

Less Than Half of U.S. Workers Know About a Tax Credit for Retirement Savers
Transamerica Center for Retirement Studies offers tips on the Saver's Credit and how to claim it

LOS ANGELES – February 24, 2026 – Forty-eight percent of U.S. workers are aware of the Saver's Credit, according to survey findings from nonprofit Transamerica Center for Retirement Studies® (TCRS). The [Saver's Credit](#), also referred to as the IRS Retirement Savings Contributions Credit, is a tax credit that may help millions of taxpayers save for retirement and lower their tax bill.

"The Saver's Credit is a well-kept secret. Many Americans may be missing out on it simply because they don't know about it," said [Catherine Collinson](#), CEO and president of [Transamerica Institute®](#) and TCRS. "Since it's above and beyond the other tax advantages of saving for retirement, other people may be overlooking it because the idea of multiple tax benefits sounds too good to be true."

What Is the Saver's Credit?

The Saver's Credit is a non-refundable tax credit that may be applied up to the first \$2,000 of voluntary contributions an eligible taxpayer makes to an employer-sponsored retirement plan, such as a 401(k) or 403(b), a traditional or Roth IRA, or an ABLE (Achieving a Better Life Experience) account. In this context, "non-refundable" means the credit cannot exceed a person's federal income tax for the year. The maximum credit is \$1,000 for single filers or individuals and \$2,000 for married filing jointly. According to TCRS' analysis of the most recent IRS data, the average amount of the Saver's Credit in 2022 was \$194.

Who Can Claim the Saver's Credit?

The credit is available to individuals age 18 years or older who have contributed to a 401(k), 403(b) or similar plan, an IRA, or an ABLE account in the past year and meet the Adjusted Gross Income (AGI) requirements:

- Single tax filers: maximum AGI of \$39,500 in 2025 and \$40,250 in 2026;
- Heads of households: maximum AGI of \$59,250 in 2025 and \$60,375 in 2026; and,
- Married filing jointly: a maximum AGI of \$79,000 in 2025 and \$80,500 in 2026.

Additionally, the tax filer cannot be a full-time student and cannot be claimed as a dependent on another person's tax return. For more details about eligibility, refer to TCRS' [fact sheet](#).

Tips for Claiming the Saver's Credit

- **Check your eligibility using the IRS' [online tool](#)** to determine if you can receive the credit. The tool will ask for information such as your filing status, AGI, age, and dependent and student status.
- **If you use an online tax preparation tool** to prepare your tax return, including those offered through the [IRS Free File](#) program, be sure to answer questions about the Saver's Credit. It may also be referred by the IRS as the "Retirement Savings Contributions Credit" and "Credit for Qualified Retirement Savings Contributions." Be sure to comparison shop among vendors in the *IRS Free File* program and commercially available tax preparation software. Many charge a fee for claiming the Saver's Credit.
- **If you prepare your tax return manually**, complete [Form 8880](#), *Credit for Qualified Retirement Savings Contributions*, to determine your exact credit rate and amount on line 12. Then, transfer the amount to line 4 on [Schedule 3](#), which is used with Forms 1040, 1040-SR, and 1040-NR.
- **If you use a professional tax preparer**, be sure to ask about the Saver's Credit.
- **If you get a refund**, consider contributing it back into an IRA to boost your retirement savings. To direct deposit your entire refund into your IRA, simply fill out the refund section on lines 34 to 36 on Form 1040. The IRS now requires tax refunds to be sent electronically by direct deposit.

Many people eligible to claim the Saver's Credit may benefit from the *IRS Free File* program. The IRS offers tax filers with an AGI of \$89,000 or less free online tax preparation tools to prepare their federal taxes. This year, eight products in English and [one in Spanish](#) are available at www.irs.gov/FreeFile. Certain restrictions may apply, including a fee for claiming the Saver's Credit.

"At a time when many people are navigating today's high cost of living, the Saver's Credit could make it a little easier to save for retirement," said Collinson. "Please spread the word about it by telling your family, friends, colleagues, and social networks about the Saver's Credit. It could help savers increase their long-term savings, and it's a nudge for non-savers to start saving."

For those who did not save for retirement in 2025, it's not too late. You have until **April 15, 2026** to make an IRA contribution for the 2025 tax year.

Coming Soon: Beginning in tax year 2027, the Saver's Credit will be replaced by the Saver's Match, a new matching contribution from the federal government for retirement savers meeting income and other eligibility requirements. The Saver's Match will be 50% of a worker's retirement plan or IRA contributions up to \$2,000, representing a maximum match of \$1,000.

A [Saver's Credit guide](#) and other research and resources can be found at www.transamericainstitute.org. Follow us on [LinkedIn](#), [Facebook](#), and X ([@TI_insights](#) and [@TCRStudies](#)) to share this [social post](#) about the Saver's Credit. More information can also be found at www.irs.gov.

###

About Transamerica Center for Retirement Studies

Transamerica Center for Retirement Studies® (TCRS) is a division of Transamerica Institute®, a nonprofit, private operating foundation. TCRS is dedicated to educating the public on trends, issues, and opportunities related to saving and planning for retirement and achieving financial security in retirement. It conducts one of the largest and longest-running annual retirement surveys of its kind. TCRS and its representatives cannot give insurance, securities, ERISA, tax, investment, legal, medical, or financial advice or guidance. The information provided here is for educational purposes only and should not be construed as any advice or guidance. For more information about TCRS, please refer to www.transamericainstitute.org.

About the 26th Annual Transamerica Retirement Survey

This online survey was conducted within the U.S. by The Harris Poll on behalf of Transamerica Institute and TCRS between September 16 and October 17, 2025, among a nationally representative sample of 10,015 adults plus an oversample of 2,008 workers at a for-profit company that employs one or more employees. The data in this press release is shown for a subsample of 6,153 workers in a for-profit company employing one or more employees. Data is weighted where necessary for age by gender, race/ethnicity, region, education, marital status, household size, household income, and smoking status. Respondents were selected from among those who have agreed to participate in our surveys. The sampling precision of Harris online polls is measured by using a Bayesian credible interval and the worker sample data is accurate to within ± 1.8 percentage points using a 95% confidence level. This credible interval will be wider among subsets of the surveyed population of interest. Percentages are rounded to the nearest whole percent.

5204844

02/26