



CONGRESSWOMAN VIRGINIA FOXX

Proudly Serving North Carolina's 5th Congressional District

Republican Leader, House Committee on Education and Labor

Former GOP Conference Secretary

Former Vice Chair, House of Representatives Committee on Rules

\$5,250 of Educational Assistance in the CARES Act

- Over 43 million Americans have student debt.
- Student debt is consistently mentioned as a major source of financial stress for employees, and it effects the ability of many to meet milestones of adulthood such as marriage or buying a house.

The Solution

- In 2020, the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* (P.L. 116-136) was passed by Congress and signed by former President Trump.
- Section 2206 of this law provides employers with the ability to **repay up to \$5,250 on an employee's outstanding student loans.**
- This contribution is a tax exclusion for the employer, is entirely **tax-free** for the employee, and is available through 2025.

A benefit for the future

- According to SHRM, only 8% of employers offer this benefit which can serve as a powerful hiring incentive for businesses looking to hire and retain talented workers and increase their productivity.
- Since this provision is available through 2025, businesses can have certainty and use this provision as a recruiting and retention tool in their employee benefit packages for the next few years.

For more information about this program, including how to implement it for your business, follow the link below and go to the section called "Educational Assistance".

https://www.irs.gov/publications/p15b#en_US_2021_publink1000193667