

**Saver's Credit:**  
Tax credit to save for retirement



The Saver's Credit was established to help low- to moderate- income earners save for retirement by providing an additional credit toward tax liability on top of existing retirement savings incentives.

Who can claim the Saver's Credit?	
<p><b>Any person who:</b></p> <ul style="list-style-type: none"> <li>– is 18 years of age or older</li> <li>– is not a full-time student</li> <li>– is not claimed as a dependent</li> <li>– has a qualifying Adjusted Gross Income* (AGI)</li> </ul>	<p><b>and contributes to:</b></p> <ul style="list-style-type: none"> <li>– a 401(k) plan;</li> <li>– a 403(b) plan;</li> <li>– a 457 plan;</li> <li>– an IRA; or</li> <li>– a Roth IRA</li> </ul>

\*See Saver's Credit Chart

- What's in it for me?**
- Lower your AGI
  - Per paycheck tax-deferred savings
  - Tax Credit
  - Income in Retirement

2023 Saver's Credit Chart		
Adjusted Gross Income	Credit Rate	Max Saver's Credit
<b>Single / Married Filing Separately</b>		
\$0 to \$21,750	50%	\$1,000
\$21,751 to \$23,750	20%	\$400
\$23,751 to \$36,500	10%	\$200
<b>Head of Household</b>		
\$0 to \$32,625	50%	\$1,000
\$32,626 to \$35,625	20%	\$400
\$35,626 to \$54,750	10%	\$200
<b>Married Filing Jointly</b>		
\$0 to \$43,500	50%	\$2,000
\$43,501 to \$47,500	20%	\$800
\$47,501 to \$73,000	10%	\$400

## How does it work?

If you meet the requirements, calculate what your Saver's Credit might be by following the example and worksheet on this page or by completing [IRS Form 8880](#).

Steps	Example	Your Saver's Credit
<b>1. Tax Filing Status</b>	Head of Household	
<b>2. Adjusted Gross Income (AGI)</b>	(\$28,000 - \$1,200 =) \$26,800	
<b>3. Credit Rate</b> (See Saver's Credit Chart)	50%	
<b>4. Eligible Contributions</b>	\$1,200	
<b>5. Calculate your Saver's Credit</b> (credit rate x eligible contribution)	(50% x \$1,200 =) <b>\$600</b>	

## EXAMPLE

Bill makes \$28,000 this year. Assuming he contributes \$100 per month into his 401(k) account (\$1,200 per year) his AGI will lower to \$26,800. Bill files his taxes as Head of Household. Using the Saver's Credit chart provided, based on Bill's AGI he could qualify for a credit rate of 50% of contributions up to a maximum of \$1,000. Based on these assumptions his Saver's Credit would calculate to be \$600.

## Where do I start?

Start contributing into your retirement savings plan today. If you are already contributing, determine if you qualify for the tax credit, and if so include [IRS Form 8880](#) with your annual federal income tax return.

Learn more about the Saver's Credit by visiting [www.irs.gov](http://www.irs.gov) or contacting a professional tax advisor.

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