

## Saver's Credit - 2015

In addition to the tax deductions for retirement contributions, certain individuals may receive an extra tax credit. The tax credit for contributing to an IRA (traditional, ROTH, SEP and SIMPLE) and employer-sponsored retirement plan (401k and 403b) is as follows:

<b>Joint Filers Adjusted Gross Income AGI</b>	<b>Head of Household Filers AGI</b>	<b>Other Filers AGI</b>	<b>Credit</b>	<b>Maximum Credit</b>
\$0-\$36,500	\$0-\$27,375	\$0-\$18,250	50%	\$1,000
\$36,501-\$39,500	\$27,376-\$29,625	\$18,251-\$19,750	20%	\$400
\$39,501-\$61,000	\$29,626-\$45,750	\$19,751-30,500	10%	\$200
Over \$61,000	Over \$45,750	Over \$30,500	0%	\$0

For example, an eligible taxpayer (married, filing jointly) who contributed \$1,000 to a SIMPLE IRA and whose family adjusted gross income was \$36,000 would get a \$500 tax credit; the tax-deductible contribution would save about \$150 in income taxes (15% tax bracket) for a total of \$650 tax savings. It would actually cost the taxpayer about \$350 to get a \$1,000 added to her retirement fund. If this person contributed to a Roth IRA she would still get the \$500 tax credit, but not the \$150 tax savings because contributions to a Roth IRA are not tax deductible.

To claim this credit fill out Form 8880 and report the amount on Form 1040, line 51.

If you did make a contribution to your IRA in an earlier year but did not claim this tax credit, you can file an amended tax form (Form 1040X) and get a refund!

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