



THE BOARD OF PENSIONS  
OF THE PRESBYTERIAN CHURCH (U.S.A.)

## ***You may be eligible to receive a tax credit by making contributions to the Retirement Savings Plan of the Presbyterian Church (U.S.A.) (RSP).***

Did you know that, depending on your income and a few other factors, you may qualify for a tax credit on your federal income taxes by making contributions to the RSP? The Pension Protection Act of 2006 permanently extended the Saver's Tax Credit, which was set to expire after 2006.

This provision provides a special tax credit of up to \$1,000 per year from the U.S. government just for contributing to your workplace savings plan, if your income falls within certain ranges. This credit is *in addition* to the tax advantages already available through the RSP. What's more, a couple filing a joint return could be eligible for a tax credit up to \$1,000 *each*, if both contribute \$2,000 or more to their workplace savings plan. The maximum annual contribution amount on which the credit can be claimed is \$2,000.

Keep in mind that only your voluntary contributions to the RSP are eligible for the tax credit and, unlike a deduction, the tax credit actually reduces your federal income taxes dollar for dollar.

Q. Are you eligible?

A. To claim this tax credit, you must be making contributions to an eligible retirement plan, such as the RSP, and meet the following additional criteria:

- You must be age 18 or older by January 2 of the year for which the contribution is being made
- You cannot be a full-time student
- You cannot be claimed as an exemption or a dependent by anyone else on their tax return

### ACTION PLAN

- Learn about the Saver's Tax Credit
- Review the adjusted gross income levels
- Visit [www.irs.gov](http://www.irs.gov) for more information
- Get started today!

For 2023, your Adjusted Gross Income (AGI) cannot be more than:	
\$73,000	if you are married and file a joint tax return
\$54,750	if you file as head of household on your tax return
\$36,500	if you file single, married filing separately, or as a qualifying widow(er)

There are some other requirements you should keep in mind. The tax credit cannot be used to reduce your tax liability below zero (i.e., it's non-refundable). The amount of the contribution eligible for a tax credit will generally be reduced by any distributions you took from any tax-deferred retirement account, including IRAs, within a certain time period of the contribution. For example, the amount of contributions eligible for a tax credit for the 2022 tax year can generally be reduced by distributions you took from tax-deferred accounts between January 1, 2020, and December 31, 2023. Consult your personal tax advisor or see IRS Form 8880 for additional information.

*For Ministers, housing allowance is not included in determining AGI. This may further increase the saver's credit you are eligible to receive.*



**Q. For how much do you qualify?**

A. For 2023, the following table illustrates the maximum tax credit allowed, based on Adjusted Gross Income (AGI) and filing status (thereafter, these income figures may be indexed annually for inflation).

Joint Filers' AGI	Head of Household Filers' AGI	Other Filers' AGI (single, married filing separately, or qualifying widow[er])	Credit	Maximum Credit
\$0 - \$43,500	\$0 - \$32,625	\$0 - \$21,750	50%	\$1,000
\$43,501 - \$47,500	\$32,626 - \$35,625	\$21,751 - \$23,750	20%	\$400
\$47,501 - \$73,000	\$35,626 - \$54,750	\$23,751 - \$36,500	10%	\$200
Over \$73,000	Over \$54,750	Over \$36,500	0%	\$0

**For Example:** Participant Smith; **AGI:** \$34,000; **Filing Status:** Married filing jointly;

**403(b)(9) Contribution:** \$1,000

Assuming Participant Smith is eligible for the tax credit, and has never taken a distribution from any of his tax-advantaged retirement saving plans, he qualifies for a 50% tax credit, or \$500, on his tax return based on his AGI, filing status, and 403(b)(9) voluntary contributions:

$$\begin{array}{rclcl}
 \text{403(b)(9) voluntary contribution} & \times & \text{credit percentage based on filing status} & = & \text{tax credit amount} \\
 \$1,000 & \times & 50\% & = & \$500
 \end{array}$$

In other words, Participant Smith was able to contribute \$1,000 into the Plan, but it only cost him \$500 to do so! You can take advantage of this tax credit every year as long as you qualify and make contributions to an eligible workplace savings plan. Now is a great time to review your contribution amounts and ensure you are taking full advantage of this Retirement Savings Contribution Credit.

**HERE'S HELP**  
 For questions about this credit, you may visit [www.irs.gov](http://www.irs.gov). For information on enrolling in the RSP, please call Fidelity at **1-800-343-0860**.



*For more information about the eligibility requirements for this tax credit, please consult your tax advisor.*

*The tax information contained herein is general in nature, is provided for informational purposes only, and should not be construed as legal or tax advice. Fidelity does not provide legal or tax advice. Laws of a specific state or laws relevant to a particular situation may affect the applicability, accuracy, or completeness of this information. Consult an attorney or tax advisor regarding your specific legal or tax situation.*

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917.  
 ©2015-2022 FMR LLC. All rights reserved.  
 679395.15.4