Saving for retirement may help you save on taxes

Your employer's retirement plan is more than a tool for saving for the future. It can also help you reduce your taxes now. There are two important tax advantages you get when you save in your retirement plan – tax credits and lowering your taxable income.

You may be eligible for the Saver's Tax Credit when you save for retirement[1]

You can qualify for a tax credit up to 50 percent of your contribution to your retirement plan or individual retirement account (IRA). Many tax-preparation software programs help you determine if you are eligible. You must complete an additional tax form to get the credit. See the IRS website for filing instructions.[2]

The chart below shows the percent of your contribution (up to $2,000) you may receive as a tax credit. The amount of the credit you receive depends on your annual adjusted gross income (AGI) and tax filing status.

Want to know how saving for retirement impacts your take home pay?

Use the Paycheck Estimator at **standard.com/retirement** to help you find out how saving in your retirement plan changes your take home pay. It may be less than you think!

Tax Credit	Married, filing jointly	Head of household	All other filers
50%	$0–$47,500	$0–$35,625	$0–$23,750
20%	$47,501–$51,000	$35,626–$38,250	$23,751–$25,500
10%	$51,001–$79,000	$38,251–$59,250	$25,501–$39,500
0%	More than $79,000	More than $59,250	More than $39,500

1 The participant must be age 18 or older and cannot be a full-time student or a dependent.
2 The annual adjusted gross income limits will be adjusted for inflation. These limits are valid for 2025.

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More about the Saver's Credit

You can receive a tax credit of $1,000 for the first $2,000 you save in your retirement plan, if you:

- file your taxes as the head of a household
- have an income of $35,625 or less and
- take no distributions during the testing period[3]

You and your spouse can receive a tax credit of $2,000 for the first $4,000 you save in your retirement plan, if you:

- file your taxes as married filing jointly
- have an income of $47,500 or less and
- take no distributions during the testing period[3]

The Saver's Credit is a non-refundable tax credit. The maximum credit can be no more than the amount you would otherwise pay in taxes.

Lower your taxable income with pre-tax retirement plan contributions

You make contributions before taxes when you save in a traditional retirement plan. That allows you to reduce your taxable income. For example, if you earn $35,000 and contribute $4,000 to your plan, your taxable income will be no more than $31,000. You will owe taxes on your savings and earnings when they are withdrawn from your account.

Tax advantages make retirement saving easier

These tax advantages can make the real cost of saving for your future less than the amount you invest. Make your retirement plan and the tax code work for you. Consult a tax advisor to find out how tax laws affect your specific situation.

Take time to review your account now

You can review the amount you save or your investment options and access financial tools in your online account.

Log in or create your account at **standard.com/retirement** to visit Personal Savings Center.

3 The testing period is the tax year for which the credit is claimed, the two preceding tax years and the period before the due date for filing your return for that tax year. Distributions that are not taxable because they are rolled over do not reduce the credit.

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