



[CLICK HERE](#) to return to the home page

IRA FAQs - Recharacterization of IRA Contributions

- [English](#)

More In Retirement Plans

What is a recharacterization of a contribution to a traditional or Roth IRA?

A recharacterization allows you to treat a regular contribution made to a Roth IRA or to a traditional IRA as having been made to the other type of IRA. A regular contribution is the annual contribution you're allowed to make to a traditional or Roth IRA: up to \$5,500 for 2018, \$6,500 if you're 50 or older (see [IRA Contribution Limits](#) for details). It does not include a conversion or any other rollover.

How do I recharacterize a regular IRA contribution?

To recharacterize a regular IRA contribution, you tell the trustee of the financial institution holding your IRA to transfer the amount of the contribution plus earnings to a different type of IRA (either a Roth or traditional) in a trustee-to-trustee transfer or to a different type of IRA with the same trustee. If this is done by the due date for filing your tax return (including extensions), you can treat the contribution as made to the second IRA for that year (effectively ignoring the contribution to the first IRA).

Can I recharacterize a rollover or conversion to a Roth IRA?

Effective January 1, 2018, pursuant to the Tax Cuts and Jobs Act (Pub. L. No. 115-97), a conversion from a traditional IRA, SEP or SIMPLE to a Roth IRA cannot be recharacterized. The new law also prohibits recharacterizing amounts rolled over to a Roth IRA from other retirement plans, such as 401(k) or 403(b) plans.

How does the effective date apply to a Roth IRA conversion made in 2017?

A Roth IRA conversion made in 2017 may be recharacterized as a contribution to a traditional IRA if the recharacterization is made by October 15, 2018. A Roth IRA conversion made on or after January 1, 2018, cannot be recharacterized. For details, see “Recharacterizations” in Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

Disclaimer

This FAQ is not included in the Internal Revenue Bulletin, and therefore may not be relied upon as legal authority. This means that the information cannot be used to support a legal argument in a court case.