

SAVER'S CREDIT

This notice explains how you may be able to pay less tax by contributing to the Ministers' Retirement Plan (the "Plan").

If you make contributions to the Plan, you may be eligible for a tax credit, called the "saver's credit." This credit could reduce the federal income tax you pay dollar-for-dollar. The amount of the credit you can get is based on the contributions you make and your credit rate. The credit rate can be as low as 10% or as high as 50%, depending on your adjusted gross income – the lower your income, the higher the credit rate. The credit rate also depends on your filing status.

The saver's credit helps offset part of the first \$2,000 workers voluntarily contribute to 403(b) plans and similar workplace retirement programs, as well as Individual Retirement Accounts (IRAs). Also known as the retirement savings contributions credit, the saver's credit is available in addition to any other tax savings that apply.

The maximum saver's credit for an individual is \$1,000. If you are married filing jointly, the maximum saver's credit is \$2,000. A taxpayer's credit amount is based on his or her filing status, adjusted gross income, tax liability and amount contributed to qualifying retirement programs. [Form 8880](#) is used to claim the saver's credit, and its instructions have details on figuring the credit correctly.

The credit is available to you if you:

- are 18 or older,
- are not a full-time student, and
- are not claimed as a dependent on someone else's return,

The following individuals qualify for the saver's credit:

- Married couples filing jointly with incomes up to \$60,000 in 2014 and \$61,000 in 2015
- Heads of households with incomes up to \$45,000 in 2014 and \$45,750 in 2015
- Married individuals filing separately and singles with incomes up to \$30,000 in 2014 and \$30,500 in 2015

These income amounts are adjusted annually to keep pace with inflation. Like other tax credits, the saver's credit can increase a taxpayer's refund or reduce the tax owed.

In tax year 2012, the most recent year for which complete figures are available, saver's credits totaling \$1.2 billion were claimed on more than 6.9 million individual income tax returns. Saver's credits claimed on these returns averaged \$215 for joint filers, \$165 for heads of household and \$127 for single filers.