

## HR 795 (Davis): Employer Participation in Student Loan Assistance Act

**POSITION:** The Chamber's Education and Workforce Development Committee voted to SUPPORT HR 795 on April 19, 2017.

**STATUS:** HR 795 was introduced in the House by Representatives Scott Peters, Rodney Davis, Elise Stefanik, and Jared Polis and in the Senate by Senators Mark Warner and John Thune on February 1, 2017 and referred to the House Committee on Ways and Means.

### AT-A-GLANCE

HR 795 would incentivizes businesses to help their employees pay down their student loan debt.

### SUMMARY

HR 795 extends the existing tax exclusion for employer-provided educational assistance to include payments made to either employees or their lender. This preferential tax treatment allows employers to provide up to \$5,250 annually for their employees to pay down their student loans.

### ANALYSIS

Student loan debt is the second highest form of consumer debt in the country at an estimated \$1.3 trillion. High debt becomes a barrier for consumers, especially younger generations who may hold back on large purchases such as a home or car, ultimately affecting our economy. This issue impacts our educated workforce and younger generations, however HR 795 can be of particular benefit to San Diego. According to the Chamber's Job strategy Dashboard, San Diego has the highest number of millennials at a 28.8% population, compared to other metros in the country.

HR 795 would mutually benefit an employee and employer and serve as a mechanism for young talent recruitment and retention. An employer's contribution can qualify as a fringe benefit that is excludable from payroll tax up to \$5,250 annually and the employee can benefit from a faster repayment.

**Support:** The bill is bipartisan and bicameral. Businesses and organizations that support this bill include: *SoFi, Peanut Butter, GradFin, Gradifi, the Society for Human Resources Management, American Student Assistance, Tuition.io, First Republic Bank, ChowNow, 128 Technology, Corporate Wellness, Inc., GDH Consulting, WC Research, Inc., Commonwealth Psychology Associates, LLC, Natixis Global Asset Management, CommonBond, Inc., NY Motus, LLC, Guidance Residential, LLC, Ward and Smith, P.A., Digital Federal Credit Union.*

**Cosponsors:** The bill currently has 50 bipartisan cosponsors in the House: *Rep Beyer, Donald S., Jr. [D-VA-8], Rep Blumenauer, Earl [D-OR-3], Rep Brownley, Julia [D-CA-26], Rep Carson, Andre [D-IN-7], Rep DeSaulnier, Mark [D-CA-11], Rep Ellison, Keith [D-MN-5], Rep Garamendi, John [D-CA-3], Rep Himes, James A. [D-CT-4], Rep Kuster, Ann M. [D-NH-2], Rep Lawrence, Brenda L. [D-MI-14], Rep Lieu, Ted [D-CA-33], Rep Lujan Grisham, Michelle [D-NM-1], Rep McNerney, Jerry [D-CA-9], Rep Moore, Gwen [D-WI-4], Rep Nolan, Richard M. [D-MN-8], Rep O'Halleran, Tom [D-AZ-1], Rep Pallone, Frank, Jr. [D-NJ-6], Rep*

*Peters, Scott H. [D-CA-52], Rep Pingree, Chellie [D-ME-1], Rep Polis, Jared [D-CO-2], Rep Rice, Kathleen M. [D-NY-4], Rep Rosen, Jacky [D-NV-3], Rep Ruppertsberger, C. A. Dutch [D-MD-2], Rep Sinema, Kyrsten [D-AZ-9], Rep Swalwell, Eric [D-CA-15], Rep Thompson, Mike [D-CA-5], Rep Vargas, Juan [D-CA-51], Rep Bacon, Don [R-NE-2], Rep Blum, Rod [R-IA-1], Rep Bost, Mike [R-IL-12], Rep Bucshon, Larry [R-IN-8], Rep Coffman, Mike [R-CO-6], Rep Cole, Tom [R-OK-4], Rep Costello, Ryan A. [R-PA-6], Rep Crawford, Eric A. "Rick" [R-AR-1], Rep Donovan, Daniel M., Jr. [R-NY-11], Rep Faso, John J. [R-NY-19], Rep Katko, John [R-NY-24], Rep Kinzinger, Adam [R-IL-16], Rep MacArthur, Thomas [R-NJ-3], Rep Meehan, Patrick [R-PA-7], Rep Messer, Luke [R-IN-6], Rep Poe, Ted [R-TX-2], Rep Roe, David P. [R-TN-1], Rep Rouzer, David [R-NC-7], Rep Stefanik, Elise M. [R-NY-21], Rep Tipton, Scott R. [R-CO-3], Rep Walberg, Tim [R-MI-7], Rep Yoder, Kevin [R-KS-3], Rep Young, David [R-IA-3]*