



## 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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