AMERICAN BENEFITS COUNCIL

Benefits Briefing: Student Loan Repayment Programs

Tuesday, October 2 at 2 p.m. ET

The American Benefits Council will host a **Benefits Briefing** on **Tuesday, October 2** at **2 p.m. Eastern Time** to examine student loans as a barrier to savings and how plan sponsors are addressing this concern.

The webinar will examine the types of issues that will need to be addressed in connection with student loan repayment (SLR) arrangements, and will highlight the types of employers and plans for which this arrangement may or may not work.

Lynn Dudley*, senior vice president, global retirement and compensation policy*, will moderate the discussion with a panel featuring ***Kent Mason****, partner at Davis and Harman LLP*; ***Lin Shi****, senior research associate at Mercer*; and ***Mary Moreland****, vice president, compensation and benefits, for Abbott Laboratories*, the subject of the IRS' first private letter ruling (PLR) on this topic. Panelists will discuss the PLR as well as recent legislative proposals and the likelihood of further congressional action.

We will solicit feedback and take questions from webinar participants throughout the session. Members are encouraged to submit questions for the webinar in advance.

A recording of this session will be sent to all registrants. Even if you will not be able to attend in person, please register to receive a digital playback of the webinar automatically.

NOTE: Participation in Council webinars may be used toward continuing education/renewal requirements for many professional accreditation programs, but only by means of self-certification. Descriptions of past programs are available by clicking here. Please retain your registration confirmation for your verification records.

Background

As we reported in the August 22 *Benefits Byte*, the Internal Revenue Service has issued a private letter ruling (PLR) giving its blessing to one employer's proposed program to help employees repay student loan obligations through its 401(k) plan.

Under the PLR, publicly released on August 17, a 401(k) plan that links employer contributions to SLRs does not violate the Internal Revenue Code's contingent benefit rule if certain conditions are met. Under the contingent benefit rule, a 401(k) plan may not condition any other benefit upon the employee's participation or nonparticipation in the 401(k) plan. Under the 401(k) plan in the PLR, if an employee's pretax, after-tax, or Roth elective contributions equal at least 2% of his or her eligible plan compensation during a pay period, the employer makes a regular matching contribution equal to 5% of the employee's eligible compensation during the pay period. The employer proposed to offer a voluntary SLR program through its 401(k) plan by effectively matching an employee's SLRs instead of his or her elective contributions.

The Council recognizes the importance of these student loan issues, not only with respect to retirement savings, but for the workplace more generally. We would welcome input during the webinar or separately on other student loan programs that companies are interested in.

***For questions related to registration** – If you have colleagues at your organization who would like to participate in this session, but do not regularly receive Council materials, please contact Deanna Johnson, senior director, membership, Sondra Williams, manager, member and staff engagement, or Mary Lindsay, executive assistant, at (202) 289-6700.*