Notice of Intent to Issue Regulations with Respect to Saver's Match Contributions

Notice 2026-48

I. PURPOSE

This notice informs taxpayers that the Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS) intend to propose regulations providing guidance with respect to section 6433 of the Internal Revenue Code (Code), as added by section 103 of Division T of the Consolidated Appropriations Act, 2023, Pub. L. 117-328, 136 Stat. 4459 (2022), known as the SECURE 2.0 Act of 2022 (SECURE 2.0 Act), enacted on December 29, 2022. For taxable years beginning after December 31, 2026, section 6433 of the Code allows certain low- and moderate-income individuals who make qualified retirement savings contributions to receive matching contributions of up to $1,000 (Saver's Match contributions) paid by the Secretary of the Treasury or the Secretary's delegate (Secretary) to applicable retirement savings vehicles.

Section II of this notice provides a brief overview of Saver's Match contributions, a description of Notice 2024-65, 2024-39 IRB 633 (requesting comments on Saver's Match contributions under section 103 of the SECURE 2.0 Act[1]), and a brief summary of Executive Order No. 14403, 91 FR 24329 (2026) (facilitating Saver's Match contributions).

Section III of this notice provides more detailed statutory background information regarding Saver's Match contributions.

[1] Notice 2024-65 also requested comments under section 104 of the SECURE 2.0 Act, which addresses steps to increase public awareness of Saver's Match contributions.

Section IV of this notice addresses certain questions related to Saver's Match contributions that the Treasury Department and the IRS intend to address in the forthcoming proposed regulations. The Treasury Department and the IRS expect that the forthcoming proposed regulations will be consistent with the rules described in section IV of this notice.[2]

Section V of this notice contains a request for comments regarding Saver's Match contributions under section 6433 of the Code and section 103 of the SECURE 2.0 Act,[3] including whether the methods under consideration for claiming and paying Saver's Match contributions described in Q&As E-2 and E-3 of this notice should be simplified or revised to ease the burden of implementing Saver's Match contributions. Comments received will be considered in drafting the forthcoming proposed regulations.

II. SAVER'S MATCH CONTRIBUTIONS – OVERVIEW, NOTICE 2024-65, AND EXECUTIVE ORDER NO. 14403

A. Overview

Saver's Match contributions are matching contributions made by the Treasury Department to an applicable retirement savings vehicle for eligible individuals.[4] Saver's Match contributions are equal to up to 50 percent of $2,000 of qualified retirement savings contributions made by an eligible individual to an employer-sponsored retirement plan or an individual retirement account or annuity under section 408(a) or (b) of the Code (IRA) for taxable years beginning after December 31, 2026. See Q&As B-1 through B-4 of this

[2] The intended collection of certain information addressed in this notice will be subject to the Paperwork Reduction Act (PRA), 44 USC 3507. No collection of information will be required until approved by the Office of Management and Budget (OMB) under the PRA.
[3] This notice does not address section 103(b) of the SECURE 2.0 Act, which includes Treasury Department funding provisions applicable to the U.S. territories. The Treasury Department and the IRS are coordinating with the U.S. territories regarding the implementation of an equivalent Saver's Match contribution in each U.S. territory. The IRS anticipates updating Publication 570, *Tax Guide for Individuals with Income from U.S. Territories*, to include more detailed information about these funding provisions.
[4] Special rules apply to Saver's Match contributions of less than $100 for a taxable year. See Q&A D-2 of this notice.

notice regarding eligibility for Saver's Match contributions, Q&As C-1 through C-3 of this notice regarding how to calculate Saver's Match contributions, Q&A D-1 of this notice regarding what types of retirement plans and IRAs are applicable retirement savings vehicles, and Q&As E-1 through E-3 of this notice regarding processes under consideration for claiming and paying Saver's Match contributions.

B. Notice 2024-65

On September 5, 2024, the Treasury Department and the IRS issued Notice 2024-65, which requested comments on all aspects of Saver's Match contributions and asked specific questions on a variety of Saver's Match contribution topics. In response to the request, comments were received from a variety of stakeholders, including individual taxpayers, tax preparation services, benefits industry trade groups, retirement plan administrators, and recordkeepers. The Treasury Department and the IRS have taken these comments into account in providing this notice.

C. Executive Order No. 14403

On April 30, 2026, President Trump issued Executive Order No. 14403, titled "Promoting Retirement-Savings Access for American Workers by Establishing TrumpIRA.gov." The Executive Order states that it is the policy of the United States to increase public awareness of Saver's Match contributions and to facilitate participation in eligible retirement savings vehicles that provide diversified, index-based investment options.

The Executive Order directs the Secretary, by January 1, 2027, to establish a website, TrumpIRA.gov, to provide individuals with information about high-quality, low-cost IRAs, with a particular focus on independent contractors, self-employed individuals, and other workers who do not have access to an employer-sponsored retirement plan. The Executive Order notes that individuals who contribute to IRAs, and who are otherwise eligible, are entitled to a

Saver's Match contribution.

Pursuant to the Executive Order, it is anticipated that TrumpIRA.gov will list financial institutions that offer IRAs, accept Saver's Match contributions, and satisfy other criteria established by the Secretary consistent with applicable law. In addition, it is anticipated that the website will explain applicable cost and quality criteria for listed IRAs, allow individuals to filter and select IRAs based on those criteria, and provide information regarding the opportunity to receive a Saver's Match contribution. It is anticipated that, later in 2026, more information will be available for IRA providers that want to be listed on TrumpIRA.gov.

III. STATUTORY BACKGROUND

Section 103 of the SECURE 2.0 Act added section 6433 to the Code. For taxable years beginning after December 31, 2026, Saver's Match contributions replace the Retirement Savings Contributions Credit (Saver's Credit) under section 25B with respect to elective contributions to qualifying retirement plans and IRAs.[5]

Section 6433(a)(1) of the Code provides that any eligible individual who makes qualified retirement savings contributions for a taxable year will be allowed a matching contribution for that taxable year in an amount equal to a specified applicable percentage of so much of the qualified retirement savings contributions made by the eligible individual for the taxable year as does not exceed $2,000. Section 6433(a)(2)(A) provides that a Saver's Match contribution will be allowed as a credit payable as a contribution to the eligible individual's applicable retirement savings vehicle as soon as practicable after an eligible individual files a tax return making a claim for the contribution.

Section 6433(a)(2)(B) provides that an individual who is eligible for a Saver's Match

[5] The Saver's Credit continues to be available for taxable years beginning after December 31, 2026, with respect to contributions made to Achieving a Better Life Experience (ABLE) accounts described in section 529A. See section 70116 of Public Law 119-21, 139 Stat. 72 (July 4, 2025), commonly known as the One, Big, Beautiful Bill Act (OBBBA).

contribution of greater than zero but less than $100 may elect for the amount of the Saver's Match contribution to be treated as a refundable income tax credit allowed by subpart C of part IV of subchapter A of chapter 1 of the Code (rather than contributed to the individual's applicable retirement savings vehicle).

Section 6433(b)(1) provides that the maximum applicable percentage for an eligible individual is 50 percent. Section 6433(b)(2) provides that an eligible individual's applicable percentage is reduced (but not below zero) by the number of percentage points that bears the same ratio to 50 percentage points as (1) the excess of (a) the eligible individual's modified adjusted gross income (MAGI) for the taxable year, over (b) the applicable dollar amount, bears to (2) the phaseout range. The applicable dollar amount and the end of the phaseout range for an eligible individual are both determined based on the eligible individual's taxpayer filing status. Under section 6433(b)(3)(A), for individuals who are either married filing jointly or surviving spouses, the phaseout range is $30,000, beginning at the applicable dollar amount of $41,000 and ending at $71,000. Under section 6433(b)(3)(B)(i), for heads of household, the phaseout range is $22,500 (calculated as ¾ of the $30,000 phaseout range), beginning at the applicable dollar amount of $30,750 (calculated as ¾ of the $41,000 applicable dollar amount) and ending at $53,250. Under section 6433(b)(3)(B)(ii), for individuals who are not married filing jointly, heads of household, or surviving spouses, the phaseout range is $15,000 (calculated as ½ of the $30,000 phaseout range), beginning at the applicable dollar amount of $20,500 (calculated as ½ of the $41,000 applicable dollar amount) and ending at $35,500. For any taxable year beginning in a calendar year after 2027, the applicable dollar amount (and, thus, the beginning and end of the phaseout range) is subject to inflation adjustments under section 6433(h).

Under section 6433(c), an eligible individual for a taxable year is an individual who has attained age 18 as of the close of the taxable year, other than an individual who is (1) a student as defined in section 152(f)(2),[6] (2) claimed as a dependent on another taxpayer's return for a taxable year beginning in the calendar year in which the individual's taxable year begins, or (3) a nonresident alien (unless the individual has made an election under section 6013(g) or (h) to be treated as a U.S. resident)).

Section 6433(d)(1) provides that the term “qualified retirement savings contributions” means, with respect to any taxable year, the sum of: (1) the amount of the qualified retirement contributions (as defined in section 219(e))[7] made by an eligible individual; (2) the amount of (i) any elective deferrals (as defined in section 402(g)(3))[8] of the individual and (ii) any elective deferrals of compensation by the individual under a governmental section 457(b) plan; and (3) the amount of voluntary employee contributions by the individual to any qualified retirement plan (as defined in section 4974(c)).[9] Qualified retirement savings contributions do not include any amount attributable to a payment of Saver’s Match contributions under section 6433(a)(2).

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[6] Section 152(f)(2) provides that a student is an individual who, during each of five months during the calendar year in which the taxable year of the individual begins, (1) is enrolled full-time at a school that has a regular teaching staff, course of study, and regularly enrolled body of students in attendance, or (2) is taking an on-farm training course full-time given by an accredited agent of a school described in clause (1), or a state or political subdivision of a state, county, or local government.

[7] Under section 219(e), a qualified retirement contribution is: (1) any amount paid in cash for the taxable year by or on behalf of an individual to an individual retirement plan (including a traditional or Roth IRA) for such individual’s benefit, and (2) any amount contributed on behalf of any individual to a plan described in section 501(c)(18).

[8] Under section 402(g), an elective deferral is, with respect to any taxable year, the sum of: (1) any employer contribution under a qualified cash or deferred arrangement (as defined in section 401(k)) to the extent not includible in gross income for the taxable year under section 402(e)(3) (determined without regard to section 402(g)); (2) any employer contribution to the extent not includible in gross income for the taxable year under section 402(h)(1)(B) (determined without regard to section 402(g)); (3) any employer contribution to purchase an annuity contract under section 403(b) under a salary reduction agreement (within the meaning of section 3121(a)(5)(D)); and (4) any elective employer contribution under section 408(p)(2)(A)(i).

[9] A qualified retirement plan under section 4974(c) is: (1) a plan described in section 401(a) which includes a trust exempt from tax under section 501(a); (2) an annuity plan described in section 403(a); (3) an annuity contract described in section 403(b); (4) an individual retirement account described in section 408(a); or (5) an individual retirement annuity described in section 408(b).

Section 6433(d)(2)(A) provides that qualified retirement savings contributions are reduced (but not below zero) by the aggregate distributions received by the individual during a specified testing period from any IRA, plan, or annuity of a type to which qualified retirement savings contributions may be made. Section 6433(d)(2)(B) provides that the testing period, with respect to a taxable year, is the period that includes (1) the taxable year during which qualified retirement savings contributions are made, (2) the two preceding taxable years, and (3) the period after the taxable year during which qualified retirement savings contributions are made and before the due date (including extensions) for filing the tax return for that taxable year. Section 6433(d)(2)(C) provides that certain distributions made during the testing period are not taken into account for purposes of determining whether a taxpayer received a distribution under section 6433(d)(2)(A). Distributions not taken into account include (1) any distribution referred to in section 72(p), 401(k)(8), 401(m)(6), 402(g)(2), 404(k), or 408(d)(4), (2) any distribution to which section 408(d)(3) or 408A(d)(3) applies, and (3) any portion of a distribution if the portion is transferred or paid in a rollover contribution (as defined in section 402(c), 403(a)(4), 403(b)(8), 408A(e), or 457(e)(16)) to an account or plan to which qualified retirement savings contributions can be made. Section 6433(d)(2)(D) provides that any distribution received by the spouse of an eligible individual is treated as received by that eligible individual if the eligible individual and spouse file a joint return for the taxable year for which the Saver’s Match contribution is claimed and for the taxable year during which the spouse receives the distribution.

Under section 6433(e)(1) and (2), an applicable retirement savings vehicle to which Saver’s Match contributions may be made for an eligible individual is an account or plan elected by the individual that (1) is (a) the portion of a plan that is a governmental section 457(b) plan, a qualified cash or deferred arrangement (within the meaning of section

401(k)), or an annuity contract described in section 403(b) that is purchased under a salary reduction agreement, and does not consist of a qualified Roth contribution program (as defined in section 402A(b)), or (b) an individual retirement plan that is not a Roth IRA, (2) is for the benefit of an eligible individual, (3) accepts Saver’s Match contributions, and (4) is designated by the eligible individual, in such form and manner as the Secretary may provide.

Section 6433(f)(1) provides that the term “modified adjusted gross income” (MAGI) means adjusted gross income for a taxable year determined without regard to sections 911 (citizens or residents of the United States living abroad), 931 (income from sources within Guam, American Samoa, or the Northern Mariana Islands), and 933 (income from sources within Puerto Rico), and determined without regard to any exclusion or deduction allowed for any qualified retirement savings contribution made during the taxable year.

Section 6433(f)(2)(A) provides that if contributed to an applicable retirement savings vehicle, a Saver's Match contribution is treated as an elective deferral made by an eligible individual or as an IRA contribution made by an eligible individual (as applicable), except as provided by the Secretary under regulations. Section 6433(f)(2)(B) provides that a Saver’s Match contribution will not be taken into account with respect to any applicable limitation under section 402(g)(1), 403(b), 408(a)(1), 408(b)(2)(B), 408A(c)(2), 414(v)(2), 415(c), or 457(b)(2), and will be disregarded for purposes of sections 401(a)(4), 401(k)(3), 401(k)(11)(B)(i)(III), and 416. In addition, under section 6433(f)(2)(C), an eligible individual’s Saver’s Match contribution is not treated as an amount that may be paid, made available, or distributable to the eligible individual under section 401(k)(2)(B)(i)(IV) or 403(b)(7)(A)(i)(V) (hardship distributions), or section 457(d)(1)(A)(iii) (unforeseeable emergency distributions).

Section 6433(f)(3) provides that any applicable retirement savings vehicle to which a Saver’s Match contribution is made will not be treated as violating any requirements under section 401, 403, 408, or 457, as applicable, solely by reason of accepting that contribution. Section 6433(f)(4)(A) provides that, if any contribution is erroneously paid under section 6433(a)(2) (including a payment that is not made to an applicable retirement savings vehicle), the amount of that erroneous payment will be treated as an underpayment of tax, other than for purposes of part II of subchapter A of chapter 68 (accuracy-related and fraud penalties), for the taxable year in which the Secretary determines the payment is erroneous. Section 6433(f)(4)(B)(i) provides that, in the case of a contribution to which section 6433(f)(4)(A) applies, section 402(a), 403(a)(1), 403(b)(1), 408(d)(1), or 457(a)(1), whichever is applicable, will not apply to any distribution of the contribution, and section 72(t) will not apply to the distribution of the contribution or any income attributable to the distribution, if the distribution is received not later than the day prescribed by law (including extensions of time) for filing the individual's return for the taxable year. Section 6433(f)(4)(B)(ii) provides that any plan or arrangement from which a distribution is made under section 6433(f)(4)(B) will not be treated as violating any requirement under section 401, 403, or 457 solely by reason of making the distribution.

Section 6433(f)(5) provides that any payment made to any individual under section 6433 is not subject to reduction or offset under section 6402(c), (d), (e), or (f) or any similar authority permitting offset and is not reduced or offset by other assessed federal taxes that would otherwise be subject to levy or collection.

Section 6433(f)(6) provides that, in the case of an applicable retirement savings vehicle to which contributions have been made under section 6433(a)(2) and from which a specified early distribution has been made during the taxable year, if the aggregate amount of those contributions exceeds the account balance of that savings vehicle at the end of the taxable year, an additional tax applies (Saver's Match recovery tax). Section 6433(f)(6)(A) and (D) provides that this Saver's Match recovery tax is equal to the amount of the excess described in the prior sentence, reduced by (1) the amount of the 10 percent additional tax on early distributions under section 72(t)(1) that applies to the distribution and (2) allocable investment losses (pursuant to such rules prescribed by the Secretary as may be appropriate). Section 6433(f)(6)(B) provides that a specified early distribution is any portion of a distribution (1) that is made from the applicable retirement savings vehicle to which Saver's Match contributions have been made, (2) that is includible in gross income, and (3) to which the 10 percent additional tax on early distributions under section 72(t)(1) applies.

Section 6433(f)(6)(C) provides that an eligible individual may also reduce the Saver's Match recovery tax (but not below zero) for a taxable year during which a specified early distribution has been made by making additional contributions not in excess of the amount of the specified early distribution to an applicable retirement savings vehicle to which rollover contributions may be made. The Saver's Match recovery tax is reduced to the extent of the additional contributions. The additional contributions must be made by the due date (including extensions) of the eligible individual's tax return for the taxable year for which the Saver's Match recovery tax would otherwise be owed. In addition, an eligible individual's additional contributions to an applicable retirement savings vehicle that is not an IRA may be made to the vehicle only if the individual is otherwise eligible to make contributions to the vehicle. Under section 6433(f)(6)(C)(iv) and (v), these additional contributions are treated as having been transferred in a direct trustee-to-trustee transfer within 60 days of the specified early distribution.

Section 6433(g) provides that in the case of an amount elected by an eligible individual to be contributed to an account or plan under section 6433(e)(2), the Secretary will provide general guidance applicable to the custodian of the account or the plan sponsor detailing the treatment of the contribution under section 6433(f)(2) and the reporting requirements with respect to the contribution under section 6058, particularly as the requirements are modified pursuant to section 103(c)(2)[10] of the SECURE 2.0 Act.

Section 6433(h)(1) of the Code provides that for any taxable year beginning in a calendar year after 2027, the $41,000 amount in section 6433(b)(3)(A)(i) will be increased by an amount equal to $41,000, multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting “calendar year 2026” for “calendar year 2016” in section 1(f)(3)(A)(ii).[11] Section 6433(h)(2) provides that any such increase will be rounded to the nearest multiple of $1,000.

Section 103(c)(2) of the SECURE 2.0 Act provides for the amendment of forms to require separate reporting of the aggregate amount of Saver's Match contributions received by an applicable retirement savings vehicle. Section 103(c)(2)(A) provides for the amendment of forms required under section 6058 of the Code for reporting the aggregate amount of Saver’s Match contributions received by a retirement plan during a plan year. Section 103(c)(2)(B) of the SECURE 2.0 Act provides for similar reporting with respect to IRAs.

[10] Section 6433(g) refers to section 102(c)(2) of the SECURE 2.0 Act, but this appears to be a clerical error as that provision does not exist.

[11] Under section 6433(b), $41,000 is the applicable dollar amount used to determine the beginning of the applicable percentage phaseout range for individuals whose filing status is either married filing jointly or surviving spouses, and it is the starting point for calculating the applicable dollar amount for other individuals. Thus, the beginning and end of the phaseout range (but not the phaseout range itself) are subject to the cost-of-living adjustment.

IV. DISCUSSION OF CERTAIN SPECIFIC ISSUES

The Treasury Department and the IRS intend to propose regulations consistent with the answers to the questions set forth in this section IV.

A. Saver's Match Contributions – Comparison to Saver's Credit; Tax Treatment

Q. A-1: How do Saver's Match contributions differ from the Saver's Credit?

A. A-1: In general, for taxable years beginning after December 31, 2026, Saver's Match contributions will replace the Saver's Credit under section 25B of the Code with respect to elective contributions to qualifying retirement plans and IRAs.[12] However, the Saver's Credit continues to be available after December 31, 2026, with respect to contributions made to ABLE accounts described in section 529A.

Saver's Match contributions are amounts that are generally paid directly to an eligible individual's applicable retirement savings vehicle, even if the individual has no income tax liability. In contrast, the Saver's Credit is a nonrefundable tax credit that cannot exceed the amount of an individual's tax liability. Another difference between Saver's Match contributions and the Saver's Credit is that ABLE account contributions may not be taken into account for Saver's Match contributions, but ABLE account contributions may continue to be taken into account for the Saver's Credit after December 31, 2026. Also, there are differences in income thresholds for eligibility, differences in the way income changes affect Saver's Match contributions and Saver's Credit amounts, and other income calculation differences. In addition, section 6433(c)(3) provides that the definition of eligible individual does not include any nonresident alien for any portion of the taxable year who is

[12] For an IRA contribution made after December 31, 2026, and not later than the due date of an eligible individual's 2026 tax return (without extensions), the eligible individual may designate the IRA contribution as being made for the 2026 taxable year and claim a Saver's Credit for the 2026 taxable year based on the contribution, or as being made for the 2027 taxable year and claim a Saver's Match for the 2027 taxable year based on the contribution.

not treated as a resident of the United States for the taxable year for purposes of chapter 1 of the Code by reason of an election under section 6013(g) or (h).[13] See Q&As C-1 through C-3 of this notice for further details regarding Saver's Match contribution calculations.

Finally, for taxable years beginning after December 31, 2026, Saver's Match contributions would be claimed on a new (not yet published) Form 8880-A, *Saver's Match for Qualified Retirement Savings Contributions* (or a successor form). It is anticipated that, with respect to contributions to ABLE accounts, the Saver's Credit would continue to be claimed on Form 8880, *Credit for Qualified Retirement Savings Contributions* (which will be revised to reflect section 103 of the SECURE 2.0 Act and section 70116 of OBBBA).

Q. A-2: What are the income tax rules with respect to Saver's Match contributions?

A. A-2: Saver's Match contributions are not includible in gross income when they are contributed to an applicable retirement savings vehicle of an eligible individual. However, distributions from an applicable retirement savings vehicle attributable to Saver's Match contributions are subject to income tax for the year of distribution (unless they are rolled over or transferred through a trustee-to-trustee transfer into another retirement plan or IRA). If the eligible individual has not attained age 59½ on the date of distribution, a 10 percent additional tax on early distributions under section 72(t)(1) of the Code and a Saver's Match recovery tax under section 6433(f)(6) may apply. See Publication 575, *Pension and Annuity Income,* under the heading "Tax on Early Distributions," and

[13] The Justice Department's Office of Legal Counsel (OLC) has opined that Saver's Match contributions are "federal public benefits" within the meaning of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. 104-193, 110 Stat. 2105 (PRWORA). See Memorandum Opinion for the General Counsel, Department of the Treasury, from Lanora C. Pettit, Deputy Assistant Attorney General, Office of Legal Counsel, re: Status of the Refundable Portion of Certain Tax Credits as Federal Public Benefits, 49 Op. O.L.C. __, at 2 (Nov. 19, 2025), available at https://www.justice.gov/olc/media/1419131/dl. PRWORA generally prohibits aliens who are not qualified aliens from being eligible to receive a federal public benefit.
See 8 USC § 1611(a) and (c)(1). The Treasury Department and the IRS anticipate addressing the applicability of PRWORA to Saver's Match contributions in forthcoming proposed regulations.

Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, under the heading “Early Distributions,” for more information about the 10 percent additional tax on early distributions under section 72(t)(1) and the exceptions to that tax.

B. Eligibility for Saver’s Match Contributions

Q. B-1: Who is an eligible individual for purposes of claiming a Saver’s Match contribution?

A. B-1: In general, an eligible individual for purposes of claiming a Saver’s Match contribution is an individual who is at least age 18 before the end of the taxable year for which the individual makes qualified retirement savings contributions on which the claim for a Saver’s Match contribution is based. However, an eligible individual does not include an individual who is a student under section 152(f)(2) for the taxable year, an individual claimed as a dependent on another taxpayer’s tax return for the taxable year, or a nonresident alien who is not treated for such taxable year as a resident of the United States by reason of an election under section 6013(g) or (h).

Q. B-2: What are qualified retirement savings contributions for a taxable year that are taken into account for purposes of determining an eligible individual’s Saver’s Match contribution for the taxable year?

A. B-2: In general, an eligible individual’s qualified retirement savings contributions of up to $2,000 for a taxable year that are taken into account for purposes of determining the individual’s Saver’s Match contribution for the taxable year consist of the following four types of contributions:

(1) contributions to a traditional or Roth IRA;

(2) elective deferrals (as defined in section 402(g)(3)), such as elective deferrals to a section 401(k) plan (including a SIMPLE 401(k) plan), section 403(b) plan, governmental

section 457(b) plan, section 408(p) SIMPLE IRA plan, or section 408(k) SEP arrangement;

(3) voluntary after-tax employee contributions to a qualified retirement plan described in section 4974(c); and

(4) contributions to a section 501(c)(18) plan.[14]

In general, for qualified retirement savings contributions to be taken into account in calculating Saver's Match contributions for a taxable year, the qualified retirement savings contributions must be made by the end of that taxable year. However, contributions made to a new or already-existing IRA after the end of the taxable year may be made as late as the tax filing deadline (without extensions) for the taxable year as long as the contributions are designated as being made for the prior taxable year.[15] As described in footnote 14 of this notice, an individual entitled to receive a tax refund for a taxable year can make qualified retirement savings contributions by requesting on Form 8888 that the individual's tax refund be contributed to an IRA. However, that tax-refund contribution must be made by the IRS by the tax filing deadline for that taxable year in order for the tax refund to be deemed contributed for that taxable year. If the tax-refund contribution is not made by the tax filing deadline for the taxable year for the return with which the Form 8888 is filed, the contribution cannot be taken into account as a qualified retirement savings contribution for that year, but it can be taken into account as a qualified retirement savings contribution for the taxable year in which it is made.

Qualified retirement savings contributions do not include rollover contributions or trustee-to-trustee transfers into a retirement plan or IRA from another retirement plan or

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[14] The four types of qualified retirement savings contributions include elective deferrals and voluntary after-tax contributions to a governmental plan within the meaning of section 414(d), a church plan within the meaning of section 414(e), or the Thrift Savings Fund for federal employees referenced in section 7701(j). Qualified retirement savings contributions also include tax refunds contributed to an IRA pursuant to an individual's request on Form 8888, *Allocation of Refund*.

[15] See Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, for information regarding the due date for making contributions to a traditional or Roth IRA.

IRA, or Saver's Match contributions into a retirement plan or IRA. In addition, certain distributions from an individual's retirement plan or IRA reduce the qualified retirement savings contributions that are taken into account for purposes of determining the individual's Saver's Match contribution. See Q&A C-3 of this notice for more information about the impact of distributions on amounts treated as qualified retirement savings contributions.

Q. B-3: What is an individual's MAGI for a taxable year for purposes of applying the eligibility income threshold and phaseout rules for Saver's Match contributions for the taxable year?

A. B-3: An individual's MAGI for a taxable year for purposes of applying the eligibility income threshold and phaseout rules for Saver's Match contributions for the taxable year equals the sum of the following amounts:

(1) Adjusted gross income,[16]

(2) Pre-tax elective deferrals and other salary reduction contributions to retirement plans,[17]

(3) Deductible contributions to traditional IRAs,[18] and

(4) Foreign source income excluded from income under section 911, income from sources within Guam, America Samoa, or the Northern Mariana Islands excluded from income under section 931, and income earned from sources within Puerto Rico excluded from income under section 933.

As described in Q&A I-1 of this notice, which addresses Saver's Match contribution

[16] This amount appears on line 11a on the 2025 Form 1040, *U.S. Individual Income Tax Return*.
[17] For example, for an eligible individual who makes pre-tax elective deferrals to a section 401(k) plan, this amount generally appears in Box 12 with code D, on the 2025 Form W-2, *Wage and Tax Statement*.
[18] For an eligible individual who makes a deductible contribution to a traditional IRA, this amount appears on schedule 1, line 20 (IRA deduction) on the 2025 Form 1040.

rules for eligible individuals whose filing status is married filing jointly, the MAGI for an eligible individual whose filing status is married filing jointly equals the combined MAGI of both spouses for purposes of applying income eligibility and phaseout rules.

Q. B-4: What is the maximum MAGI that an eligible individual can earn for a taxable year and still be entitled to claim a Saver's Match contribution for the taxable year?

A. B-4: An eligible individual is not entitled to claim a Saver's Match contribution for the 2027 taxable year if the individual's MAGI equals or exceeds the amount listed in the following table for the individual's filing status:

Filing Status	**Maximum MAGI**
Single	$35,500
Married Filing Jointly	$71,000
Surviving Spouse	$71,000
Head of Household	$53,250
Married Filing Separately	$35,500

For taxable years beginning in a calendar year after 2027, these maximum MAGI amounts will be adjusted for inflation.

C. Calculating Saver's Match Contributions

Q. C-1: How is the amount of an eligible individual's Saver's Match contribution for a taxable year calculated?

A. C-1: The amount of an eligible individual's Saver's Match contribution for a taxable year is calculated by multiplying the amount of the eligible individual's qualified retirement savings contributions for the taxable year (up to $2,000, not adjusted for cost-of-living increases) by the applicable percentage described in Q&A C-2 of this notice.

Q. C-2: How is the applicable percentage determined for purposes of calculating an individual's Saver's Match contribution for a taxable year?

A. C-2: In general, the applicable percentage is 50% for purposes of calculating an individual's Saver's Match contribution for a taxable year. The applicable percentage is reduced over a phaseout range as an eligible individual's MAGI for the taxable year approaches the maximum MAGI that the individual can earn for the taxable year and still be eligible for a Saver's Match contribution. In particular, section 6433(b) provides that the applicable percentage is reduced (but not below zero) by the number of percentage points that bears the same ratio to 50 percentage points as (1) the excess of (a) the eligible individual's MAGI for the taxable year, over (b) the applicable dollar amount, bears to (2) the phaseout range.[19] In other words, an eligible individual's percentage point reduction is determined using the following formula:

$$\text{Percentage point reduction} = \text{50 percentage points x ((MAGI - applicable dollar amount)} \div \text{phaseout range)}$$

After an eligible individual's percentage point reduction is calculated for a taxable year, it is rounded down to the next lowest whole percentage point and subtracted from 50% (the unreduced applicable percentage) to determine the eligible individual's reduced applicable percentage for the taxable year. An eligible individual's applicable dollar amount and phaseout range for the 2027 taxable year can be determined using the table below:

Filing Status	**Applicable Dollar Amount**	**Phaseout Range**
Single	$20,500	$15,000
Married Filing Jointly	$41,000	$30,000
Surviving Spouse	$41,000	$30,000
Head of Household	$30,750	$22,500

[19] This statutory reduction method can be described using the following formula:

$$\frac{\text{Percentage point reduction}}{\text{50 percentage points}} = \frac{\text{MAGI - applicable dollar amount}}{\text{phaseout range}}$$

Married Filing Separately	$20,500	$15,000

To determine an individual's filing status, see the Instructions to Form 1040.[20] The applicable dollar amount for each type of filing status is adjusted for inflation for taxable years beginning after 2027, but the phaseout ranges are not adjusted for inflation.

The following examples demonstrate how Saver's Match contributions for a taxable year would be calculated for single individuals and individuals whose filing status is married filing jointly:

<u>Example 1</u>: Taxpayer A is a single filer who made a $1,500 contribution to Taxpayer A's traditional IRA in 2027. Taxpayer A's MAGI for 2027 is $30,000. Taxpayer A is eligible to receive a Saver's Match contribution and makes a claim for a Saver's Match contribution for 2027. Taxpayer A's Saver's Match contribution for 2027 is $285, calculated as follows:

1. Percentage point reduction = 50 percentage points x (($30,000 - $20,500) ÷ $15,000) = 31.6667
2. Percentage point reduction rounded down to the nearest percentage point = 31
3. 50% - 31 percentage points = 19%
4. $1,500 x 19% = $285

<u>Example 2</u>: Taxpayers B and C are married, and their filing status is married filing jointly.[21] Taxpayer B made a $1,000 contribution to Taxpayer B's traditional IRA in 2027, and Taxpayer C made a $2,000 contribution to Taxpayer C's traditional IRA in 2027. Taxpayer B's and Taxpayer C's joint MAGI for 2027 is $63,000. Taxpayers B and C are each eligible to claim a Saver's Match contribution, and they each make a claim for a Saver's Match contribution for 2027. Taxpayer B's Saver's Match contribution for 2027 is $140, calculated as follows:

1. Percentage point reduction = 50 percentage points x (($63,000 - $41,000) ÷

[20] References to the Form 1040 also include the Form 1040-SR, *U.S. Income Tax Return for Seniors.*
[21] As described in Q&A I-1 of this notice, if an individual's filing status is married filing jointly, eligibility to claim Saver's Match contributions is determined independently for the individual and the individual's spouse, but income is determined as the combined MAGI of both spouses for purposes of applying income eligibility and phaseout rules.

$30,000) = 36.6667
2. Percentage point reduction rounded down to the nearest percentage point = 36
3. 50% - 36 percentage points = 14%
4. $1,000 x 14% = $140

Taxpayer C's Saver's Match contribution for 2027 is $280, calculated as follows:

1. Percentage point reduction = 50 percentage points x (($63,000 - $41,000) ÷ $30,000) = 36.6667
2. Percentage point reduction rounded down to the nearest percentage point = 36
3. 50% - 36 percentage points = 14%
4. $2,000 x 14% = $280

Q. C-3: Do distributions received by an eligible individual (or the eligible individual's spouse) from a retirement plan or IRA reduce the amount of the individual's qualified retirement savings contributions for a taxable year that are taken into account in calculating the individual's Saver's Match contribution for the taxable year?

A. C-3: In general, the amount of an eligible individual's qualified retirement savings contributions for a taxable year is reduced by the amount distributed to the eligible individual or the eligible individual's spouse from a retirement plan or IRA of a type to which qualified retirement savings contributions may be made.[22] However, a distribution reduces the amount of an eligible individual's qualified retirement savings contributions for a taxable year only if:

(1) the distribution is received by the eligible individual during a specified testing period, or

(2) the distribution is received by the eligible individual's spouse during the testing period (and the eligible individual filed jointly with that spouse both for the year during which the distribution was made and the year for which the qualified retirement savings contributions were made).

[22] Distributions from an inherited IRA by a non-spousal beneficiary are not from a retirement plan or IRA of a type to which qualified retirement savings contributions may be made.

The specified testing period consists of the taxable year for which the qualified retirement savings contributions were made, the period after the end of that taxable year and before the due date (with extensions) for filing the eligible individual's tax return for that taxable year, and the two taxable years that precede the taxable year for which the qualified retirement savings contributions were made.

An amount does not count as a distribution for purposes of the reduction on account of distributions if the amount is a distribution (or portion of a distribution) that is:

(1) Referred to in section 72(p) (plan loans treated as distributions); 401(k)(8) (excess contributions); 401(m)(6) (excess aggregate contributions distributed before the end of the following plan year); 402(g)(2) (distribution of excess deferrals); 404(k) (deduction for dividends paid on certain employer securities); or 408(d)(4) (contributions returned before due date of return);

(2) A trustee-to-trustee transfer or an indirect or direct rollover to an eligible retirement plan under section 408(d)(3) or 408A(d)(3); or

(3) Transferred or paid in a rollover contribution (as defined in section 402(c), 403(a)(4), 403(b)(8), 408A(e), or 457(e)(16)) to an account or retirement plan to which qualified retirement savings contributions can be made.

For example, if an eligible individual contributes $2,000 to a 401(k) plan during 2027, but had taken a $500 IRA withdrawal during that year and a $900 IRA withdrawal during 2026, neither of which was rolled over or moved in a trustee-to-trustee transfer, the amount of the individual’s 2027 qualified retirement savings contributions on which Saver’s Match contributions can be based is $600 ($2,000 - $500 - $900), instead of the $2,000 maximum amount that would have been the amount of the qualified retirement savings contributions on which Saver’s Match contributions could have been based if no withdrawals had been taken.

D. Destination of Saver's Match Contributions

Q. D-1: What types of retirement plans and IRAs are applicable retirement savings vehicles that are permitted to receive Saver's Match contributions directly from the Treasury Department?

A. D-1: Applicable retirement savings vehicles that are permitted to receive Saver's Match contributions directly from the Treasury Department are: (1) the portion of a retirement plan that (a) is described in section 402(c)(8)(B)(v) (a governmental section 457(b) plan), is a qualified cash or deferred arrangement (within the meaning of section 401(k)), or is an annuity contract described in section 403(b) that is purchased under a salary reduction agreement, and (b) does not consist of a qualified Roth contribution program (as defined in section 402A(b)), and (2) an individual retirement plan that is not a Roth IRA.[23] In order for an applicable retirement savings vehicle to receive Saver's Match contributions directly from the Treasury Department for an eligible individual, it must (1) be for the benefit of the eligible individual, (2) accept Saver's Match contributions, and (3) be designated by the eligible individual, in such form and manner as the Secretary may provide.

Q. D-2: If an eligible individual's Saver's Match contribution would be less than $100 for a taxable year, does the individual have the option for the Saver's Match contribution to be treated as a refundable tax credit (rather than for the contribution to be paid to an applicable retirement savings vehicle)?

A. D-2: Yes. An eligible individual may elect for a Saver's Match contribution that would be less than $100 for a taxable year to be treated as a refundable tax credit rather than to be paid to an applicable retirement savings vehicle. This election would be made on

[23] An applicable retirement savings vehicle that is permitted to receive Saver's Match contributions directly from the Treasury Department includes governmental plans (within the meaning of section 414(d)) and church plans (within the meaning of section 414(e)) that are 401(k) plans, 403(b) plans, or governmental section 457(b) plans, and the Thrift Savings Fund for federal employees referenced in section 7701(j).

the same form used to claim a Saver's Match contribution (see Q&A E-1 of this notice for information regarding the form used for claiming a Saver's Match contribution). This $100 limit is applied on an individual basis. Thus, for example, for individuals whose filing status is married filing jointly, the election would be available to each spouse who is entitled to a Saver's Match contribution that would be less than $100.

E. <u>Claiming and Payment of Saver's Match Contributions</u>

Q. E-1: How would an eligible individual claim a Saver's Match contribution?

A. E-1: To claim a Saver's Match contribution for a taxable year, an eligible individual would need to file an income tax return for that taxable year and claim the Saver's Match contribution on a separate Form 8880-A for that taxable year. As part of a claim for a Saver's Match contribution, an eligible individual would need to demonstrate eligibility for the Saver's Match contribution by providing information about the eligible individual's MAGI, filing status, qualified retirement savings contributions, and distributions described in Q&A C-3 of this notice.

Q. E-2: How would an eligible individual direct payment of a Saver's Match contribution to an IRA?

A. E-2: The method by which an eligible individual would direct payment of a Saver's Match contribution to an IRA is still under development and would depend on whether the individual chooses for the Saver's Match contribution to be directed to a traditional IRA or to a Roth IRA. The Treasury Department and the IRS are considering the two methods described in paragraphs (a) and (b) of this Q&A E-2. As noted in section V of this notice, comments are requested on the best way to implement anticipated traditional and Roth IRA registration and designation processes, including whether they should be facilitated in connection with TrumpIRA.gov and whether there are other ways to streamline the claiming of Saver's Match contributions.

(a) Saver's Match contributions directed to traditional IRA. An eligible individual who wants to direct payment of a Saver's Match contribution to a traditional IRA would need to provide, on the eligible individual's Form 8880-A claiming the Saver's Match contribution, an IRA tracking number that identifies the eligible individual's chosen traditional IRA provider. An IRA tracking number would be available only with respect to a traditional IRA provider that has registered with the Treasury Department and the IRS. The IRA tracking number associated with a particular traditional IRA provider would be generated by the Treasury Department and the IRS through the registration process. An eligible individual would be able to learn the IRA tracking number associated with the individual's chosen traditional IRA provider either through a government website or directly from the traditional IRA provider. If the eligible individual provides an IRA tracking number on the individual's Form 8880-A with respect to a traditional IRA provider, the eligible individual's Saver's Match contribution would be paid directly to the individual's chosen traditional IRA.

An eligible individual would need to establish the traditional IRA with the traditional IRA provider before submitting a Form 8880-A in order to receive the IRA tracking number.[24] More information about how an eligible individual who wants to direct payment of a Saver's Match contribution to a traditional IRA would implement that choice, and how a traditional IRA provider that is willing to accept Saver's Match contributions would register with the Treasury Department and the IRS, will be provided in the future.

(b) Saver's Match contributions directed to Roth IRA. The process for directing

[24] If an eligible individual has a traditional IRA maintained by a traditional IRA provider that is not registered with the Treasury Department and the IRS, and the individual wants to direct a Saver's Match contribution to that pre-existing traditional IRA, then the individual could establish a traditional IRA with a traditional IRA provider that has registered before filing a Form 8880-A and provide on the Form 8880-A an IRA tracking number associated with the traditional IRA provider that has registered. After the eligible individual's Saver's Match contribution is directly paid to that traditional IRA, the individual could direct a trustee-to-trustee transfer to the traditional IRA associated with the traditional IRA provider that is not registered.

Saver's Match contributions to a Roth IRA would be similar to the process for directing Saver's Match contributions to a traditional IRA, except that the Treasury Department would not make the Saver's Match contribution directly to the Roth IRA.[25] Instead, the Treasury Department would establish a conduit traditional IRA for the eligible individual, and there would be an immediate trustee-to-trustee transfer from the conduit IRA to the eligible individual's chosen Roth IRA. This transfer would be a Roth IRA conversion that would be subject to federal income tax and reporting described in Treas. Reg. § 1.408A-4. In addition, the transfer would be subject to the withholding rules under section 3405. Payments made through a transfer from a conduit IRA to a Roth IRA would not be treated as contributions made directly from the Treasury Department. As described in Q&A I-4 of this notice regarding rules that apply following a rollover or trustee-to-trustee transfer, this type of trustee-to-trustee transfer would be treated like any other trustee-to-trustee transfer and would not be subject to special Saver's Match contribution rules.

An eligible individual would need to establish a Roth IRA with a Roth IRA provider that is registered with the Treasury Department and the IRS before submitting a Form 8880-A in order to receive the IRA tracking number.[26] More information about how an eligible individual who wants to direct payment of a Saver's Match contribution to a Roth IRA would make that choice and how a Roth IRA provider that is willing to accept Saver's Match contributions would register with the Treasury Department and the IRS will be

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[25] An IRA provider that will accept Saver's Match contributions both with respect to traditional IRAs and with respect to Roth IRAs would need to register both as a traditional IRA provider and a Roth IRA provider, and distinct IRA tracking numbers would be generated with respect to the provider's traditional IRAs and Roth IRAs.

[26] If an eligible individual has a Roth IRA maintained by a Roth IRA provider that is not registered with the Treasury Department and the IRS, and the individual wants to direct a Saver's Match contribution to that pre-existing Roth IRA, then the individual would need to establish a traditional IRA with a traditional IRA provider that has registered before filing a Form 8880-A and would need to provide on the Form 8880-A an IRA tracking number associated with the traditional IRA provider that has registered. After the eligible individual's Saver's Match contribution is directly paid to that traditional IRA, the individual could direct a trustee-to-trustee transfer to the Roth IRA associated with the Roth IRA provider that is not registered. This transfer would be a Roth IRA conversion.

provided in the future.

Q. E-3: How would an eligible individual direct payment of a Saver’s Match contribution to a retirement plan?

A. E-3: An eligible individual who wants to direct a Saver’s Match contribution to a retirement plan would be able to choose that result on the eligible individual’s Form 8880-A claiming the Saver’s Match contribution. The Treasury Department and the IRS are considering at least three paths for a Saver’s Match contribution to be directed to an eligible individual’s chosen retirement plan as described in paragraphs (a), (b), and (c) of this Q&A E-3. As noted in section V of this notice, comments are requested on the best way for eligible individuals to direct Saver’s Match contributions to a chosen retirement plan, including whether retirement plans (or recordkeepers or service providers for the plans) should provide registration information to the Treasury Department and the IRS, and whether there are other ways to streamline the claiming of Saver’s Match contributions.

(a) Registration Path. The Registration Path would allow retirement plans that accept rollover contributions (or recordkeepers or service providers for those plans) to provide registration information directly to the Treasury Department and the IRS to facilitate payment of Saver’s Match contributions on behalf of an eligible individual. Under this Registration Path, the Treasury Department would automatically establish a conduit IRA for that individual, and the conduit IRA would then immediately roll over the Saver’s Match contribution to the retirement plan that has registered with the Treasury Department and the IRS. Comments are also requested as to whether there are ways to update informational returns that are required to be filed with the IRS to streamline the payment of Saver’s Match contributions under the Registration Path.

Payments made through a rollover from a conduit IRA to a retirement plan under the

Registration Path would not be treated as contributions made directly from the Treasury Department. As described in Q&A I-4 of this notice regarding rules that apply following a rollover or trustee-to-trustee transfer, this type of rollover would be treated like any other rollover and would not be subject to special Saver's Match contribution rules.

(b) Automatic Match Path. The Automatic Match Path would allow retirement plans (or recordkeepers or service providers) to provide plan-level and participant-level information to the Treasury Department and the IRS to facilitate payment of Saver's Match contributions on behalf of any eligible individual. This information could be similar to the information provided by retirement plans to implement existing auto-portability of an inactive participant's retirement account from a former employer's retirement plan to the participant's active account in a new employer's retirement plan, as contemplated by section 120 of the SECURE 2.0 Act. Under this Automatic Match Path, a Saver's Match contribution would be automatically paid directly to the retirement plan that has provided the plan-level and participant-level information that facilitates a match between the eligible individual and the retirement plan.

(c) Rollover Path. The Rollover Path would allow the Treasury Department to establish a conduit IRA and the eligible individual to initiate a rollover of Saver's Match contributions from the conduit IRA to a retirement plan chosen by the individual. Under this path, (1) the IRS would provide a Saver's Match Confirmation Number to an individual who makes a claim for, and demonstrates eligibility for, a Saver's Match contribution, (2) the individual would provide the IRS-provided Saver's Match Confirmation Number to the individual's chosen retirement plan, and (3) the chosen retirement plan would provide identifying information to the Treasury Department about the individual and the retirement plan. Then, based on that identifying information, the Treasury Department would pay the

Saver's Match contribution to a conduit IRA established by the Treasury Department, and the conduit IRA would immediately roll over the Saver's Match contribution to the individual's chosen retirement plan.

Payments made through a rollover from a conduit IRA to a retirement plan under the Rollover Path would not be treated as contributions made directly from the Treasury Department. As described in Q&A I-4 of this notice regarding rules that apply following a rollover or trustee-to-trustee transfer, this type of rollover would be treated like any other rollover and would not be subject to special Saver's Match contribution rules.

F. Reporting

Q. F-1: Would any special reporting obligations apply with respect to retirement plans that receive Saver's Match contributions directly from the Treasury Department?

A. F-1: Pursuant to reporting changes directed by section 103(c)(2) of the SECURE 2.0 Act, a form in the Form 5500 series[27] that is filed with respect to a retirement plan that receives Saver's Match contributions directly from the Treasury Department during a plan year would need to include the aggregate amount of Saver's Match contributions to the retirement plan received directly from the Treasury Department for all eligible individuals during the plan year. Also, if that retirement plan subsequently makes a distribution, the distribution would need to be reported on Form 1099-R, *Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*, in the same manner as a distribution of other pre-tax contributions. However, no additional Form 1099-R reporting would be needed (for instance, no additional boxes or lines on Form 1099-R would need to be completed) merely because a retirement plan has received Saver's Match

[27] This includes Form 5500, *Annual Return/Report of Employee Benefit Plan*, Form 5500-EZ, *Annual Return of a One-Participant (Owners/Partners and Their Spouses) Retirement Plan or A Foreign Plan*, and Form 5500-SF, *Short Form Annual Return/Report of Small Employee Benefit Plan*.

contributions directly from the Treasury Department with respect to an individual and a distribution to the individual from the retirement plan might be subject to the Saver's Match recovery tax. See Q&A H-2 of this notice relating to the reporting of distributions of erroneous Saver's Match contributions.

Q. F-2: Would any special reporting obligations apply to IRAs because they receive Saver's Match contributions directly from the Treasury Department?

A. F-2: Pursuant to reporting changes directed by section 103(c)(2)(B) of the SECURE 2.0 Act, a Form 5498, *IRA Contribution Information*, that is filed with respect to an IRA that receives Saver's Match contributions directly from the Treasury Department during a calendar year would need to include the aggregate amount of Saver's Match contributions to the IRA received directly from the Treasury Department during the calendar year. Also, if that IRA subsequently makes a distribution, the distribution would need to be reported on Form 1099-R in the same manner as a distribution of other pre-tax contributions. Thus, for example, no additional Form 1099-R reporting would be needed (for instance, no additional boxes or lines on Form 1099-R would need to be completed) merely because the IRA has received Saver's Match contributions directly from the Treasury Department and a distribution from the IRA might be subject to the Saver's Match recovery tax. See Q&A H-2 of this notice relating to the reporting of distributions of erroneous Saver's Match contributions.

G. Treatment of Saver's Match Contributions for Purposes of Determining an Applicable Retirement Savings Vehicle's Favorable Tax Status

Q. G-1: How are Saver's Match contributions received by a retirement plan directly from the Treasury Department treated for purposes of determining the retirement plan's favorable tax status?

A. G-1: Under section 6433(f)(2)(A)(i) of the Code, an eligible individual's Saver's Match contribution directly paid by the Treasury Department to an applicable retirement savings vehicle that is a retirement plan generally is treated as an elective deferral made by the individual to the retirement plan. For example, a Saver's Match contribution is treated as an elective deferral for the following purposes: determining whether the retirement plan must offer an election to a participant for a direct rollover under section 401(a)(31)(A); determining whether a participant's accrued benefit exceeds the dollar limit for involuntary distributions under section 411(a)(11); determining a participant's nonforfeitable account balance to be used in determining the amount of a loan that the participant may request; and applying qualified joint and survivor annuity, required minimum distribution, and in-plan Roth rollover rules.

In addition, a Saver's Match contribution received directly from the Treasury Department: (1) is not taken into account with respect to any elective deferral and catch-up limitations that apply to 401(k), 403(b), or governmental section 457(b) plans; (2) is disregarded for nondiscrimination testing under section 401(a)(4), the actual deferral percentage (ADP) test for 401(k) plans, nonelective contributions for SIMPLE 401(k) plans, and the top-heavy test under section 416; and (3) is not treated as an amount that may be paid, made available, or distributable to an eligible individual on account of hardship or unforeseeable emergency under section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(i)(V), or 457(d)(1)(A)(iii). See Q&A I-5 of this notice regarding hardship and unforeseeable emergency distribution restrictions applicable to certain Saver's Match contributions.

Q. G-2: How are Saver's Match contributions received by an IRA directly from the Treasury Department with respect to an eligible individual treated for purposes of determining the IRA's favorable tax status?

A. G-2: Under section 6433(f)(2)(A)(ii), a Saver's Match contribution received by an IRA directly from the Treasury Department with respect to an eligible individual generally is treated as an individual retirement plan contribution made by the eligible individual. However, section 6433(f)(2)(B) provides that Saver's Match contributions are not taken into account with respect to any applicable IRA contribution limitation that applies to traditional and Roth IRAs.

Q. G-3: For purposes of applying the limit on retirement plan loans under section 72(p)(2)(A), are Saver's Match contributions received directly from the Treasury Department and attributable earnings included in the determination of the present value of an individual's nonforfeitable accrued benefit?

A. G-3: For purposes of applying the limit on retirement plan loans under section 72(p)(2)(A), Saver's Match contributions received directly from the Treasury Department and attributable earnings are included in the determination of the present value of an individual's nonforfeitable accrued benefit.

H. <u>Improper Saver's Match Contributions</u>

Q. H-1: What is an erroneous payment of a Saver's Match contribution?

A. H-1: An erroneous payment of a Saver's Match contribution is an improper payment of a Saver's Match contribution that is subsequently determined by the Secretary to be erroneous. For example, the Secretary may determine that a Saver's Match contribution was improperly paid to a destination other than an applicable retirement savings vehicle, to an individual with MAGI above the applicable eligibility threshold, or to an ineligible individual (for example, a student or ineligible nonresident alien). An improper payment of a Saver's Match contribution with respect to an individual is treated as an erroneous payment on the date the Secretary issues to the individual a written notification that the payment of the Saver's Match contribution was erroneous.

Q. H-2: What special rules apply with respect to a Saver's Match contribution made to an applicable retirement savings vehicle if the contribution is later determined to be erroneous?

A. H-2: Several special rules apply with respect to a Saver's Match contribution made to an applicable retirement savings vehicle for an individual if the contribution is later determined to be erroneous. First, an erroneous contribution (determined without regard to attributable earnings or losses) is treated as an underpayment of tax, other than for purposes of accuracy-related and fraud penalties, for the taxable year in which the Secretary determines the contribution is erroneous. Second, if an erroneous contribution with respect to an individual is distributed from a retirement plan or IRA not later than the day prescribed by law (including extensions) for filing the individual's return for the taxable year of the erroneous-contribution determination, then the distribution is not treated as taxable. The distribution of an erroneous contribution is not required to include attributable earnings, but, if the distribution includes attributable earnings, those earnings are treated as taxable. Third, if an erroneous contribution with respect to an individual is distributed from a retirement plan or IRA not later than the day prescribed by law (including extensions) for filing the individual's return for the taxable year of the erroneous-contribution determination, then the distribution is not subject to the 10 percent additional tax on early distributions under section 72(t)(1) (and, if the distribution of the erroneous contribution includes attributable earnings, those attributable earnings would also not be subject to the 10 percent additional tax on early distributions under section 72(t)(1)). An individual may request a distribution (including any attributable earnings) from a retirement plan or IRA of an erroneous contribution by submitting to the retirement plan or IRA a copy of the written notification from the IRS that the Saver's Match contribution was erroneous.[28]

The IRS is considering adding a code to the Form 1099-R for distributions of erroneous contributions that are made no later than the day prescribed by law (including extensions) for filing the individual's return for the taxable year of the erroneous-contribution determination by the IRS. If a code is added, the Form 1099-R would indicate that neither the distribution of erroneous contributions nor any attributable earnings are subject to the 10 percent additional tax on early distributions under section 72(t)(1), and that only the portion of the distribution attributable to earnings is subject to income tax. An applicable retirement savings vehicle that makes a distribution of an erroneous payment is not treated as violating any requirement under section 401, 403, or 457 solely by reason of the distribution (without regard to whether the distribution is made on or before the day prescribed by law (including extensions) for filing the individual's return for the taxable year of the erroneous-contribution determination by the IRS).

A retirement plan or IRA that receives a rollover or a trustee-to-trustee transfer from an applicable retirement savings vehicle that has received a Saver's Match contribution directly from the Treasury Department would not be required to follow the reporting requirements described in the prior paragraph. However, if the distribution of an erroneous contribution is made from the retirement plan or IRA not later than the day prescribed by law (including extensions) for filing the individual's return for the taxable year of the erroneous-contribution determination by the IRS, the individual would be permitted to claim that the distribution is not subject to income tax or to the 10 percent additional tax on early distributions under section 72(t)(1) and that any earnings attributable to the erroneous

[28] An individual that receives a distribution of an erroneous payment later than the day prescribed by law (including extensions) for filing the individual's return for the taxable year of the determination will be subject to regular taxation rules, including the 10 percent additional tax on early distributions under section 72(t)(1), on such distribution (even though the erroneous payment has been treated as an underpayment of tax).

contribution are not subject to the 10 percent additional tax.

I. Miscellaneous Information

Q. I-1: How do Saver's Match contribution rules apply to eligible individuals whose filing status is married filing jointly?

A. I-1: In general, if an individual's filing status is married filing jointly, eligibility to claim Saver's Match contributions is determined independently for the individual and the individual's spouse. Thus, for example, Spouse X may be able to qualify for up to a $1,000 Saver's Match contribution by making contributions to Spouse X's retirement plan or IRA and designating Spouse X's retirement plan or IRA as a destination for the Saver's Match contribution, and Spouse Y may also be able to qualify for up to a $1,000 Saver's Match contribution by making contributions to Spouse Y's retirement plan or IRA and designating Spouse Y's retirement plan or IRA as a destination for the Saver's Match contribution. However, for an individual whose filing status is married filing jointly, the individual's MAGI is determined as the combined MAGI of both spouses for purposes of applying income eligibility and phaseout rules. See Q&A C-2 of this notice for an example of Saver's Match contribution calculations for individuals whose filing status is married filing jointly.

Q. I-2: Are retirement plans or IRAs required to accept Saver's Match contributions directly from the Treasury Department?

A. I-2: Neither retirement plans nor IRAs are required to accept Saver's Match contributions directly from the Treasury Department.[29] However, because Saver's Match contributions represent a new approach to promoting retirement savings and an important opportunity to improve the long-term financial security for low- to moderate-income

[29] In addition, section 6433 does not impose any consistency or uniformity requirements for retirement plans and IRAs that choose to accept Saver's Match contributions. For example, a multi-employer plan under section 413(b) or a multiple employer plan under section 413(c) may allow each participating employer to choose independently whether to accept Saver's Match contributions.

Americans, the Treasury Department and the IRS encourage retirement plans and IRAs to consider accepting such contributions. If a retirement plan or traditional IRA accepts Saver's Match contributions directly from the Treasury Department, acceptance of the Saver's Match contributions would not cause the retirement plan or traditional IRA to be treated as violating any requirement under section 401, 403, 408, or 457 solely by reason of accepting the contribution. As described in Q&A I-4 of this notice, rollovers and trustee-to-trustee transfers from retirement plans or traditional IRAs that have previously received Saver's Match contributions directly from the Treasury Department are treated like any other rollover or trustee-to-trustee transfer and are not subject to special Saver's Match contribution rules.

Q. I-3: May a retirement plan administrator include language about Saver's Match contributions in an annual notice describing an eligible employee's opportunity to make elective contributions under the retirement plan?

A. I-3: Yes. A retirement plan administrator may include language about Saver's Match contributions in an annual notice describing an eligible employee's opportunity to make elective contributions.[30] This Q&A I-3 provides model safe harbor language about Saver's Match contributions that could be included in an annual notice for 2027.

Saver's Match from the Federal Government

A new financial incentive to save for retirement

Under the federal government's new Saver's Match program to promote retirement savings, the federal government will contribute as much as $1,000 to a retirement plan or IRA of a qualifying low- or moderate-income individual who saves for retirement. For 2027, the income limit for receiving any Saver's Match is $35,500 for a single individual and $71,000 for a married filing jointly individual. If you qualify, your Saver's Match will be up to 50% of $2,000 of your annual contributions to your plan or IRA.

[30] The Department of Labor has advised the Treasury Department and the IRS that language describing Saver's Match contributions must be included in a Summary Plan Description or a Summary of Material Modifications if a plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, Pub. L. 93-406, 88 Stat. 829, as amended (ERISA) accepts Saver's Match contributions. See 29 CFR § 2510.3-3 and 29 CFR § 2510.104b-3.

How to claim your Saver's Match

You will be able to claim your Saver's Match by filing an IRS Form 8880-A with your 2027 tax return. The Form 8880-A and related instructions will explain in detail how to complete your claim. You will be able to go to those instructions for more details about the Saver's Match program, including income thresholds, phaseout ranges, and eligibility rules.

You will be able to choose the destination for your Saver's Match

In general, when you file your 2027 Form 8880-A, you will be able to choose the retirement plan or IRA where your Saver's Match will end up. Alternatively, if your Saver's Match is less than $100, you will have the option to instead have your Saver's Match treated as a refundable income tax credit. You will be able to go to the 2027 Instructions to Form 8880-A for details about choosing where your Saver's Match will end up.

Q. I-4: How are rollovers and trustee-to-trustee transfers to a retirement plan or IRA from an applicable retirement savings vehicle that has received Saver's Match contributions directly from the Treasury Department treated for tax purposes?

A. I-4: Rollovers and trustee-to-trustee transfers to a retirement plan or IRA from an applicable retirement savings vehicle (including trustee-to-trustee transfers from a conduit IRA that are described in Q&As E-2 and E-3 of this notice) that has received Saver's Match contributions directly from the Treasury Department are treated like any other rollovers or trustee-to-trustee transfers. The special tax rules applicable to Saver's Match contributions do not carry over to retirement plans and IRAs that accept these rollovers and trustee-to-trustee transfers. Thus, for example, the special reporting rules applicable to Saver's Match contributions as described in Q&As F-1 and F-2 of this notice, the hardship and unforeseeable emergency distribution restrictions applicable to Saver's Match contributions received by an applicable retirement savings vehicle that is a retirement plan as described in Q&A I-5 of this notice, and the recovery tax rules would not apply with respect to amounts held in a retirement plan or IRA that are attributable to rollovers and trustee-to-trustee transfers received from an applicable retirement savings vehicle that had previously received Saver’s Match contributions directly from the Treasury Department. In addition, see Q&A H-2 of this notice regarding reporting with respect to rollovers and trustee-to-trustee transfers received by a retirement plan or IRA from an applicable retirement savings vehicle that had previously received Saver’s Match contributions directly from the Treasury Department that are determined to be erroneous.

Q. I-5: Must a retirement plan that accepts Saver’s Match contributions directly from the Treasury Department impose any restrictions on the distribution of those Saver’s Match contributions that do not apply to elective deferrals generally?

A. I-5: Section 6433(f)(2)(C) provides that Saver’s Match contributions are not treated as amounts that may be paid, made available, or distributable to an eligible individual in the case of a hardship distribution in a section 401(k) or 403(b) plans, or an unforeseeable emergency distribution in a governmental section 457(b) plan. However, earnings attributable to Saver’s Match contributions are not subject to these hardship and unforeseeable emergency distribution restrictions. These restrictions also do not apply with respect to other in-service distributions (such as emergency personal expense distributions permitted to be distributed pursuant to section 72(t)(2)(I)(viii) and qualified disaster recovery distributions permitted to be distributed pursuant to section 72(t)(11)(G)(ii)). In order to implement the restriction on hardship and unforeseeable emergency distributions, retirement plans that allow hardship distributions would need to separately account for Saver’s Match contributions.

For purposes of applying the hardship and unforeseeable emergency distribution restrictions of section 6433(f)(2)(C), the type of distribution requested by the individual controls whether the restriction applies. For example, if an individual requests a qualified disaster recovery distribution (and the distribution could have been requested as a hardship distribution) and the retirement plan includes Saver's Match contributions in the requested distribution, the distribution would not violate the distribution restriction under section 6433(f)(2)(C).

Q. I-6: May a retirement plan or IRA include reasonable conditions on acceptance of Saver's Match contributions directly from the Treasury Department?

A. I-6: A retirement plan or IRA may include reasonable conditions on acceptance of an eligible individual's Saver's Match contributions directly from the Treasury Department. For example, a retirement plan may provide for acceptance of Saver's Match contributions only with respect to participants who are currently employed by a participating employer or with respect to participants who have account balances under the retirement plan.

Q. I-7: Must a retirement plan be amended in order to accept Saver's Match contributions directly from the Treasury Department?

A. I-7**:** Yes. A retirement plan must be amended in order to accept Saver's Match contributions directly from the Treasury Department. The amendment would be a discretionary amendment. Under section 6.02 of Rev. Proc. 2022-40, 2022-47 IRB 487, the deadline for the adoption of a discretionary amendment is generally the end of the plan year in which the retirement plan amendment is operationally put into effect. For example, in general, for a calendar-year qualified retirement plan that begins accepting Saver's Match contributions during 2028, the deadline for the adoption of the amendment would be December 31, 2028. However, in the case of a governmental plan within the meaning of section 414(d) or an applicable collectively bargained plan, a later deadline may apply as described in Q&A J-1 of Notice 2024-2, 2024-2 IRB 316. The Treasury Department and the IRS anticipate providing model language relating to acceptance of Saver's Match contributions directly from the Treasury Department.

A retirement plan that accepts rollover contributions generally would not need to be amended to accept rollovers from an applicable retirement savings vehicle that has received Saver's Match contributions directly from the Treasury Department (including a rollover from a conduit IRA that is described in Q&A E-3 of this notice).

Q. I-8: May a retirement plan that accepts Saver's Match contributions directly from the Treasury Department be amended prospectively to no longer accept Saver's Match contributions with respect to qualified retirement savings contributions made after the effective date of the amendment?

A. I-8: Yes. A retirement plan that accepts Saver's Match contributions directly from the Treasury Department may be amended prospectively to no longer accept Saver's Match contributions with respect to qualified retirement savings contributions made after the effective date of the amendment. Such an amendment would not violate the anti-cutback rules of section 411(d)(6) of the Code and section 204(g) of ERISA.[31]

V. REQUEST FOR COMMENTS

The Treasury Department and the IRS request comments on the issues addressed in this notice. Comments are particularly requested on the following topics:

- Implementing the Saver's Match recovery tax, including methods of determining losses in an individual's account.
- Implementing methods by which an eligible individual would direct payment of a Saver's Match contribution to an IRA, including:
    - The best way to implement anticipated traditional and Roth IRA

[31] Section 411(d)(6) generally prohibits retirement plan amendments that decrease accrued benefits. Section 204(g) of ERISA provides parallel rules to the rules of section 411(d)(6) of the Code. The Secretary has interpretive authority over section 204(g) of ERISA pursuant to Reorganization Plan No. 4 of 1978, 5 USC App.

registration and designation processes, including whether they should be facilitated in connection with TrumpIRA.gov; and

  - Whether there are ways to update informational returns that are required to be filed with the IRS (including the Form 5498) to streamline the payment of Saver's Match contributions with respect to an IRA and so that the IRS can validate that a particular IRA will accept Saver's Match contributions.

- Implementing an eligible individual's choice for Saver's Match contributions to be directed to a chosen retirement plan. Paths under consideration are described in Q&A E-3 of this notice. In particular, comments are also requested as to whether there are ways to update informational returns (including the Form W-2) that are required to be filed with the IRS to streamline the payment of Saver's Match contributions under the Registration Path.
- Implementing additional procedures for financial institutions if they receive improper Saver's Match contributions from the Treasury Department that are not determined by the Secretary to be erroneous contributions, for example, if a Saver's Match contribution is paid to an account of an individual who was not intended to receive it.

Comments should be submitted in writing on or before October 5, 2026, and should include a reference to Notice 2026-48. Comments may be submitted electronically via the Federal eRulemaking Portal at www.regulations.gov (type "IRS Notice 2026-48" in the search field on the Regulations.gov home page to find this notice and submit comments). Alternatively, comments may be submitted by mail to:

Internal Revenue Service

Attn: CC:PA:01:PR (Notice 2026-48), Room 5503

P.O. Box 7604

Ben Franklin Station

Washington, D.C. 20044.

All commenters are strongly encouraged to submit comments electronically. The Treasury Department and the IRS will publish for public availability any comment submitted electronically, or on paper, to its public docket on regulations.gov.

VI. DRAFTING INFORMATION

The principal author of this notice is the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). Employees of the Treasury Department and the IRS also participated in the drafting of this notice. For further information regarding this notice, please call (202) 317-6700 (not a toll-free number).