November 14, 2017

Dear U.S. House Representative,

On behalf of the Coalition to Preserve Employer Provided Education Assistance, we strongly urge you preserve employer-provided education assistance, Section 127 of the Internal Revenue Code (IRC) as you consider H.R. 1, the Tax Cuts and Jobs Act. The Coalition is a broad-based coalition of more than 85 groups representing business, labor and education dedicated to preserving and expanding Section 127.

Section 127 of the tax code is an important provision that allows an employee to exclude from income up to $5,250 per year in assistance for any type of educational course work at the undergraduate and graduate level. Section 127 was enacted as an expiring tax benefit in 1978, and unfortunately, the benefit amount of $5,250 annually has not been increased in almost 40 years. At the time, the benefit was intended to allow employers to completely cover the cost of higher education. It remained an expiring provision until it was finally made permanent in the American Taxpayer Relief Act (Pub.L. 112–240) on January 1, 2013.

H.R. 1 proposes to eliminate this important benefit. Removing the tax treatment of employer-provided tuition assistance will negatively affect both employers and employees. Employers utilize Section 127 to attract and retain top talent and build a skilled workforce. They also offer the benefit as a way to retrain and reskill their current workforce. At a time when employers are facing challenges with finding skilled talent - 68 percent of employer across industries report challenges with recruiting in the current talent market - employers need resources available that enable them to invest in their most precious asset – their employees.¹

Conversely, this benefit enables employees to advance their education and improve their skillsets to compete in a global economy. Entry-level and mid-management education assistant recipients received, on average, a 43 percent incremental wage increase over a three-year period as compared to non-recipients.² Employees truly value this benefit – tuition assistance was the second most important employer-provided benefit according to the National Association of Colleges and Employers’ The Class of 2014 Student Survey Report.³

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While reforming the tax code is a complex and challenging task, it is vital that efforts do not remove common-sense provisions that prepare America’s workforce for the jobs of tomorrow. The Coalition strongly urges you to preserve Section 127 of the IRC.

Sincerely,

**Members of the Section 127 Coalition:**

American Association of College Registrars
American Association of Community Colleges
American Association of State Colleges and Universities
American Association of University Professors
American Council on Education
American Federation of State, County and Municipal Employees
American Federation of Teachers
American Society for Engineering Education
Arizona State University
Asbury College
Associated General Contractors of America
Association of Public and Land Grant Universities
Association for Talent Development
Association of American Universities
Association of Community College Trustees
Association of Independent California Colleges and Universities
Association of Jesuit Colleges and Universities
Bellarmine University
Bellevue University
Brescia University
College & University Professional Association for Human Resources
College Bound
Cornell University
Corporate Voices for Working Families
Council for Adult and Experiential Learning
Council of Graduate Schools
Creighton University
Dobler College Consulting
Duke University
Edlink, LLC
Emory University
ERISA Industry Committee
Fresno Pacific University
Government Finance Officers Association
Guidance Gurus
Hartford Consortium for Higher Education
Hewlett-Packard
Hope College
Information Technology Industry Council