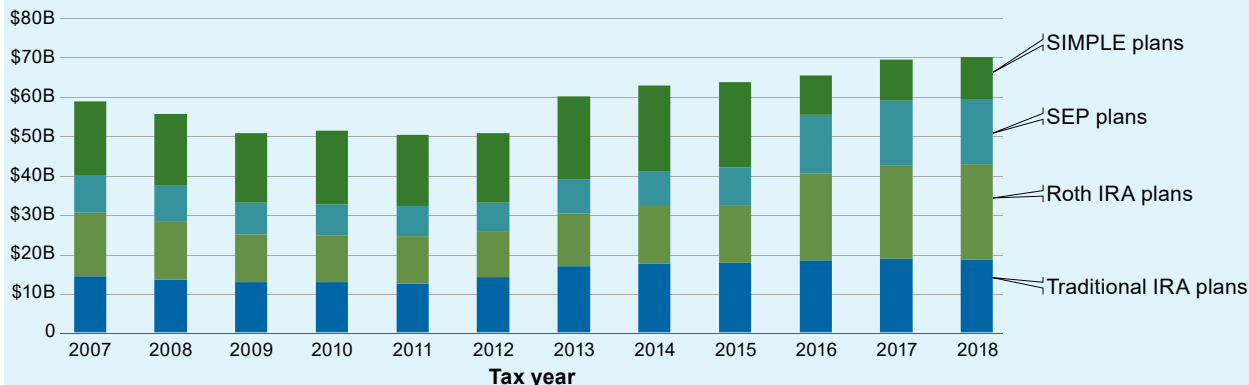


Individual Retirement Arrangements, Tax Year 2018



This study explores the accumulation and distribution of Individual Retirement Arrangement (IRA) plans, by type. Data are based on matched samples of *U.S. Individual Income Tax Returns* (Forms 1040); *IRA Contribution Information* (Forms 5498); and *Distributions From Pensions Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.* (Form 1099-R) for Tax Year (TY) 2018.

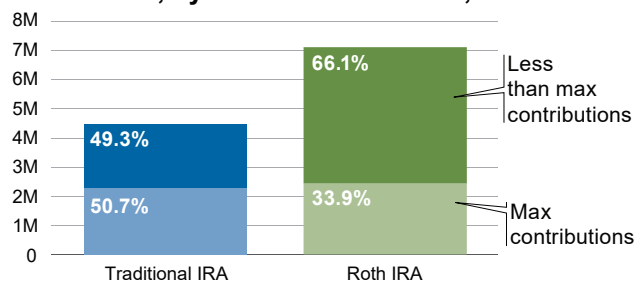
Total Contributions to Individual Retirement Arrangement (IRA) Plans, by Type of Plan, Tax Years 2007–2018



Highlights of the Data

- TY2018 saw the largest total contributions to IRA plans to date, at over \$70 billion. This continued the TY2011 trend of year-over-year growth in contributions that started in the recovery of the Great Recession.
- Roth IRAs made up more than a third of all IRA-plan contributions (35 percent) and all contributing taxpayers (34.6 percent). This continued the TY2016 trend in which Roth IRAs overtook traditional IRAs in the total number of, and overtook SIMPLE IRAs as the largest share of, total contributions.
- About half of all taxpayers contributing to traditional IRAs (50.7 percent) were more likely to contribute the maximum allowable amount. Roth IRAs saw only about a third (33.9 percent) of maximum allowable contributions. Though, taxpayer elected contribution sizes remained anchored at \$500 increments for both traditional and Roth IRA plans.
- TY2018 saw the largest total amount withdrawn from IRA plans to date, at \$366 billion. Previously, this was set in TY2017, at \$325 billion.
- The Tax Cuts and Jobs Act of 2017 (TCJA) repealed the recharacterizations of Roth Conversions. This, coupled with a lower top income tax bracket, had the effect of increasing Roth Conversions to \$13.7 billion (up 37 percent) from TY2017 to TY2018, accompanied by a 15-percent increase in the number of conversions.
- Average SEP contributions are consistently the largest across the whole of the income distribution, followed by average SIMPLE contributions for the lowest and highest income brackets. The average Fair Market Value for IRA plans is heavily skewed to higher-income percentiles, with most assets held in traditional and SEP IRAs.

Number of Taxpayers Contributing to a Traditional or Roth IRA, by Size of Contribution, TY2018



Total Withdrawals From an Individual Retirement Arrangement (IRA), Tax Years 2007–2018



Individual
Tax Statistics

