

The Saver's Credit: you could get paid to save for retirement

What is it and how do you get it?

If you're saving for retirement at work or in an individual retirement account (IRA), you may already benefit from some great tax savings. But if you qualify for the Retirement Savings Contribution Credit (commonly known as the Saver's Credit), you might be able to reduce your tax bill even more — by up to \$1,000 (\$2,000 for a married couple filing jointly).

The Saver's Credit is a special tax credit offered by the IRS to give low- and moderate-income earners an extra incentive to save for retirement. The nice thing about the Saver's Credit is that it's actually a tax credit, not a deduction, which means it may potentially reduce the amount of federal taxes you owe, or increase your refund on taxes you may have already paid during the year.

How much is the Saver's Credit?

Depending on your income and filing status, you could receive a credit for between 10% and 50% of your contributions for the year.

Helpful Forms:



FORM 8880 to calculate +
claim your credit



FORM 1040 or
FORM 1040NR
to file your taxes

ARE YOU ELIGIBLE FOR THE SAVER'S CREDIT? To claim the saver's credit in 2021, you must:



Be age 18 or older



Not be a full-time a student



Not be claimed as a dependent on
someone else's tax return



Have a maximum adjusted gross
income of:
– **\$33,000** single/married filing separately
– **\$49,500** head of household
– **\$66,000** couples filing jointly

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