ACEC RT Student Loan Repayment Benefit

Why Student Loan Repayment Benefits?
Student loan debt = significant problem Particularly for younger employees with advanced degrees

➢ Tool to attract and retain talent
  • Easy to understand and valued benefit by employees
  • Tax advantage to employees and employers (if structured correctly)
  • Employees prioritize student loan repayment over saving for retirement
  • Cutting-edge solution to the student loan debt crisis
  • Student loan debt is a stressor that impacts employee productivity

➢ SLR + Qualified plan contributions - ONLY TAX ADVANTAGED SOLUTION AVAILABLE
➢ Enables plan sponsors to make tax-qualified 401(k) plan contributions tied to an employee’s student loan repayments
  ➢ Model amendment for ACEC RT plan sponsors
    ➢ Employee makes after-tax payments of up to 2% compensation toward qualified student loans
    ➢ Employer contributes of up to 5% compensation to employee’s 401(k) plan account – pre-tax contribution
  ➢ For example: an employee that has annual compensation of $100,000, each menu option would work as follows: 5% for Qualified Student Loan Repayments of 2%
  Employee pays at least $2,000 toward student loans, employer contributes $5,000 to 401(k) plan account

Want more information on our program?

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The ACEC Retirement Trust is for ACEC Members and State Affiliate Members