

Contact: Amanda Beck
(202) 789-8604
abeck@hrpolicy.org

FOR IMMEDIATE RELEASE
February 2, 2012

HR Policy Association Asks Congress to Make Tax Exemption for Employer-provided Education Assistance Permanent

Section 127 of the Internal Revenue Tax Code will Expire on Dec. 31 without Congressional Action

Washington, DC –HR Policy Association, representing the most senior human resource executives in more than 330 of the largest companies in the United States, sent a letter to Congress today asking members to make Section 127 of the Internal Revenue Tax Code, which provides for a tax exemption for employer-provided education assistance, permanent. Section 127 will expire on December 31, 2012 without congressional action.

Since its passage in 1978, Section 127 has allowed employees to receive reimbursement from their employer for higher education expenses, including tuition and supplies, tax-free. Currently, Section 127 allows an employee to exclude from income up to \$5,250 per year in assistance for educational courses at the undergraduate and graduate level.

HR Policy Association Vice President, Workforce and Talent Development Policy Jaime Fall wrote, “The numbers show the Section 127 benefit has grown in popularity as the number of students receiving the benefit has doubled since 1992, with more than 900,000 individuals receiving the benefit in 2007. This benefit assists both undergraduates and graduates who are studying courses in majors critical to the competitiveness of our nation.”

HR Policy Association recently released *Blueprint for Jobs in the 21st Century: A Vision for a Competitive Human Resource Policy for the American Workforce*, which represents nearly 18 months of work among the Association’s members. The 125 page report paints a detailed picture of the new global economic, social, legal, and demographic forces influencing job growth in the United States, and then offers 20 specific recommendations in the fields of education, workforce development, immigration, regulatory reform, and health care to encourage job growth and employee retention in the United States.

One of these recommendations is: “Lifelong learning has become an essential characteristic of the workplace. Career paths are constantly shifting as new technologies, new industries, and new work processes replace older ones at an increasingly rapid pace. In fact, because of the pace of today’s economies, companies often change more quickly than many of their employees can adapt to that change. People are hired and trained to do particular jobs, and at times it can be difficult to adjust when that job is no longer needed. Yet change is both inevitable and accelerating, and education cannot end with a high school or college degree. Employees must make lifelong learning a priority, and employers, educators, and innovators need to come together to make more learning opportunities available outside traditional classrooms.”

“As Congress and the Administration look to find ways to make our workforce the most skilled and productive in the world, we hope the debate will begin with this proven and effective tool that benefits both workers and business. The members of HR Policy Association believe one of the best ways to build skills and promote lifelong learning is the tax exemption for employer-provided education assistance as outlined in Section 127,” said Fall.

12-14

###

To view one of HR Policy Association’s letters sent to Congress, visit:

http://www.hrpolicy.org/downloads/2012/12-12_Section_127_Letter_to_Congress.pdf

HR Policy Association is the lead organization representing chief human resource officers of major employers. The Association consists of more than 330 of the largest corporations doing business in the United States and globally, and these employers are represented in the organization by their most senior human resource executive. Collectively, their companies employ more than ten million employees in the United States, nearly nine percent of the private sector workforce, and 20 million employees worldwide. They have a combined market capitalization of more than \$7.5 trillion. These senior corporate officers participate in the Association because of their commitment to improving the direction of human resource policy. Their objective is to use the combined power of the membership to act as a positive influence to better public policy, the HR marketplace, and the human resource profession. For more information visit www.hrpolicy.org.