

Section 127 Education Assistance and Student Loan Reimbursement Account



BBP Admin
BENEFITS ADMINISTRATION
COBRA, FMLA, FSA, HRA, HSA, PAYROLL, TRANSIT
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Employers create a Student Loan Reimbursement Account is an employer-funded employee benefit account which reimburses employees for education assistance or student loan payments.

Employer Payments Now Excluded from Income: Qualifying student loan repayments of up to \$5,250 annually made by the employer on behalf of an employee are excluded from the employee's income for income tax purposes.

Tuition Reimbursement Account

These accounts can be a cost-effective way to retain employees and build desired skills. Plans can be tailored to reflect employer goals. For instance, employers can set up the account to pay for a pre-determined level of continuing education credits or college coursework fees; they can also link reimbursement to GPA requirements or only reimburse courses in a certain area of study.

Student Loan Repayment Account

Student loans are the second largest consumer debt category in the U.S., surpassed only by mortgages. Employees are stressed about paying these loans and those worries bleed into the workplace. A Student Loan Repayment account can make your company stand out during the recruiting process and improve retention.

BBP Admin's Section 127 plans let employer's set-up a custom plan that fits their needs. Employers have many options in set-up and BBP Admin can assist. Since this is an IRS plan all these plans require a plan document and substantiation of claims. BBP Admin also offers many reimbursement options:

- Debit Card
- Payment Directly to Provider
- Payment to Participant

BBP Admin has specialized in setting up IRS plans since 1977. We also have the flexibility to offer post tax plans if our client would like to offer more money or have the employee contribute post tax via payroll to make a full payment. With the job market being tougher than ever for employers and student loans at an all time high, there has never been a better incentive for obtaining high quality employees.

