

This year you will celebrate your 50th birthday—congratulations on reaching the age when life begins to make sense to some of us!

Seriously, a research project by the National Academy of Sciences indicates that after age 50, “...daily stress and worry take a dive and daily happiness increases.” The research, published in the journal Proceedings of the National Academy of Sciences in 2010, shows that “...negative emotions, such as stress and anger, are similar in that they consistently decline with age, but worry holds steady until around 50, when it sharply drops...”

As if happiness wasn't reward enough, your milestone birthday can pay off financially as well! Individuals who are age 50 or over at the end of the calendar year can make annual “catch-up” contributions to various retirement vehicles as follows:

Catch-up contributions up to \$6,000 in 2018 may be permitted by these retirement plan types:

- 401(k) (other than a SIMPLE 401(k))
- 403(b) (If permitted by the 403(b) plan, an employee that has at least 15 years of service may be eligible for an additional amount as well)
- SARSEP
- governmental 457(b)

(Elective deferrals are not treated as catch-up contributions until they exceed the \$18,500 limit for 2018).

SIMPLE Plan Catch-Up Amounts—A SIMPLE IRA or a SIMPLE 401(k) plan may permit catch-up contributions up to \$3,000 in 2018. (Salary reduction contributions in a SIMPLE IRA plan are not treated as catch-up contributions for 2018 until they exceed \$12,500).

IRA Catch-Up Amounts—You can make catch-up contributions to your traditional or Roth IRA up to \$1,000 in 2018. Catch-up contributions to an IRA are due by the due date of your tax return (not including extensions).

Please feel free to call me if you have any questions on how this may affect you and your personal situation.