

Sample article for organizations and employers (290 word count)

Customize and provide the following article in your communication vehicles for clients, employees, members and partners.

Saver's Credit - A Reward for Saving for Your Retirement

You may qualify for the Saver's Credit of up to \$1,000 (\$2,000 if filing jointly) for making eligible contributions to an employer-sponsored retirement plan or an IRA, and you have until April 15, 2013, to make IRA contributions for 2012. Unlike a deduction, a credit is a dollar-for-dollar reduction of your federal income tax liability and this credit can reduce the amount you owe or increase your refund for taxes already paid.

Are you eligible for the credit?

To claim the Saver's Credit for 2012, you must be:

1. Age 18 or older;
2. Not a full-time student;
3. Not claimed as a dependent on another person's return; and
4. With an adjusted gross income of not more than:
 - \$57,500 if your filing status is married filing jointly;
 - \$43,125 if your filing status is head of household; or
 - \$28,750 if your filing status is single, married filing separately or qualifying widow(er).

Are your contributions eligible for the credit?

Eligible contributions include:

1. contributions to a traditional or Roth IRA, and
2. salary reduction contributions (including voluntary after-tax and designated Roth contributions) to your employer-sponsored 401(k), SIMPLE IRA, SARSEP, 403(b), 501(c)(18) and governmental 457(b) plans.

Rollover contributions aren't eligible for the Saver's Credit. Your eligible contributions for the credit may be reduced by any recent distributions you received from an employer-sponsored retirement plan or an IRA.

Amount of the credit

The amount of the credit you can get is based on the contributions you make and your credit rate. Your credit rate can be as low as 10% or as high as 50%, depending on your income and your filing status.

Use the 2012 Form 8880, *Credit for Qualified Retirement Savings Contributions*, to calculate and claim your credit.

NOTE TO EDITOR: The following are some helpful related resources on IRS.gov:

- [Publication 4703](#), *Retirement Savings Contributions Credit* – explains eligibility rules to claim the credit and credit rates.
- [Publication 590](#), *Individual Retirement Arrangements (IRAs)* – explains the Saver's Credit for eligible contributions to employer-sponsored retirement plans as well as to traditional and Roth IRAs.

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