

# SAVE MORE WITH THE SAVER'S CREDIT

If you're eligible for a federal income tax "Saver's Credit," what you save may not "cost" as much as you think.

## What Is the Saver's Credit?

The Saver's Credit gives you money back on your taxes in exchange for contributions you make to your employer's retirement plan or an Individual Retirement Account (IRA).<sup>1</sup>

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). The lower your income, the larger the tax credit you may receive.

## Who Is Eligible?

You may be eligible for the Saver's Credit if:

- ▶ your IRS Adjusted Gross Income (AGI) is below certain limits (see chart below)
- ▶ you save to your employer's retirement plan or an IRA
- ▶ you are at least 18 years old by the end of the tax year; and
- ▶ you are not a full-time student and you are not claimed as a dependent on another taxpayer's return.

**Note:** The credit may be reduced if you or your spouse takes any taxable distributions.<sup>2</sup>

## Take Action

Enroll in, or save more to, your employer's 457 deferred compensation plan — visit [www.icmarc.org/457](http://www.icmarc.org/457).

Also consider an IRA — visit [www.icmarc.org/ira](http://www.icmarc.org/ira).

Check if you are eligible for the Saver's Credit:

- ▶ If a professional tax preparer does your taxes, ask about the credit.
- ▶ If you prepare your taxes using software, be sure it runs calculations for you based on specific amounts saved.
- ▶ If you prepare your taxes by hand, consult IRS Form 8880.

## Not eligible?

The Saver's Credit is really just a bonus that's in addition to other tax benefits these retirement accounts provide. The larger benefit is saving for your, and your family's, financial future.

2019  
SAVER'S CREDIT<sup>3</sup>



Credit Rate <sup>4</sup>	Married Filing Jointly	Head of Household	All Other Filers
50% of your contribution	AGI not more than \$38,500	AGI not more than \$28,875	AGI not more than \$19,250
20% of your contribution	\$38,501 – \$41,500	\$28,875 – \$31,125	\$19,251 – \$20,750
10% of your contribution	\$41,501 – \$64,000	\$31,126 – \$48,000	\$20,751 – \$32,000
0% of your contribution	more than \$64,000	more than \$48,000	more than \$32,000

<sup>1</sup> Mandatory contributions made to a 401(a) plan may not be eligible.

<sup>2</sup> Applies to taxable distributions out of your employer retirement plans or IRAs (including non-taxable Roth IRA distributions) during a) the year in which you claim the credit; b) the period between the end of that year and before the due date for that year's tax return; or c) the two taxable years preceding that year.

<sup>3</sup> 2018 tax-year contributions to an IRA may be made until April 15, 2019. Saver's Credit 2019 tax-year AGI limits differ slightly — for more information, visit [www.irs.gov](http://www.irs.gov).

<sup>4</sup> The credit rate is up to a maximum tax credit of \$2,000, or \$4,000 for married couples filing jointly.

AC: 40604-1218-8599