

## 2019-2020 Tax Credit for Low- And Moderate-Income 401(k) Savers

If you elected to save for your retirement in our 401(k) plan in 2019, you may be eligible to claim a special tax credit of up to \$1,000 (\$2,000 for married couples) on your 2019 income tax return.

In order to qualify for the Saver's Credit you must:

- be 18 years of age or older,
- not be a full-time student,
- not be claimed as a dependent on someone else's return, and
- make contributions to a qualified 401(k) or other eligible defined contribution plan.

In addition, you must meet one of the following financial criteria:

- File your taxes singly and earned \$32,000 or less in 2019
- File your taxes as head of household and earned \$48,000 or less in 2019
- File your taxes jointly and had a combined income of \$63,500 or less in 2019

The tax credit ranges from 10% to 50% of each dollar you contributed, up to the first \$2,000 you put into your 401(k). That's between \$200 and \$1,000 directly off the income taxes you pay!

If you and your spouse both contribute to a 401(k) plan, you may both be eligible to receive a credit. The amount of your tax credit depends on the amount of your adjusted gross income (AGI) and the filing status you indicate on your tax return, as shown in the following chart:

<b>2019 AGI for Single Filers</b>	<b>for Head of Household</b>	<b>for Married Filing Jointly</b>	<b>Saver's Credit</b>
\$0 to \$19,250	\$0 to \$28,875	\$0 to \$38,500	<b>50% of the first \$2,000 deferred (\$4,000 if Married filing jointly)</b>
\$19,251 to \$20,750	\$28,876 to \$31,125	\$38,501 to \$41,500	<b>20% of the first \$2,000 deferred (\$4,000 if Married filing jointly)</b>
\$20,751 to \$32,000	\$31,126 to \$48,000	\$41,501 to \$63,500	<b>10% of the first \$2,000 deferred (\$4,000 if Married filing jointly)</b>
more than \$32,000	More than \$48,000	more than \$63,500	<b>credit not available</b>

The same credit may also be available when you save for retirement in 2020. The following chart illustrates the 2020 tax credits.

<b>2020 AGI for Single Filers</b>	<b>for Head of Household</b>	<b>for Married Filing Jointly</b>	<b>Saver's Credit</b>
\$0 to \$19,500	\$0 to \$29,250	\$0 to \$39,000	<b>50% of the first \$2,000 deferred (\$4,000 if Married filing jointly)</b>
\$19,501 to \$21,250	\$29,251 to \$31,875	\$39,001 to \$42,500	<b>20% of the first \$2,000 deferred (\$4,000 if Married filing jointly)</b>
\$21,251 to \$32,500	\$31,876 to \$48,750	\$42,501 to \$65,000	<b>10% of the first \$2,000 deferred (\$4,000 if Married filing jointly)</b>
more than \$32,500	More than \$48,750	more than \$65,000	<b>credit not available</b>

Our 401(k) plan is a great vehicle for setting aside part of your income for the future. Not only will you delay paying tax on those savings until later, you'll also get a tax credit now!

**More information about this credit can be found on the IRS website, at [www.irs.gov](http://www.irs.gov). Be sure to consult a tax professional to determine whether you qualify and how to take advantage of the Saver's Credit because there are limitations you should be aware of.**