

# 2023 Saver's Tax Credit



**The Retirement Savings Contributions Credit (Saver's Credit) can be an added boost to those saving for retirement. And thanks to inflation adjustments, more people will be able to take advantage of the Saver's Credit in 2023 than ever before.**

You may be eligible for a tax credit, which could reduce your federal income tax liability, for contributing to your 401(k), 403(b), 457 or IRA plan. If you qualify, you may receive a Saver's Tax Credit of up to \$1,000 (\$2,000 for those married filing jointly). The deduction is claimed in the form of a non-refundable tax credit, ranging from 10% to 50% of your annual contribution.

Remember, when you contribute a portion of each paycheck into your retirement plan on a pre-tax basis, you are reducing the amount of your income subject to federal taxation. Additionally, those assets grow tax-deferred until you receive a distribution and if you qualify for the Saver's Tax Credit, you may even further reduce your taxes.

Eligibility depends on your Adjusted Gross Income (AGI), your tax filing status, and your retirement plan contributions. To qualify for the credit, you must be age 18 or older and cannot be a full-time student or claimed as a dependent on someone else's tax return. You generally must also subtract the amount of distributions from the contributions you made.

Use this chart to calculate your credit for the tax year 2023. First, determine your AGI (Adjusted Gross Income) – your total income minus all qualified deductions. Then refer to the chart below to see how much you can claim as a tax credit if you qualify.

## 2023 Saver's Credit

Credit Rate	Married Filing Jointly	Head of Household	All Other Filers*
50% of your contributions	AGI not more than \$43,500	AGI not more than \$32,625	AGI not more than \$21,750
20% of your contribution	\$43,501 - \$47,500	\$32,626 - \$35,625	\$21,751 - \$23,750
10% of your contribution	\$47,501 - \$73,000	\$35,626 - \$54,750	\$23,751 - \$36,500
0% of your contribution	more than \$73,000	more than \$54,750	more than \$36,500

\*Single, married filing separately, or qualifying widow(er)

The credit is applied to your contribution up to \$2,000, or \$2,000 each if married filing jointly.

**For example:**

A single employee whose AGI is \$22,000 defers \$2,000 to a 401(k) or 403(b) plan will qualify for a tax credit equal to 20% of their total contribution. That's a tax savings of \$400.

A married couple, filing jointly, with a combined AGI of \$35,000 each contribute \$2,000 to their workplace retirement plans or IRAs. They will receive a 50% credit on both of their contributions, resulting in tax savings of \$2,000.

With the Saver's Tax Credit, you may owe less in federal taxes the next time you file. To claim the credit, use IRS Form 8880, "Credit for Qualified Retirement Savings Contributions."

---

This material was created for educational and informational purposes only and is not intended as ERISA, tax, legal or investment advice. If you are seeking investment advice specific to your needs, such advice services must be obtained on your own separate from this educational material.

Strategic Retirement Partners, Global Retirement Partners, LPL Financial and their associates do not provide tax advice. Accordingly, any discussions of U.S. tax matters contained herein (including any attachments) is not intended for written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Strategic Retirement Partners of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advisory services are offered through Global Retirement Partners, an SEC Registered Investment Advisor. Global Retirement Partners and Strategic Retirement Partners (SRP) are separate entities from LPL Financial.

Global Retirement Partners employs (or contracts with) individuals who may be (1) registered representatives of LPL Financial and investment advisor representatives of Global Retirement Partners; or (2) solely investment advisor representatives of Global Retirement Partners. Although all personnel operate their business under the name Strategic Retirement Partners (SRP) they are each possibly subject to differing obligations and limitations and may be able to provide differing products or services.