

Retirement Savings Contributions Credit – Screening Sheet

To determine if a taxpayer qualifies for the Credit for Qualified Retirement Savings Contributions, review the return information and ask the taxpayer the following:

step 1	Did you make a voluntary contribution or deferral to an IRA or other qualified plan for 2020? ¹	YES – Go to Step 2 NO – Not qualified for credit
step 2	Is AGI \$32,500 or less (\$48,750 if head of household, \$65,000 if married filing jointly)?	YES – Go to Step 3 NO – Not qualified for credit
step 3	Were you born before January 2, 2003?	YES – Go to Step 4 NO – Not qualified for credit
step 4	Are you being claimed as a dependent on someone else's tax return for 2020?	YES – Not qualified for credit NO – Go to Step 5
step 5	Were you a full-time student ² during 2020?	YES – Not qualified for credit NO – Qualified for credit

Footnotes

¹ Plans that qualify are listed in the Other Credits chapter of Publication 17. Answer yes if the taxpayer will make a qualifying IRA contribution for tax year 2020 by the due date of the return.

² You were a student if during any part of 5 calendar months of 2020 you:

- Were enrolled as a full-time student at a school, or
- Took a full-time, on-farm training course given by a school* or a state, county, or local government agency.

*A school includes technical, trade and mechanical schools. It does not include on-the-job training courses, correspondence schools, or schools offering courses only through the Internet.

Important Reminders for Retirement Savings Contributions Credit

- Be sure to look at the taxpayer's Form(s) W-2. An entry in box 12 or an "X" in the Retirement box is an indicator that the taxpayer may be eligible for this credit. A full description of all codes used in box 12 can be found in Instructions for Forms W-2 and W-3, Transmittal of Wage and Tax Statements.
- An entry in box 14 on the Form W-2 may also indicate a contribution to a state retirement system. In TaxSlayer, if the contribution qualifies, from the drop down menu in Box 14 of Form W-2, select **Retirement (Not in Box 12) Carry to Form 8880**. If these are treated as employer contributions they aren't eligible for the credit. See Instructions for Form W-2.
- If the taxpayer seems to qualify for the credit, be sure to visit the Form 8880 entry screen in the Credits Menu and address any necessary questions there.
- A contribution to a Traditional or Roth IRA qualifies for this credit, but may not appear on any taxpayer document. Remember to review the expenses section on page 2 of the Form 13614-C, Intake/Interview & Quality Review Sheet, and ask taxpayers if they made any IRA contributions.
- Some distributions reduce the eligible contributions for this credit. In addition to distributions for the current year as shown on Forms 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., be sure to ask about distributions from the two prior years or between January 1 and the tax filing deadline.
- See a list of distributions later in this tab that don't reduce the eligible contributions for this credit.
- Form 8880, Credit for Qualified Retirement Savings Contributions, is used to claim this credit.
- If taxpayer (or spouse if MFJ) is a full-time student, be sure to mark it in the Personal Information Section in the software. This credit is not available to full-time students.