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and lower their taxes, a survey found.

Feb. 28, 2023



Just 49% of American workers know about a tax credit that may help them save for retirement and lower their tax bill, according to survey findings from nonprofit Transamerica Center for Retirement Studies (TCRS).

The Saver's Credit, also referred to as the Retirement Savings Contributions Credit by the IRS, is available to millions of eligible taxpayers who are saving for retirement.

“On top of the tax-deferred benefits of saving for retirement in a 401(k), 403(b), or

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“nonrefundable” means the credit cannot exceed a person’s federal income tax for the year. The maximum credit is \$1,000 for single filers or individuals and \$2,000 for married couples filing jointly. According to TCRS’s analysis of the most recently published IRS data, the average amount of the Saver’s Credit in 2020 was \$186.

The tax credit is available to individuals ages 18 years or older who have contributed to a 401(k), 403(b), or similar employer-sponsored retirement plan, a traditional or Roth IRA, or an ABLE account in the past year and meet the adjusted gross income (AGI) requirements:

- Single tax filers: maximum AGI of \$34,000 in 2022 and \$36,500 in 2023;
- Heads of households: maximum AGI of \$51,000 in 2022 and \$54,750 in 2023; and
- Married filing jointly: a maximum AGI of \$68,000 in 2022 and \$73,000 in 2023.

Additionally, the tax filer cannot be a full-time student and cannot be claimed as a dependent on another person’s tax return.

Beginning in 2027, the recently enacted [SECURE Act 2.0 of 2022](#) reimagines and replaces the Saver’s Credit with the Saver’s Match, a matching contribution from the government for retirement savers meeting income eligibility requirements. The Saver’s Match will be 50% of a worker’s retirement plan or IRA contributions up to \$2,000, representing a maximum match amount of \$1,000.

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