

AT A GLANCE

The Retirement Saver's Tax Credit for 2019

JANUARY 2019

There is an attractive savings incentive for retirement savers known as the “Saver’s Credit.” The Saver’s Credit provides a potential tax credit for individuals who contribute to qualifying retirement plans or IRAs. The tax credit is in addition to the tax advantages already available through an employer-sponsored plan or IRA.

CREDIT RATE	JOINT FILER AGI	HEAD OF HOUSEHOLD AGI	ALL OTHER FILERS AGI*
50%	\$0–\$38,500	\$0–\$28,875	\$0–\$19,250
20%	\$38,501–\$41,500	\$28,876–\$31,125	\$19,251–\$20,750
10%	\$41,501–\$64,000	\$31,126–\$48,000	\$20,751–\$32,000
0%	Over \$64,000	Over \$48,000	Over \$32,000

* Single, married filing separately, or qualifying widow(er)

Qualifying contributions include salary deferral (“elective”) contributions to 401(k), 403(b), governmental 457(b), SIMPLE IRA, Simple 401(k) or SAR-SEP plans, and contributions to Traditional or Roth IRAs, as well as “voluntary after-tax” contributions to tax-qualified plans.

The maximum annual contribution eligible for the credit is \$2,000 (\$4,000 if married filing jointly) and the credit percentage range depends on the Adjusted Gross Income (AGI) of the

taxpayer (please refer to the table above—2019 figures). You can claim the credit if your AGI is not more than the maximum amount shown by the chart above, and if all of the following apply:

- You must be at least age 18 as of the close of the tax year.
- You are not a full-time student for five calendar months or more during the tax year.
- No one else claims a dependent exemption for you on their tax return.

The amount of contributions eligible for the credit is generally reduced by taxable distributions from a qualifying plan or IRA (or any distribution from a Roth IRA that is not rolled over) received by the taxpayer or spouse during the current tax year, the two years before the credit is being claimed, or during the period after the end of the current year and before the due date (including extension) of the taxpayer’s return for the year.

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