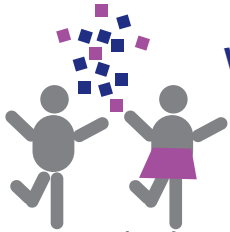


Did You Hear About The Saver's Credit?

It's A Savings Bonus That Helps You Save for Retirement!

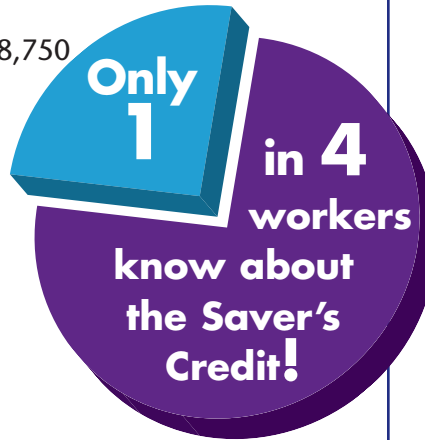
Millions of working Americans are missing out on a valuable tax credit – The IRS' Retirement Savings Contribution Credit or Saver's Credit.



Who Can Claim the Saver's Credit?

For 2020, the credit can be claimed by:

- ☑ Married couples filing jointly with incomes up to \$65,000
- ☑ Heads of Household with incomes up to \$48,750
- ☑ Married individuals filing separately and singles with incomes up to \$32,500
- ☑ Age 18 or older
- ☑ Not claimed as a dependent on another person's return,
- ☑ Not a full-time student.
- ☑ *If you do not owe taxes, you are not eligible for this credit.*



Eligible Retirement Savings Contributions

- ☑ Contributions to a traditional or Roth IRA, or myRA.
- ☑ Salary reduction contributions (including voluntary after-tax and designated Roth contributions) to your employer's retirement plan.
- ☑ **Rollover contributions are not eligible** for the Credit.
- ☑ Use the Form 8880, Credit for Qualified Retirement Savings Contributions, to calculate and claim your credit. Use Form 1040, 1040A, or 1040NR to file your taxes.

How Does the Saver's Credit Work?

If you are eligible, the amount of tax credit is 50%, 20% or 10% of your retirement plan or IRA contributions up to \$2,000 for individuals. (\$4,000 if married filing jointly). The amount depends on your adjusted gross income.

Jill's Example

Jill is married, works at a retail store, and earned \$37,000 in 2020. Jill's husband was unemployed in 2020 and didn't have any earnings.

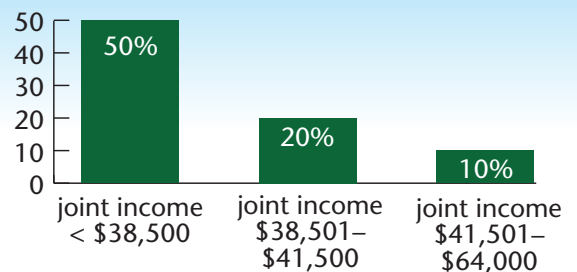
Jill contributed \$1,000 to her IRA in 2020. After deducting her IRA contribution, the adjusted gross income shown on her joint return is \$36,000.

Jill may claim a 50% credit, \$500, for her \$1,000 IRA contribution.

| | |
|--|----------|
| Jill's Earnings | \$37,000 |
| Jack's Earnings | \$0 |
| IRA Contrib. | \$1,000 |
| Adj. Gross Income | \$36,000 |
| Saver's Credit = 50% of \$1,000 = \$500. | |



Amount of Saver's Credit Married Couples Filing Jointly Can Claim



For more information about the Savers Credit, see WISER's website: www.wiserwomen.org