

November 6, 2019

Saver's Credit¹ Limitations for 2019-2020

Taxpayers who make eligible contributions to an employer-sponsored retirement plan, IRA, or ABLE account may be able to take a tax credit on their income tax return.

Who is eligible for the credit?

Taxpayers who are at least age 18, not a full-time student, and not claimed as a dependent on another person's income tax return.

What is the amount of the credit?

The amount of the credit is 50%, 20%, or 10% of the retirement plan/IRA contributions up to \$2,000 (\$4,000 if married filing jointly), dependent upon the taxpayer's adjusted gross income (reported on Form 1040), making the maximum credit \$1,000 (\$2,000 if married filing jointly).

Taxpayers may use the chart below to calculate their Saver's Credit. See also Form 8880, which taxpayers who are claiming the Saver's Credit should complete and attach to their Form 1040/ 1040-SR⁴ (with Schedule 3).

2020 Saver's Credit			
Credit Rate	Married Filing Jointly	Head of Household	All Other Filers ²
50% of your contribution	AGI ³ ≤ \$39,000	AGI ≤ \$29,250	AGI ≤ \$19,500
20% of your contribution	AGI ≥ \$39,001 and ≤ \$42,500	AGI ≥ \$29,251 and ≤ \$31,875	AGI ≥ \$19,501 and ≤ \$21,250
10% of your contribution	AGI ≥ \$42,501 and ≤ \$65,000	AGI ≥ \$31,876 and ≤ \$48,750	AGI ≥ \$21,251 and ≤ \$32,500
0% of your contribution	AGI > \$65,000	AGI > \$48,750	AGI > \$32,500

For purposes of comparison, the chart that follows applied to the 2019 Saver's Credit.

2019 Saver's Credit			
Credit Rate	Married Filing Jointly	Head of Household	All Other Filers ²
50% of your contribution	AGI ³ ≤ \$38,500	AGI ≤ \$28,875	AGI ≤ \$19,250
20% of your contribution	AGI ≥ \$38,501 and ≤ \$41,500	AGI ≥ \$28,876 and ≤ \$31,125	AGI ≥ \$19,251 and ≤ \$20,750
10% of your contribution	AGI ≥ \$41,501 and ≤ \$64,000	AGI ≥ \$31,126 and ≤ \$48,000	AGI ≥ \$20,751 and ≤ \$32,000
0% of your contribution	AGI > \$64,000	AGI > \$48,000	AGI > \$32,000

Legend:

- ¹ The Saver's Credit is also known as the Retirement Savings Contributions Credit.
- ² Single, married filing separately, or qualifying widow(er).
- ³ AGI is Adjusted Gross Income, reported on Form 1040, 1040-NR or 1040-SR.
- ⁴ The IRS introduced Form 1040-SR for seniors (age 65+).

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