



## The Saver's Tax Credit: Helping You Save for Retirement

The Saver's Credit is a tax credit available to millions of Americans who are saving for retirement. For tax year 2014 alone, over 108,000 tax filers in Oklahoma claimed credits totaling \$18.3 million.<sup>1</sup> Many more Oklahoma taxpayers may be eligible.<sup>2</sup>

### What is the Saver's Credit?

The Saver's Credit – also referred to as the Retirement Savings Contributions Credit – is a federal tax credit available to moderate- and middle-income persons who make contributions to certain types of retirement plans and individual retirement accounts (IRAs). Federal tax credits are used to reduce the amount of money you owe in federal income taxes.

### Am I Eligible for the Saver's Credit?

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

1. Age 18 or older;
2. Not a full-time student; and
3. Not claimed as a dependent on another's persons tax return.

To claim the credit, your adjusted gross income in 2016 (which you will calculate on your tax forms) must also be equal to or below:

1. \$61,500 if married and filing jointly;
2. \$46,125 if filing as head of household; or
3. \$30,750 for all other filers.

### What Types of Contributions are Eligible for the Saver's Credit?

The credit can be claimed for contributions to traditional or Roth IRAs; for contributions to a 401(k), SIMPLE IRA, SARSEP, 403(b), 501(c)(18) or governmental 457(b) plan; and for voluntary after-tax employee contributions to qualified retirement and 403(b) plans.

Rollover contributions (money you moved into one retirement account or IRA from another retirement plan or IRA) are not eligible for the credit. Also, eligible contributions may be reduced by the amount of any distributions you recently received from a retirement plan or IRA.

### How Large of a Saver's Credit Can I Claim?

The value of the credit you can claim is 50%, 20%, or 10% of your contributions to your retirement plan or IRA, depending on your adjusted gross income (AGI). The maximum credit you could claim is \$1,000 (\$2,000 if married and filing jointly). You can use the chart below to calculate the value of your credit:

2016 Saver's Credit			
Credit Rate	Married Filing Jointly	Head of Household	All Other Filers
50% of your contribution	AGI not more than \$37,000	AGI not more than \$27,750	AGI not more than \$18,500
20% of your contribution	\$37,001 - \$40,000	\$27,751 - \$30,000	\$18,501 - \$20,000
10% of your contribution	\$40,001 - \$61,500	\$30,001 - \$46,125	\$20,001 - \$30,750
0% of your contribution	more than \$61,500	more than \$46,125	more than \$30,750

Note: This credit is non-refundable, meaning it can reduce the amount you owe in federal income taxes to \$0, but it cannot provide a refund.

### How Do I Claim the Saver's Credit?

To claim the credit you need to fill out IRS Form 8880 and attach it to your income tax return. You must also file your taxes using Form 1040, 1040A, or 1040NR. You cannot claim the credit if you use Form 1040EZ.

You can access all IRS forms and publications online at [www.irs.gov](http://www.irs.gov). You can also order tax forms, filing instructions, and publications through the mail by calling 1-800-TAX-FORM (1-800-829-3676). If you need help from an IRS Taxpayer Assistance Center (TAC) you can call and schedule an appointment by going to [www.irs.gov/taclocator](http://www.irs.gov/taclocator) to find the location and phone number of your local TAC.

For more on the Senate Special Committee on Aging's work on retirement issues, visit [www.aging.senate.gov](http://www.aging.senate.gov).

Note: This document has been printed for information purposes. It does not represent either findings or recommendations formally adopted by the Committee.

<sup>1</sup> Source: Internal Revenue Service, "SOI Tax Stats – Historic Table 2," available at <https://www.irs.gov/uac/soi-tax-stats-historic-table-2> (last accessed February 2017).

<sup>2</sup> Much of the information presented in this fact sheet – including the 2016 Saver's Credit table – was taken from the IRS's website. This information can be found at <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit>.