

Workforce Edge



Education Benefits:

A strategic investment – and cost-savings measure – for employers focused on recruitment, retention, and workforce development

Develop, upskill, and retain your workforce – at a tax advantage to your business

When you strategically invest in employee learning and training, you drive organizational performance, culture, and retention—and boost your ability to compete and win as an [employer of choice](#).

Our Workforce Edge platform cuts down on HR workload and allows you to pave the way for your employees – filling skill and representation gaps in today's workforce and creating a better workforce for tomorrow.

But beyond the value of our platform, education benefits are themselves a cost-saving measure to implement, if your bottom line is impacted by recruitment and retention costs year over year.

The tax benefit of offering an employee education benefit

Under [Section 127 of the Internal Revenue Code](#) for the Educational Assistance Program (EAP), the main benefits of offering financial assistance for employee education costs are:



For the employee

Amounts paid up to \$5,250 under qualified tuition or loan assistance program are not subject to payroll and income taxes. \$5,250 is not reduced by employee's portion of payroll tax and employee does not have to include the amount as taxable income on an employee's tax return.



For the employer

The employer gets to deduct \$5,250 as a qualified business expense on the company's income tax return, and also receives savings by not paying employer's portion of payroll taxes on \$5,250.

So, in the example of Company A:

Corporate income tax savings: $\$5,250 \times 27\%$, which is 21% federal income tax rate and 6% state income tax rate = \$1,417.50

Payroll tax savings: $\$5,250 \times 8.25\% = \433.13

Consider those costs against your own internal line items for budget spent on recruitment per role as well as the cost of lost productivity in unfilled positions. **State tax rates vary by jurisdiction.**

Education benefits can be a strategic – and financially beneficial – lever to pull for organizations focused on workforce development.



Values have changed.

Employees care about more than just pay and are more focused than ever on professional development opportunities.



Roles have evolved.

In-demand skillsets are rapidly changing.



Diversity is key.

Access to learning is crucial in creating a diverse and inclusive work culture.

22-4072

chad.vaughan@workforceedge.com

612.512.8647

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