



2009 Saver's Credit Reminder

The IRS issued news release IR-2008-134 on December 1, 2008 to remind low and moderate income workers about the Saver's Credit.

The Saver's Credit rewards low and moderate-income workers who save for retirement. It is a nonrefundable credit which means it can be used to reduce eligible workers tax bill to zero but not below. The Saver's Credit is available to eligible workers who make contributions to a 401(k) and other eligible retirement plans.

The available credit rate is between 10 and 50% of eligible contributions up to \$2,000. The maximum credit is \$1,000. The amount of the credit is based on the worker's filing status, adjusted gross income (AGI), tax liability and amount contributed to an eligible retirement plan. IRS Form 8880 must be completed to determine the credit rate. The table below (as indexed for 2009) illustrates the criteria:

Credit Rate	Married Filing Jointly	Head of Household	Singles or Married Filing Separately
50%	Up to \$33,000	Up to \$24,750	Up to \$16,500
20%	\$33,001 - \$36,000	\$24,751 - \$27,000	\$16,501 - \$18,000
10%	\$36,001 - \$55,000	\$27,001 - \$41,625	\$18,001 - \$27,750

To qualify for the Saver's Credit, workers must also be:

- 18 years of age or older
- Not a full-time student
- Not claimed as a dependent on someone else's return

For more information about retirement plans, please contact us at (518) 374-5726 or via email at pjg@lawrence-pearson.com

Would you like to be added to our mailing list? Call (518) 374-5726 or pjg@lawrence-pearson.com

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www.lawrence-pearson.com



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