

Before you make your election, please read all of the information about refunds of voluntary contributions in the Voluntary Contributions Notice, RI 38-125, and the Special Tax Notice Regarding Rollovers, RI 37-22. For more information about voluntary contributions or this election, call 1-888-828-9451.

Please print clearly when you provide the following information:

<table>
<thead>
<tr>
<th>Your name (last, first, middle)</th>
<th>Date of birth (mm/dd/yyyy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your address</td>
<td>Daytime telephone number (including area code)</td>
</tr>
<tr>
<td>Your Voluntary Contributions Account Number</td>
<td>Your Social Security Number</td>
</tr>
<tr>
<td>VC</td>
<td>Date of Retirement or Separation (if applicable)</td>
</tr>
</tbody>
</table>

Give us your election by selecting item 1, 2, or 3.

To receive a refund by selecting item 3, please send this form to the Office of Personnel Management, Retirement Operations Center, PO Box 45, Boyers, PA 16017-0045, Attn: Refund Section. If you are retiring, send this form at least 60 days before your separation date. If you are making voluntary contribution payments via Pre-Authorized Debit (PAD), you must contact OPM, P.O. Box 979062, St. Louis, MO 63197-9000, in writing or call 888-828-9451 to have the debits discontinued. To purchase additional annuity by selecting item 1, return this form to your personnel office with your application for retirement.

1. Additional Annuity

☐ I want to use my voluntary contributions (VC), plus interest, to purchase additional annuity.

Please check (✓) one of the following options.

☐ I do not want to provide a VC survivor annuity.

☐ I want to provide a VC survivor annuity for the person named below.

Name of person (last, first, middle) ____________________________

His/Her Social Security Number ________________________________

His/Her date of birth (mm/dd/yyyy) ____________________________

His/Her address _____________________________________________

His/Her relation to you, if any _________________________________

Warning: Any intentionally false or willfully misleading response you provide in this election is a violation of the law and punishable by a fine of not more than $10,000 or imprisonment of not more than 5 years or both. (18 USC 1001)

Signature ____________________________ Date (mm/dd/yyyy) ______

2. Send Me Additional Information After I Retire

☐ I do not want to make an election at this time. I want the Office of Personnel Management (OPM) to send me information that is specific to my case. I understand this information will be sent after OPM receives my application for retirement.

Signature ____________________________ Date (mm/dd/yyyy) ______

(continued on Page 2)
3. Lump Sum Refund of Voluntary Contributions (VC)

Use this form to elect how you want your lump sum paid. Please carefully read all of the information provided with this form before you make your election. A mistake in completing this form could prevent the Office of Personnel Management (OPM) from paying as you wish or could cause delay in processing your payment.

Payment options — (Please check one option.)

☐ Pay my VC refund on the date I separate for retirement.
☐ Pay my VC refund as soon as possible.

Rollover Options — (Please tell us how to pay your contributions and interest by checking the blocks below.)

If your VC refund is less than $200, we cannot roll it over. We will pay it directly to you. Indicate below how you wish to have your VC refund paid if it is $200 or more. If you elect to roll over less than 100% of your VC refund, the total amount you roll over to any one IRA or eligible employer plan must be at least $500. If any choice you make below results in a rollover amount of less than $500, we will not perform the rollover. Instead, we will make the payment to you. To avoid this situation, you may check the last block and ask for additional information. (Make one choice in each section below, unless you need additional information. If you need additional information before making this election, check the block in the last section.)

If my total refund is $200 or greater —

Interest Portion (taxable portion) of my VC refund —

☐ Pay ALL by check made payable to me, with 20% Federal income tax withholding.
☐ Pay ALL by check made payable to my Individual Retirement Arrangement (IRA) or Eligible Employer Plan. (Your financial institution or employer plan must complete the financial institution certification on page 3.)

Name of the financial institution or employer plan

☐ Are you putting this in a Roth IRA?
☐ No ☐ Yes

☐ Do you elect to have 20% Federal income tax withheld from your Roth IRA rollover?
☐ No ☐ Yes

Mail check to ☐ to the above institution or plan.
☐ to me. I will deliver the check to the above institution or plan.

☐ Pay ALL to my Thrift Savings Plan Account.
(You must sign and submit form TSP-60, Request for a Transfer Into the TSP, to OPM. Form TSP-60 is available on the internet at http://www.tsp.gov.)

Contribution Portion (after tax portion) of my VC refund —

(The Thrift Savings Plan will not accept this portion of your VC refund.)

☐ Pay ALL by check made payable to me.

☐ Pay ALL by check made payable to my Individual Retirement Arrangement (IRA) or Eligible Employer Plan. (Your financial institution or employer plan must complete the financial institution certification on page 3.)

Name of the financial institution or employer plan

Mail check to ☐ to the above institution or plan.
☐ to me. I will deliver the check to the above institution or plan.

I need additional information before I decide.

☐ I elect to have my VC refund computed and a rollover package with all my options sent to me before I decide how it should be paid. (Electing this option delays payment for at least an additional 30 days.)

My signature below certifies that I have made the election shown above and that I understand that distributions from the plan to which rollover is made may be subject to different restrictions and tax consequences than those that apply to distributions from OPM. I also understand that if I roll over non-taxable funds into an IRA, I am responsible to account separately for the taxable and non-taxable portions of the amount rolled over.

Signature (If you elect a rollover, Part 4 must be completed.) Date (mm/dd/yyyy) Daytime Telephone Number (including area code)

(continued on Page 3)
4. **Certification from Financial Institutions or Eligible Employer Plans**

<table>
<thead>
<tr>
<th>Name of institution or eligible employer plan</th>
<th>Address of institution or plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRA account number or plan identification</td>
<td></td>
</tr>
</tbody>
</table>

**Certification:** My signature below confirms the account number for the individual named on page 1. As a representative of the financial institution or plan name above, I certify that this institution or plan agrees to accept the funds described above as a direct trustee-to-trustee transfer from the Office of Personnel Management, to deposit them in an eligible IRA or eligible employer plan as defined in the Internal Revenue Code, and to account for these monies in compliance with the Internal Revenue Code. I understand that my signature below authorizes the transfer of taxable and/or non-taxable funds as indicated on page 2.

Typed or printed name of certifying representative

Telephone number (including area code)

Signature of certifying representative

Date of certification (mm/dd/yyyy)

**Certification:** My signature below confirms the account number for the individual named on page 1. As a representative of the financial institution or plan name above, I certify that this institution or plan agrees to accept the funds described above as a direct trustee-to-trustee transfer from the Office of Personnel Management, to deposit them in an eligible IRA or eligible employer plan as defined in the Internal Revenue Code, and to account for these monies in compliance with the Internal Revenue Code. I understand that my signature below authorizes the transfer of taxable and/or non-taxable funds as indicated on page 2.

Typed or printed name of certifying representative

Telephone number (including area code)

Signature of certifying representative

Date of certification (mm/dd/yyyy)

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**Instructions for Rollover to the Federal Retirement Thrift Savings Plan**

The Thrift Savings Plan (TSP) will not accept non-taxable (post-tax) monies. You must have an open TSP account. Before the Office of Personnel Management (OPM) can complete a rollover to your TSP account, you must sign and submit Form TSP-60, Request for a Transfer Into the TSP, to OPM. Submit both the TSP-60 and this form at the same time. OPM will complete its portion of the TSP-60 and fax it to the Thrift Savings Office for processing. The form must be approved by the Federal Retirement Thrift Investment Board and the Board must notify OPM to transfer the funds. This process can take two to three weeks. Form TSP-60 is available on the internet at http://www.tsp.gov/forms.
IRA OPPORTUNITIES
Part One of a Two Part Series
By: Bob Leins, CPA

[January, 2010]

The following is a brief history of the IRA:

1975
The Individual Retirement Arrangement (IRA) was introduced for calendar year 1975. Initially, an IRA was designed to allow a taxpayer an income tax savings opportunity that at the same time created an investment opportunity. The only requirement then as well as now is that an individual has “earned income” in the year in which an IRA contribution is desired. **Earned income includes salary, wage, small business profit or alimony income. Spouses are also eligible to contribute to their own IRA even if they had no earned income as long as their spouse had earned income.** The earnings that the IRA generated are not subject to income tax until withdrawn. The original investment was also subject to income tax when withdrawn.

1987
Beginning in calendar year 1987 the tax deductibility of the IRA investment was denied if one’s income exceeded a certain amount and that person was included in a retirement plan of the employer. As a result of this change, many felt that if the tax benefit for investing funds into an IRA were taken away, the opportunity was not worthy of the investment and participation dropped. These feelings some had may or may not have been accurate.

1997
Congress introduced a new version of the IRA that allowed the earnings after meeting very simple tests, to forever be non-taxable. The new version is called a “Roth” IRA. **An IRA that is not a Roth IRA is called a “Traditional” IRA.** Either a Roth or Traditional IRA are currently available for one’s 2010 tax return and for a 2009 tax return generally if made by April 15, 2010.

Where and what can an IRA be invested in
IRAs can be purchased in banks, credit unions, brokerage houses, investment companies and other financial institutions. Qualified investment choices include savings accounts, Certificate of Deposits, bonds, stocks, mutual funds, real estate and other qualified investments.

Current Opportunities
Roth IRAs are attractive to many individuals, however income ceilings in the past as well as now preclude some from directly investing in a Roth IRA. On the other hand, there is no income ceiling for participating in a traditional IRA. **Earned income (see above) remains a prerequisite.**

Effective January 1, 2010, generally an individual can transfer funds from a Traditional IRA to a Roth IRA without concern for the size of one’s income. This opportunity opens a wide range of options that include transferring Traditional IRA funds to a Roth IRA, transferring the taxable portion of a Traditional IRA to the TSP and transferring the remaining non-taxable portion of the Traditional IRA tax free to a Roth IRA.
This article will discuss opportunities that became available January 1, 2010.

**Roth IRA opportunity available to all regardless of income.**

Prior to 1-1-2010, one’s “Adjusted Gross Income” aka AGI restricted direct Roth contributions. As well, a transfer from a traditional IRA to a Roth IRA were limited by AGI. Please note that AGI restrictions remain on direct investment in a Roth. However “AGI” will no longer be a restriction to move tradition IRA funds to a Roth IRA.

**This provision allows anyone without regard to income to invest in a traditional IRA and then transfer to a Roth.** At first glance, this appears too good to be true. While the opportunity is available be very careful to define what prior traditional IRAs exist and what their collective “basis” is (See IRS Form 8606 Lines 1, 2 and 3).

**Roth IRA Benefits**

- After meeting certain tests tax free earnings
- No mandatory distributions upon reaching the age of 70 ½
- Tax free income to future generations
- No age limit on contribution to a Roth IRA
- Outstanding opportunity regarding to utilize the Voluntary Contribution program to fund a Roth

**Roth IRA Caution**

- Tax cost, if any, to transfer a traditional IRA to a Roth IRA
- Where will the funds come from to pay the tax
- Drop in market value of assets transfer to Roth (this problem could be alleviated by a “recharacterization”)
- Potential lower income tax bracket in retirement
- There currently is no mention, whisper or rumor that Roth IRAs would ever become taxable.
  However, be aware that Social Security income was once in a similar protected environment

**Summary**

Much has been written, debated and discussed regarding Roth IRAs, traditional IRAs, the Voluntary Contribution plan and the impact the year 2010 has on these opportunities. While the opportunities are many there are pitfalls to be avoided. Please either full understand the ramifications yourself or seek professional guidance.
## 2018 AGI (Modified) Phase-Out Amounts/Ranges

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Traditional IRA Deduction(^1)</th>
<th>Roth IRA Contribution</th>
<th>Roth TSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFJ &amp; QW</td>
<td>$101,001 - $120,999</td>
<td>$189,000-$198,999</td>
<td>No Income Restrictions But No Contributions are made &quot;After Tax&quot;</td>
</tr>
<tr>
<td>Single</td>
<td>$63,001 - $72,999</td>
<td>$120,000 - $134,999</td>
<td></td>
</tr>
<tr>
<td>HOH</td>
<td>$63,001 – $72,999</td>
<td>$120,000 - $134,999</td>
<td></td>
</tr>
<tr>
<td>MFS</td>
<td>$0-$9,999</td>
<td>$0-$9,999</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Based on coverage by a Retirement Plan your Employer prepares

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**IRA Diagram**

- **Roth** → **Traditional**
- **Yes - Continue**
- **Earned Income?**
  - W-2 Income, Self-Employed Net Income
  - **None** → **STOP**

**2018 Contribution**

*(2018 Contribution needs to be made no later than April 15, 2019)*
DESTINATION ROTH IRA

Be certain to seek professional guidance.

*Be Aware

When transferring funds into an existing Roth IRA, be aware that this backdoor transfer could create a new 5 year Roth holding period.

** “The Step Transition Doctrine” is a result of a Supreme Court case. The case allows the Court to invalidate a transaction if the “steps” involved have no independent substantial business purpose. This “doctrine” has not been used to invalidate a “Backdoor Roth.” However, please be aware of its potential.

The above diagram shows the steps necessary to fund a Roth IRA regardless of income.
TRADITIONAL IRA – PRORATA RULE (AKA AGGREGATION RULE)

I. Number of IRAs and value at December 31 of any year:

<table>
<thead>
<tr>
<th>IRA 1</th>
<th>IRA 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRA 3</td>
<td>IRA 4</td>
</tr>
</tbody>
</table>

$50,000  Total Value of Any and All Traditional IRAs*

II. Total Non Deductible IRAs  [$10,000]  Per IRS Form 8606 See Page 14

Included in the $50,000  Taxable Portion  $40,000

III. Aggregation Rule Calculation:

$40,000(II) divided by $50,000(I) equals 80%

Result: 80% of any distribution from this traditional IRA* is potentially subject to Income Tax.

IV. After determining the above, follow the two steps below to alleviate the Aggregation Rule’s Impact

Step A. Transfer Taxable Portion ($40,000) to TSP via Form TSP-60 (Pg 12) to continue Tax deferral of Income Tax. Also be certain to use the October 2012 Version of TSP-60.

After Completing Step A, proceed to Step B.

Step B. Now that the taxable portion of your IRA* has been transferred to the TSP, the only amount remaining in your IRA* is not taxable. This allows the $10,000 of non-taxable IRAs* to be transferred to a Roth IRA tax free.

Seek Professional Advice

*Traditional IRAs include Sep-IRA and Simple IRAs
## THRIFT SAVINGS PLAN

### REQUEST FOR A TRANSFER INTO THE TSP

Use this form to request a transfer or to complete a rollover of tax-deferred money from an eligible retirement plan into the traditional (non-Roth) balance of your Thrift Savings Plan (TSP) account. Funds received by the TSP will not be invested until a properly completed Form TSP-60 has been received.

### I. INFORMATION ABOUT YOU — This request applies to my:  

- [ ] Civilian Account  
- [ ] Uniformed Services Account

1. **Last Name**
2. **First Name**
3. **Middle Name**
4. **TSP Account Number**
5. **Date of Birth (mm/dd/yyyy)**
6. **Daytime Phone (Area Code and Number)**
7. **Foreign address?**
8. **Street Address or Box Number**
   **(For a foreign address, see instructions on back.)**
9. **Street Address Line 2**
10. **City**
11. **State**
12. **Zip Code**

**Certification** — I certify to the best of my knowledge that the distribution I am transferring or rolling over into the TSP meets the requirements for a distribution from an IRA or an eligible employer plan (whichever is applicable) as described in the General Information section of this form. I further certify that I have read this form (and instructions) in its entirety and that the information I have provided is true and complete to the best of my knowledge. **Warning:** Any intentional false statement in this request or willful misrepresentation concerning it is a violation of law that is punishable by a fine or imprisonment for as long as 5 years, or both (18 U.S.C. § 1001).

13. **Participant’s Signature**
14. **Date Signed (mm/dd/yyyy)**

### II. INFORMATION FROM IRA OR PLAN — This section must be completed by the trustee [or custodian] of the IRA or by the administrator of the eligible employer plan from which the distribution is being [or was] made. Be sure to read the instructions for certification requirements for rollovers. Also, if this distribution is from a SIMPLE IRA, you must provide written documentation showing the period of participation.

15. **Gross amount of tax-deferred distribution:** $  
16. **Date of Distribution (mm/dd/yyyy)**

**Certification** — I certify that the funds are being [or have been] distributed from an eligible retirement plan as defined in IRC § 402(c)(8)(B) and as described in the General Information section of this form.

17. **Typed or Printed Name of Financial Institution Representative or Plan Administrator**
18. **Signature of Financial Institution Representative or Plan Administrator**
19. **Date Signed (mm/dd/yyyy)**
20. **Name of Financial Institution**
21. **Street Address or Box Number**
   **(For a foreign address, see instructions on back.)**
22. **Street Address Line 2**
23. **City**
24. **State**
25. **Zip Code**
Use this form to request a transfer of Roth money from a Roth 401(k), 403(b), or 457(b) into the Roth balance of your Thrift Savings Plan (TSP) account. The TSP does not accept transfers from Roth IRAs. Funds received by the TSP will not be invested until a properly completed Form TSP-60-R has been received.

I. INFORMATION ABOUT YOU — This request applies to my:  [ ] Civilian Account  OR  [ ] Uniformed Services Account

1. Last Name

2. TSP Account Number

3. Date of Birth (mm/dd/yyyy)

4. Daytime Phone (Area Code and Number)

5. [ ] Foreign address? Check here.

6. Street Address or Box Number (For a foreign address, see instructions on back.)

7. City

8. State

9. Zip Code

Certification — I certify to the best of my knowledge that the distribution I am transferring into the TSP meets the requirements for a distribution from a Roth 401(k), 403(b), or 457(b) as described in the General Information section of this form. I further certify that I have read this form (and instructions) in its entirety and that the information I have provided is true and complete to the best of my knowledge.

Warning: Any intentional false statement in this request or willful misrepresentation concerning it is a violation of law that is punishable by a fine or imprisonment for as long as 5 years, or both (18 U.S.C. § 1001).

10. Participant’s Signature

11. Date Signed (mm/dd/yyyy)

II. INFORMATION FROM PLAN — This section must be completed by the administrator of the retirement plan from which the distribution is being made.

12. Gross amount of Roth distribution:  $ ________.

13. Roth contributions:

14. Date of first Roth contribution:  [ ]

Certification — I certify that the funds are being distributed from a Roth 401(k), 403(b), or 457(b) as described in the General Information section of this form.

15. Typed or Printed Name of Financial Institution Representative or Plan Administrator

16. Daytime Phone (Direct Number)

17. Signature of Financial Institution Representative or Plan Administrator

18. Date Signed (mm/dd/yyyy)

19. Name of Financial Institution

20. Street Address or Box Number

21. City

22. State

23. Zip Code
**Non-deductible IRAs**

Complete this part only if you made non-deductible contributions to a traditional IRA for 2017, and you made non-deductible contributions to a traditional IRA in 2017 or an earlier year. For this purpose, a distribution does not include a rollover, qualified charitable distribution, or return of certain contributions.

### Part I: Non-deductible Contributions to Traditional IRAs and Distributions From Traditional, SEP, and SIMPLE IRAs

- You made non-deductible contributions to a traditional IRA for 2017.
- You took distributions from a traditional, SEP, or SIMPLE IRA in 2017 and you made non-deductible contributions to a traditional IRA in 2017 or an earlier year. For this purpose, a distribution does not include a rollover, qualified charitable distribution, one-time distribution to fund an HSA, conversion, recharacterization, or return of certain contributions.
- You converted part, but not all, of your traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2017 (excluding any portion you recharacterized) and you made non-deductible contributions to a traditional IRA in 2017 or an earlier year.

### Instructions

1. Enter your non-deductible contributions to traditional IRAs for 2017, including those made for 2017 from January 1, 2018, through April 17, 2018 (see instructions).
2. Enter your total basis in traditional IRAs (see instructions).
3. Add lines 1 and 2.
4. Enter those contributions included on line 1 that were made from January 1, 2018, through April 17, 2018.
5. Subtract line 4 from line 3.
6. Enter the value of all your traditional, SEP, and SIMPLE IRAs as of December 31, 2017, plus any outstanding rollovers (see instructions).
7. Enter your distributions from traditional, SEP, and SIMPLE IRAs in 2017. Do not include rollovers, qualified charitable distributions, a one-time distribution to fund an HSA, conversion to a Roth IRA, certain returned contributions, or recharacterizations of traditional IRA contributions (see instructions).
8. Enter the net amount you converted from traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2017. Do not include amounts converted that you later recharacterized (see instructions). Also enter this amount on line 16.
9. Add lines 6, 7, and 8.
10. Divide line 5 by line 9. Enter the result as a decimal rounded to at least 3 places. If the result is 1.000 or more, enter "1.000".
11. Multiply line 8 by line 10. This is the nontaxable portion of the amount you converted to Roth IRAs. Also enter this amount on line 17.
12. Multiply line 7 by line 10. This is the nontaxable portion of your distributions that you did not convert to a Roth IRA.
13. Add lines 11 and 12. This is the nontaxable portion of all your distributions.
14. Subtract line 13 from line 3. This is your total basis in traditional IRAs for 2017 and earlier years.
15. Taxable amount. Subtract line 12 from line 7. If more than zero, also include this amount on Form 1040, line 15b; Form 1040A, line 11b; or Form 1040NR, line 16b.

**Note:** The 2018 Version will not be available until late 2018.
## Part II 2017 Conversions From Traditional, SEP, or SIMPLE IRAs to Roth IRAs

Complete this part if you converted part or all of your traditional, SEP, and SIMPLE IRAs to a Roth IRA in 2017 (excluding any portion you recharacterized).

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>If you completed Part I, enter the amount from line 8. Otherwise, enter the net amount you converted from traditional, SEP, and SIMPLE IRAs to Roth IRAs in 2017. <strong>Do not</strong> include amounts you later recharacterize back to traditional, SEP, or SIMPLE IRAs in 2017 or 2018 (see instructions)</td>
</tr>
<tr>
<td>17</td>
<td>If you completed Part I, enter the amount from line 11. Otherwise, enter your basis in the amount on line 16 (see instructions)</td>
</tr>
<tr>
<td>18</td>
<td><strong>Taxable amount.</strong> Subtract line 17 from line 16. If more than zero, also include this amount on 2017 Form 1040, line 15b; 2017 Form 1040A, line 11b; or 2017 Form 1040NR, line 16b</td>
</tr>
</tbody>
</table>

## Part III Distributions From Roth IRAs

Complete this part only if you took a distribution from a Roth IRA in 2017. For this purpose, a distribution does not include a rollover (other than a repayment of a qualified disaster distribution (see 2017 Forms 8915A and 8915B)), qualified charitable distribution, one-time distribution to fund an HSA, recharacterization, or return of certain contributions (see instructions).

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>Enter your total nonqualified distributions from Roth IRAs in 2017, including any qualified first-time homebuyer distributions, and any qualified disaster distributions (see instructions). Also see 2017 Forms 8915A and 8915B</td>
</tr>
<tr>
<td>20</td>
<td>Qualified first-time homebuyer expenses (see instructions). <strong>Do not</strong> enter more than $10,000</td>
</tr>
<tr>
<td>21</td>
<td>Subtract line 20 from line 19. If zero or less, enter -0-</td>
</tr>
<tr>
<td>22</td>
<td>Enter your basis in Roth IRA contributions (see instructions). If line 21 is zero, <strong>stop here</strong></td>
</tr>
<tr>
<td>23</td>
<td>Subtract line 22 from line 21. If zero or less, enter -0- and skip lines 24 and 25. If more than zero, you may be subject to an additional tax (see instructions)</td>
</tr>
<tr>
<td>24</td>
<td>Enter your basis in conversions from traditional, SEP, and SIMPLE IRAs and rollovers from qualified retirement plans to a Roth IRA. See instructions</td>
</tr>
<tr>
<td>25a</td>
<td>Subtract line 24 from line 23. If zero or less, enter -0- and skip lines 25b and 25c</td>
</tr>
<tr>
<td>b</td>
<td>Enter the amount on line 25a attributable to qualified disaster distributions from 2017 Forms 8915A and 8915B (see instructions). Also, enter this amount on 2017 Form 8915A, line 23, or 2017 Form 8915B, line 14, as applicable</td>
</tr>
<tr>
<td>c</td>
<td><strong>Taxable amount.</strong> Subtract line 25b from line 25a. If more than zero, also include this amount on 2017 Form 1040, line 15b; 2017 Form 1040A, line 11b; or 2017 Form 1040NR, line 16b</td>
</tr>
</tbody>
</table>
The Complete History of the IRA Contribution Limit

Investing  Written by: PK

The IRA or Individual Retirement Account, just like its cousin the 401(k), was an invention of the 1970s. First introduced in the Employee Retirement Income Security Act of 1974 (better known as ERISA), the IRA is a portable retirement account which allows contributions from workers outside of the worker’s employer. The IRA family also claims employer run IRAs; one example is the Simplified Employee Pension IRA (SEP IRA), created in 1978. This post details the complete history of the individual IRA limit.

IRAs in 2018 currently have a contribution limit of $5,500, with an additional $1,000 allowed for earners 50+ years old. (If you find the IRA limit interesting, we also have an article on the history of the 401(k) limit).

The History of the IRA Contribution Limit and Non-Working Spouse Contribution

<table>
<thead>
<tr>
<th>Year</th>
<th>Contribution Limit</th>
<th>Catch-up 50+ Year Old</th>
<th>Non-Working Spouse Contribution</th>
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<tbody>
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<td>$5,500.00</td>
<td>$1,000.00</td>
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<tr>
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Source: https://dqydj.com/history-of-contributions-ira-limit/
<table>
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<th>Year</th>
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