

August 27, 2018

The Hon. Kevin Brady  
Chairman  
House Committee on Ways and Means  
1102 LHOB  
Washington, DC 20515

The Hon. Richard Neal  
Ranking Member  
House Committee on Ways and Means  
1139E LHOB  
Washington, DC 20515

Dear Chairman Brady and Ranking Member Neal,

On behalf of the undersigned organizations and companies, we write in support of H.R. 795, the *Employer Participation in Student Loan Assistance Act*. As Congress considers Tax Reform 2.0, we urge inclusion of H.R. 795. This legislation expands Section 127 of the Internal Revenue Code (IRC) to cover student loan repayment – an expansion which provides a valuable benefit to employees, employers, and the economy.

Financing a college education is expensive, but loans, grants and tax benefits help make college more affordable. Student debt can delay an individual's major life decisions and the nation suffers when this debt burden, in turn, hinders innovation. While the tax code has several incentives to help students and families afford tuition, there are few benefits that help students repay loans. When employees receive assistance to pay off their student loans, they have increased opportunities to buy a home, save for retirement, or start a new business. In turn, these contributions aid the overall health and growth of the U.S. economy.

It's important to note that multiple studies on the drivers of college tuition pricing fail to find any correlation with federal assistance – whether it be student aid or tax benefits. Sec. 127 simply allows employers to offer financial assistance to employees to pursue their education, with no proven negative effects on tuition or the economy in general. In fact, just the opposite is true – the benefit adds skilled workers to the economy and when employers help with tuition assistance, it allows colleges to provide more aid to students.

Improving Sec. 127 by enacting H.R. 795 would further contribute to the overall health and growth of the U.S. economy, by making it easier for employees to pay off student loans thereby allowing them to invest in other opportunities. The legislation will boost the goals of tax reform and Tax 2.0 by boosting growth, putting more money back in the pockets of middle class families helping them to save more, and it will spur new business innovation. At a time when the economy is growing, unemployment is low, and business is looking to attract and retain labor, encouraging employers to offer student loan repayment by making it a Section 127 benefit will have a tremendous impact for both employers and employees.

Section 127 of the IRC is a popular benefit that enjoys bipartisan support and enables employers to voluntarily provide education assistance to their employees. Under Section 127, employees are able to exclude from income up to \$5,250 per year in tuition assistance for any type of educational course at the undergraduate, graduate or certificate level.

This same benefit should be expanded to employees who have already received their education and incurred student loan debt in the process. Congressmen Rodney Davis of Illinois and Scott Peters of California introduced H.R. 795, the Employer Participation in Student Loan Assistance Act, to accomplish this goal. H.R. 795 would provide employers with the flexibility to offer employees assistance towards their student loans. By expanding Section 127 to include student loan repayment, employees could receive a tax-exempt benefit from their employer of up to \$5,250 per year to pay towards their student loan debt.

This benefit is an important tool for employers to attract and retain top talent in order to build a skilled workforce. Section 127 plays a critical role in maintaining U.S. competitiveness and could, if strengthened, become the premier employee benefit for tuition assistance and loan repayments among employers.

With 126 cosponsors, broad bipartisan support, and a bipartisan companion bill in the Senate led by Senators Warner and Thune on the Finance Committee, we urge Congress to include H.R. 795 in Tax Reform 2.0. Thank you for your consideration and assistance in strengthening this critical tax benefit.

Sincerely,

American Association of College Registrars  
American Association of Community Colleges  
American Association of State Colleges and Universities  
American Association of University Professors  
American Council on Education  
American Federation of State, County and Municipal Employees  
American Federation of Teachers  
American Society for Engineering Education  
American Student Assistance  
Associated General Contractors of America  
Association for Talent Development  
Association of American Universities  
Association of Big Ten Students:

Association of Students of the University of Nebraska  
Associated Students of Madison  
Associated Students of Michigan State University  
Illinois Student Government  
Indiana University Student Association  
Minnesota Student Association  
Northwestern Associated Student Government  
Purdue Student Government

Rutgers University Student Assembly  
The Ohio State Undergraduate Student Government  
University of Iowa Student Government  
University of Maryland Student Government Association  
University of Michigan Central Student Government  
University Park Undergraduate Association

Association of Community College Trustees  
Association of Jesuit Colleges and Universities  
Big Stone Therapies  
Boston University Student Government Association  
Bright Horizons Family Solutions  
ChowNow  
College & University Professional Association for Human Resources  
CommonBond  
Commonwealth Psychology Associates  
Corporate Voices for Working Families  
Corporate Wellness, Inc.  
Council for Adult and Experiential Learning  
Council of Graduate Schools  
Credit Union National Association  
Digital Federal Credit Union  
Dots, Inc.  
Duke University  
Employers Council on Flexible Compensation  
First Republic Bank  
GDH Consulting  
Gradifi  
Graduate Student Association (GSA)  
Guidance Residential, LLC  
Hartford Consortium for Higher Education  
Hewlett-Packard  
Information Technology Industry Council  
Institute of Electric and Electronics Engineers  
International Public Management Association for Human Resources  
MetroHartford Alliance  
Motus, LLC  
National Association of Colleges and Universities Business Officers  
National Association of Graduate Professional Students  
National Association of Independent Colleges and Universities  
National Association of Independent Schools  
National Council for Advanced Manufacturing  
National Education Association  
National Public Employer Labor Relations Association

National Tooling and Machining Association  
Natixis Global Asset Management  
New York University  
North American Die Casting Association  
Peanut Butter Inc.  
Precision Machined Products Association  
Raytheon  
Rochester Institute of Technology  
Small Business Advocacy Council  
Society for Human Resource Management  
Starbucks  
Student Advocates for Graduate Education (SAGE)  
Summit Credit Union  
The Precision Metalforming Association  
The World Council of Credit Unions  
Training Solutions, Inc.  
Tuition.io  
United Auto Workers  
United Technologies Corporation  
University Continuing Education Association  
University of Northern Iowa Student Government  
University of Pennsylvania  
Verizon  
Ward and Smith, P.A.  
WC Research, Inc.  
Whitworth University  
Zmarketeers, Inc