



The Saver's Credit

Save for retirement, earn a special tax credit

What is it?

A tax credit available to eligible mid- and low-income taxpayers who save for retirement through an employer-sponsored retirement plan or IRA.

A tax credit is better than a tax deduction because it is a dollar-for-dollar reduction in the amount of tax that you owe. A tax deduction, on the other hand, lowers your overall taxable income and reduces the percentage of the amount of taxes you may owe.

Who's eligible?

- You can claim the credit if you're:
- 18 or older,
 - Not a full-time student, and
 - Not claimed as a dependent on another person's tax return

Consult your own tax or financial advisor to determine if the Saver's Credit applies to you.

How it works

- The credit is based on your Adjusted Gross Income (AGI), tax filing status, tax liability and amount contributed to qualifying retirement programs.
- The credit amount is calculated based on 50%, 20%, or 10% of your contribution, up to \$2,000 in contributions (\$4,000 if married filing jointly).
- The credit is worth up to \$1,000 (\$2,000 if married filing jointly). See the chart to determine eligibility and to calculate your credit.
- The credit is claimed using IRS Form 8880.

Get more information

The Saver's Credit is claimed on IRS Form 8880; it includes instructions and details about how to correctly figure the credit. Form 1040EZ cannot be used to claim the Saver's Credit.

ADP makes no recommendation regarding the appropriateness of any amount you consider contributing to your employer's plan.

2025 Saver's Credit: Adjusted Gross Income Levels ¹			
Married Filing Jointly	Head of Household	All Other Filers	Credit
AGI not more than \$47,500	AGI not more than \$35,625	AGI not more than \$23,750	50% of contribution
\$47,501 - \$51,000	\$35,626 - \$38,250	\$23,751 - \$25,500	20% of contribution
\$51,001 - \$79,000	\$38,251 - \$59,250	\$25,501 - \$39,500	10% of contribution
More than \$79,000	More than \$59,250	More than \$39,500	Credit not available

Take credit for your retirement!

To get more information, including tax forms, go to www.irs.gov or call (800) TAX-FORM (829-3676).

¹ Source: www.irs.gov

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