



## News

### Anthony Antognoli Discusses Options and Potential Benefits of a Stand-Alone Employee Student Debt Repayment Program

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Hinshaw attorney Anthony Antognoli recently discussed in a PLANSPONSOR article the options for employers in structuring a student loan repayment program for workers. Under a provision in the Coronavirus Aid, Relief and Economic Security (CARES) Act, an employer is authorized to contribute up to \$5,250 toward a worker's student debt repayment in 2020. The money is not subject to payroll tax for the employer or income tax for the employee.

Antognoli noted how the coronavirus relief legislation made a temporary change to the Internal Revenue Code. "Section 127 of the code provides an opportunity for employers to give educational assistance to their employees, and previously that's been limited to tuition reimbursement for employees currently working on a degree," he said. "Up to now, the employer could not say, 'You went to college or graduate school already, and we'll help you pay back your loans, tax free.' The CARES Act made that parity available under Section 127, [and] greatly expands what Section 127 programs can do this year."

The CARES Act provision allows for the creation of a stand-alone program, which, according to Antognoli, provides greater flexibility for employers.

"The big thing is that you can structure it in a way that applies only to certain classes of employees, as long as those classifications do not discriminate in favor of highly compensated employees. You don't have to offer it to everyone: You can tailor it by geographic areas or job classifications."

[Read the full article](#) (*subscription required*)

"Debt Busters" was published by PLANSPONSOR, June/July 2020 edition.

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