

Saver`s Tax Credit

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(For 2017 tax year, [click here.](#))

The Saver`s Tax Credit is available to eligible individuals who save for retirement. It is effectively a federal match for retirement contributions. The amount of this credit will not change the amount of refundable credits such as the earned income tax credit or the child tax credit.

Who can claim the credit?

For the 2018 tax year, the saver`s credit can be claimed by:

- Married couples filing jointly with incomes up to \$63,000
- Heads of Household with incomes up to \$47,250
- Married individuals filing separately and singles with incomes up to \$31,500

You **cannot** claim the credit:

- If you are under 18
- If you can be claimed as a dependent on another person`s return, or
- If you are a full-time student

How does the credit work?

This is a non-refundable credit. If you do not owe taxes, then you will not be eligible for this credit.

The amount of the credit depends on your income and your IRS filing status; the lower your income, the greater the credit rate you are eligible for. If you are eligible, the maximum tax credit is 50% of your contribution to a retirement plan up to a maximum of a \$2,000 (\$4,000 if married filing jointly), depending on your adjusted gross income (as reported on your Form 1040 or 1040A).

For tax year 2018, married couples filing jointly can claim:

- 50% credit if their household income is under \$38,000;
- 20% credit for joint income between \$38,001 and \$41,000;
- And 10% for income between \$41,001 and \$63,000.

A taxpayer filing as "head of household" can claim:

- 50% credit for income under \$28,500;
- 20% if their income is between \$28,501 and \$30,750;
- And 10% if their income is between \$30,751 and \$47,250.

Single taxpayers, or married taxpayers filing separately, can claim:

- 50% credit if their income is under \$19,000;
- 20% if their income is between \$19,001 and \$20,500;
- And 10% for income between \$20,501 and \$31,500.

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