

Employer's Guide to Student Loan Repayment Assistance

Student loan debt is one of the biggest financial challenges your employees face. The outstanding federal student loan balance is \$1.6 trillion and growing. For the 43.2 million borrowers carrying the debt, the average owed is \$37,088¹ and the average interest rate is 6.36%.²

This debt impacts multiple generations of employees. Although people under age 30 are more likely to have debt compared to older adults, nearly 25% of outstanding student loan debt is owed by Americans aged 50 and older.³

With the end of the government's program to pause federal student loan payments, and widespread student loan forgiveness no longer on the table, employers are realizing they're next in line to provide support. But many don't know where to start, what type of support is needed, where to find experts, and how to estimate a student loan repayment support benefit's return on investment.

A Key Differentiator

Providing student loan repayment benefits is a win-win for employers. It addresses a major source of employee stress while also helping employers compete for and retain the best and brightest talent. Here's how.

- **Make contributions to employees' student loans** and get up to \$5,250 annually tax-free through 2025 when offered as part of an Educational Assistance Program.
- **Make matching contributions to employees' retirement account** as allowed under the Setting Every Community Up for Retirement Enhancement (SECURE) 2.0 Act.
- **Facilitate employees' student loan payments with a payroll deduction** as a convenient way for them to automate their payments.

In this e-book we'll dive into these options to help you map a winning student loan repayment benefit strategy.

Let's get started!

As companies look for ways to distinguish themselves and recruit top talent, **job postings offering a student loan repayment benefit have more than doubled since 2019.**⁴





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