



December 6, 2017

Dear Conferee,

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 work with your Congressional colleagues in conference committee on 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.

The House version of H.R. 1 proposes to eliminate this important benefit, while the Senate bill preserves section 127. 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 employers 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

¹ Society for Human Resource Management, *The New Talent Landscape: Recruiting Difficulty and Skills Shortages*, July 21, 2016

² Lumina Foundation, *Talent Investments Pay Off White Paper, Cigna Realizes Return on Investment from Tuition Benefits*. 2016

³ National Association of Colleges and Employers', *The Class of 2014 Student Survey Report*. 2014

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 in the final tax bill.

Sincerely,

Members of the Coalition to Preserve Employer-Provided Education Assistance:

Alamo Colleges
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
Bellarmino University
Bellevue University
Brescia University
Citizens Financial Group
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
Institute of Electric and Electronics Engineers
International Public Management Association for Human Resources
Jobs for the Future
John Carroll University
Lehigh University
Loyola University
Marquette University
Mercer University
MetroHartford Alliance
National Adult Learner Coalition
National Association of College and University Business Officers
National Association of Graduate Professional Students
National Association of Independent Colleges and Universities
National Association of Independent Schools
National Council for Advanced Manufacturing
National Public Employer Labor Relations Association
National Tooling and Machining Association
Neumann University
New York University
North American Die Casting Association
Pace University
Pepperdine University
Precision Machined Products Association
Princeton University
Rochester Institute of Technology
Seton Hall University
Society for Human Resource Management
Starbucks Coffee Company
St. John's College
St. John's University
Syracuse University
TechAmerica
The George Washington University
The Precision Metalforming Association
Training Solutions, Inc.
United Auto Workers
United Technologies Corporation
University Professional and Continuing Education Association
University of Michigan
University of Pennsylvania
University of Rochester
Vanderbilt University
Webster University
Westminster College

Yale University
Zmarketees, Inc