



Coalition Takes Support of Section 127 to Washington

Higher ed, business and labor goes to Capitol Hill to support tax-free education assistance

Washington, D.C. – Nov. 18, 2010 – A diverse group representing higher education, business and labor is on Capitol Hill today sharing with members of Congress how a tax provision that encourages employer-provided education assistance makes a difference in the lives of employees and in the competitiveness of American employers.

The [Coalition to Preserve Employer Provided Education Assistance](#), which represents more than 75 organizations, is encouraging Congress to make permanent the tax code provision that supports employer-provided education assistance.

The provision, Section 127 of the Internal Revenue tax code, will expire on Dec. 31 with Bush-era tax cuts unless Congress takes action. Established in 1978, the provision has been extended by Congress eight times, most recently in 2001.

About one million American workers use the benefit, which allows an employee to exclude from income up to \$5,250 a year in employer-provided assistance for undergraduate and graduate-level courses.

“Making employer-provided education assistance permanent is paramount,” said Karin Johns, director of tax policy at the National Association of Independent Colleges and Universities. “This benefit allows individuals striving to acquire new skills vital higher-education assistance so they can compete in a global marketplace.”

Representatives of the Coalition are being joined on Capitol Hill by about 200 members of the Society for Human Resource Management (SHRM), the world’s largest association representing human resource management. Together, they will have about 400 meetings with congressional members and staff.

HR executives are telling congressional representatives that the tax provision is invaluable at a time when employers face increasing global competition and a shortage of skills in critical areas.

“This benefit helps build and maintain an increasingly skilled workforce and positions our nation to remain competitive in the global economy,” said Kathleen Coulombe, SHRM’s manager of tax and benefits. She noted that the top majors among recipients of tax-free tuition include science, technology, engineering and mathematics, which are critical to the strength of the U.S. economy.

While on Capitol Hill, the groups will support the Employee Educational Assistance Act of 2010 (H.R. 5600), introduced by Rep. Earl Pomeroy, (D-N.D.) and Rep. Sam Johnson, (R-Texas), which would make the provision permanent.

For more information on Section 127, visit the [Coalition to Preserve Employer Provided Education Assistance](#).

For details on the impact of the provision, visit [“Who Benefits from Section 127?”](#) a study by the Society for Human Resource Management and the National Association of Independent Colleges and Universities, and [SHRM’s Poll: Education Assistance Benefits](#).

Twitter hashtag: #edbenefit

MEDIA: For more information about employer-provided education assistance, contact Kathleen Coulombe at kathleen.coulombe@shrm.org and 1-703-535-6061.