

RESOLUTION

PROVIDE INCENTIVES AND DIRECTION TO EMPLOYERS TO ENCOURAGE EMPLOYEE SAVINGS IN A SECTION 529 COLLEGE SAVINGS PROGRAM

- WHEREAS,** The rising cost of higher education continues to outpace inflation and, without proper planning, those costs can jeopardize a family's ability to ensure their children have access to higher education; and
- WHEREAS,** A trained, highly skilled workforce is an investment that will benefit all of America through innovation and business development; and
- WHEREAS,** Tax code incentives that promote employer contributions into the retirement plans of employees have proven to be an effective method to increase retirement savings; and
- WHEREAS,** Tax code incentives that similarly promote employer contributions to Section 529 Qualified Tuition Programs will be an effective method of encouraging continued education among employees; and
- WHEREAS,** Some states are currently acting to provide employer incentives to encourage employee savings in a Section 529 Qualified Tuition Program and other states may begin taking similar actions, however some employers are hesitant to take advantage of these incentives because of the differences between federal and state tax codes; and
- WHEREAS,** The “tax-free” treatment of Section 529 plan earnings has encouraged a record number of parents to start saving for their children’s college expenses, accumulating assets in these programs nationwide that have grown from \$13 billion in 2001 to more than \$438 billion by the end of March 2021.

NOW, THEREFORE BE IT RESOLVED, that the College Savings Plans Network, urge the President and the Congress of the United States to enact legislation to encourage and incentivize employers to support its employees’ efforts to save for higher education in a Section 529 Qualified Tuition Program to benefit themselves or their families with any employer incentive focused on ease and simplicity of administration and participation on the part of employers, employees and § 529 and § 529A plan administrators and recordkeepers to encourage maximum participation by employers to make the benefit accessible to all employees;

BE IT FURTHER RESOLVED, that specifically CSPN supports legislation which would authorize employers to take an annual U.S. federal business tax deduction of up to \$1,200 per employee for employer contributions to either (a) an I.R.C. § 529 qualified tuition program account owned by the employee or an employee’s spouse or domestic partner or (b) an I.R.C. § 529A ABLE disability savings account owned by the employee or an employee’s spouse or domestic partner or for which the employee or spouse/domestic partner is the authorized representative for the ABLE account owner. The \$1,200 annual limit would be adjusted annually for inflation/CPI. Employer contributions would be considered taxable income to the employee.

Approved in 2007. Amended and renewed in 2010, 2013, 2016, 2019 and 2021.