The Saver's Tax Credit: **Can You Benefit?**

It's not always easy to keep contributing to your employer-provided retirement plan. Bills and unexpected expenses can eat up most of your salary, leaving little for retirement savings. You might be tempted to forget about it until you start earning more money.

But before you stop or cut back (or never start) contributing to your plan, understand that you could be entitled to a federal tax credit called the Retirement Savings Contributions Credit, or Saver's Credit, if you meet certain income requirements. *In effect, the credit repays a percentage of the contributions you make to your 401(k) or other retirement savings plan by reducing your income tax liability for the year*. It may be just the thing that enables you to keep participating in your retirement plan or increase your contributions.

What is the Saver's Credit?

The credit is a percentage -- 50%, 20%, or 10% -- of up to $2,000 in qualified retirement savings contributions for a maximum credit of $1,000 (or twice that amount for a married couple filing jointly who each contribute $2,000). The percentage depends on adjusted gross income (AGI) and filing status.

To claim the credit, you must be at least age 18, not claimed as a dependent on another person's return, and not a full-time student. You will not be able to claim the credit if your AGI exceeds the top of the range for the 10% credit.

	2019 Tax Credit			
	50% of Contribution	20% of Contribution	10% of Contribution	0% of Contribution
Tax Filing Status	**Adjusted Gross Income**			
Married Filing Jointly	$38,500 or less	$38,501 - $41,500	$41,501 - $64,000	> $64,000
Head of household	$28,875 or less	$28,876 - $31,125	$31,126 - $48,000	> $48,000
All other filers*	$19,250 or less	$19,251 - $20,750	$20,751 - $32,000	> $32,000

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

Source: irs.gov
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