

Keep more of the income you earn with the

Saver's tax credit

Learn if you're eligible and how to maximize savings.

You can reduce the amount of tax you pay when you save for retirement by contributing to your employer's retirement plan or an individual retirement account (IRA).

Did you know you may also be able to take advantage of something called the saver's tax credit? If you're eligible, the credit may increase your tax refund or decrease the amount you owe.

For 2023, it can be claimed by:

- Married couples filing jointly with incomes up to \$73,000
- Heads of household with incomes up to \$54,750
- Single (or married filing separately) individuals with incomes up to \$36,500

In addition, to be eligible for the credit, you:

- Must be at least 18 years old
- Cannot be claimed as a dependent on someone else's tax return
- Cannot be a full-time student
- Must make contributions to your employer's retirement plan by Dec. 31, 2023, or an IRA by April 15, 2024



Simply visit [IRS.gov](https://www.irs.gov)

Confirm that you're eligible for the credit, then make sure you're taking full advantage.

When you log in to principal.com, you can use interactive online features to see potential impacts of an increase in your retirement plan contribution.

The amount of the tax credit is 50%, 20%, or 10% of your retirement plan or IRA contributions up to \$2,000 (\$4,000 if married filing jointly), depending on your adjusted gross income (reported on your Form 1040 or 1040A). Use the chart below to calculate your tax credit.

Married filing jointly adjusted gross income	Head of household adjusted gross income	Single or married filing separately adjusted gross income	Tax credit (as a percentage of individuals' contributions) ¹
\$43,500 or less	\$32,625 or less	\$21,750 or less	50%
\$43,501 to 47,500	\$32,626 to 35,625	\$21,751 to 23,750	20%
\$47,501 to 73,000	\$35,626 to 54,750	\$23,751 to 36,500	10%
Over \$73,000	Over \$54,750	Over \$36,750	0%

¹ File Form 8880 with your tax return to determine your tax credit. Eligible contributions may be reduced by any recent distributions you received from the plan or IRA.



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Online contribution changes are not allowed for all retirement plans. If you are not able to update your contribution at principal.com, see your human resources contact.

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