



Coalition Applauds Congressional Action to Make Section 127 Permanent *Employer-Provided Education Benefits Made Permanent Part of U.S. Tax Code*

Washington, D.C. – January 2, 2013 – The Coalition to Preserve Employer Provided Education Assistance, a diverse group representing more than 80 higher education, business and labor organizations, commends members of the 112th Congress and President Obama for making Section 127 a permanent component of the U.S. tax code.

In a rare New Year’s Day session, Congress passed, and President Barack Obama subsequently signed the [American Taxpayer Relief Act of 2012](#) (H.R. 8), preventing the U.S. from going over the impending “fiscal cliff”. The legislation **permanently** extends a number of tax provisions that had already expired at the end 2012, including employer-provided education assistance (Section 127 of the Internal Revenue Code). This provision allows an employee to exclude from income up to \$5,250 per year in educational assistance at the undergraduate and graduate level regardless of whether the education is job-related.

“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,” said Kathleen Coulombe, co-chair of the coalition and senior associate, government relations for the Society for Human Resource Management.

Established in 1978, the provision has been extended by Congress ten times, most recently in 2010. The Coalition is pleased that Congress has come to consensus and made this valuable benefit permanent. Now employees and employers alike have predictability and are able to rely on this tax-free benefit.

“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. “We are thrilled that students will continue to be able to take advantage of this benefit and will be able 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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