EMPLOYER EDUCATION BENEFITS

Save on Taxes While You Learn

Introduction

Your employer can pay up to $5,250 per year toward your tuition or student loans — tax-free.
You don't pay income tax on that amount, and your employer gets a deduction.
It's a win-win for education and your wallet.

How It Works

- Covered under IRS Section 127 ("Educational Assistance Programs").
- Applies to undergrad, grad, or certification programs at accredited schools.
- Benefits can include:
  - Tuition or class fees
  - Student loan payments
  - Books, supplies, or required materials
- Not covered: lodging, travel, or hobby classes.
- Anything above $5,250 becomes taxable income (it'll show on your W-2).

How to Use It

1. Ask HR if your company offers tuition reimbursement or student loan repayment.
2. Confirm it's a Section 127 plan (the IRS-approved kind).
3. Submit proof — transcripts, receipts, or loan statements.
4. Watch your paystub: qualified payments shouldn't count as taxable wages.
5. Keep all records for your tax return.