"The Savings for American Families' Future Act of 2009"

The bill would change the current tax credit that encourages low- and moderate-income families and individuals to save for retirement. Currently, taxpayers who contribute to an individual retirement account (IRA) or to an employer-sponsored plan that is qualified under §401, §403 or §457 of the tax code can receive a non-refundable tax credit of up to $1,000. This credit is in addition to the tax deduction for contributing to a traditional IRA or to an employer-sponsored retirement plan.

Specifically the "The Savings for American Families' Future Act of 2009" would:

- Make the Saver's Credit refundable and require that the credit be paid only into the taxpayer's retirement accounts.

- Expand the number of families and individuals who would be able to use the full Saver's Credit of 50 percent by more than doubling the existing income limits for the full credit. The new limits would be set at adjusted gross incomes of $32,500 for individuals and $65,000 for couples. It also creates a phase out range for those earning slightly above those limits.

- Establish the maximum amount of an employee's contribution that is eligible for the Saver's Credit at $500 for an individual and $1,000 for a couple. These contribution limits will increase by $100 and $200, respectively, each year until 2020 and after that time the limits will increase with inflation.

- Outline how the Saver's Credit will interact with the contribution limits in retirement savings plans and IRAs and nondiscrimination testing of employee elective deferrals to retirement account.