

Retirement Savings Contributions Credit (Saver's Credit)

You may be eligible to take a tax credit for making eligible contributions to your employer-sponsored retirement plan or Individual Retirement Account (IRA). This credit could result in a reduction of the amount you pay in Federal Income Taxes. To be eligible for the "Saver's Credit", you must:

- be 18 years of age or older
- not be a full-time student
- not be claimed as a dependent on someone else's return
- make contributions to a qualified IRA, 401(k) or other eligible retirement plan
- meet certain financial criteria as described below

Depending on adjusted gross income (AGI), the amount of the credit is 50%, 20%, or 10% of your retirement plan or IRA contributions up to \$2,000 (\$4,000 if married filing jointly). Use the chart below to calculate your credit:

2019 Saver's Credit Guidelines			
2019 AGI for Single Filers	for Head of Household	for Married Filing Jointly	Saver's Credit
\$0 to \$19,250	\$0 to \$28,875	\$0 to \$38,500	50% of the first \$2,000 deferred (\$4,000 if married filing jointly)
\$19,251 to \$20,750	\$28,876 to \$31,125	\$38,501 to \$41,500	20% of the first \$2,000 deferred (\$4,000 if married filing jointly)
\$20,751 to \$32,000	\$31,126 to \$48,000	\$41,501 to \$64,000	10% of the first \$2,000 deferred (\$4,000 if married filing jointly)
more than \$32,000	more than \$48,000	more than \$64,000	credit not available

Example #1

Single with \$18,000 AGI
Weekly contribution of \$25 or \$1,300 annually
Credit = \$650 (50% of first \$2,000 deferred)

Example #2

Head of household with \$30,000 AGI
Weekly contribution of \$40 or \$2,080 annually
Credit = \$400 (20% of first \$2,000 deferred)

Example #3

Married filing jointly with \$50,000 AGI
Weekly contribution of \$80 or \$4,160 annually
Credit = \$400 (10% of first \$4,000 deferred)

Example #4

Married filing jointly with \$65,000 AGI
Weekly contribution of \$100 or \$5,200 annually
Credit = \$0 (credit not available)

Note: Any rollover contributions from one retirement plan or IRA to another are not eligible for this credit. Also, any recent eligible withdrawals may be subtracted from the amount eligible for this credit. More information on the Saver's Credit is available at www.irs.gov.