



## **Coalition Endorses Education Assistance Bill**

*Higher ed, business and labor group supports tax-free education assistance for employees*

**Washington, D.C. – March 6, 2012** – The Coalition to Preserve Employer Provided Education Assistance, a diverse group representing higher education, business and labor, announced today its support of legislation that would make permanent an IRS provision allowing tax-free education assistance for employees.

The Employee Educational Assistance Act of 2012 was introduced in the U.S. House Monday by Rep. Sam Johnson, R-Texas, and Rep. Richard Neal, D-Mass.

Section 127 of the Internal Revenue tax code allows an employee to exclude from income up to \$5,250 a year in employer-provided assistance for associate- undergraduate- and graduate-level courses. The legislation introduced Monday would make the provision permanent. Otherwise, it will expire on Dec. 31 with Bush-era tax cuts.

Established in 1978, the provision has been extended by Congress nine times, most recently in 2010.

“It’s time to make education assistance a permanent benefit that workers and employers can count on,” said Kathleen Coulombe, senior associate/government affairs at the Society for Human Resource Management (SHRM). “Used by about one million American workers, tax-free education assistance ensures that the United States has the skilled workforce necessary to compete in the global economy.”

The coalition represents more than 75 organizations, including SHRM and the National Association of Independent Colleges and Universities. About 200 SHRM members from 47 states will be on Capitol Hill on Wednesday, March 7, to encourage their legislators to back the Employee Educational Assistance Act.

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

The top majors among recipients of tax-free tuition include science, technology, engineering and mathematics. More than 35 percent of degrees pursued by employees using education assistance are master’s degrees.

When the provision is extended rather than made permanent, confusion is created. Employees are not sure they can rely on the tax-free benefit, and employers have to adjust payroll systems and training programs.

“Section 127 is one of the most important tax benefits in the Internal Revenue Code for working students,” said Karin Johns, co-chair of the coalition and director of tax policy at the National Association of Independent Colleges and Universities. “The unreliability of its expiring status directly affects individuals’ decisions to enroll in college courses to further their education and career goals.”

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

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