



Bill to help employers ease student loan debt backed by both parties – and Ivanka Trump

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A proposed tax incentive for businesses could bring relief for more than 44 million Americans saddled with student debt, who collectively owe a staggering \$1.5 trillion. The idea is to allow companies to give tax-free assistance to employees to pay off student loans. It's supported by hundreds of Democrats and Republicans in Congress, but like everything else, it's being held up by politics.

That means recent college grads looking for relief, and the companies willing to help, have to wait a little longer.

Twenty-four-year-old Juan Navarro, who works in the corporate offices of Fareway, a chain of grocery stores based in Iowa, has more than \$19,000 left to pay on his student loans. "I didn't really grasp until my junior year of college when I said, 'Wow, I'm going to be graduating next year, and I'm going to have all this debt,'" he said.

Navarro is paying down his debt with the help of Fareway, which is giving him roughly \$5,000 to help erase his student loans.

"With this benefit now, I'm able to save money on interest, and also to get rid of my student loan debt quicker," Navarro said.

But the benefit is taxed, so Fareway and Navarro are waiting for Congress to sweeten the deal.

Currently, a company can contribute up to \$5,250 tax-free each year for tuition assistance, helping workers who are attending classes while on the job. But no such tax break exists to help workers who are paying off student loans on degrees they've already earned.

A bill working its way through Congress, the Employer Participation in Repayment Act, would let companies do just that. Neither the company nor the employee would pay any tax on the money. So far, companies like Starbucks, Verizon and Hewlett Packard support the legislation.

The athletic company New Balance said in a statement that if the bill passes, the company "will introduce a student loan repayment benefit. All we are waiting for is federal legislation."

Democratic Senator Mark Warner and Republican John Thune are lead sponsors of the bill that would provide the tax break. "This gives a win for the student and a win for the employer," said Warner.

Thune said, "So many students who go to our best colleges and universities work really hard to get a degree, and then they come out and trade in their cap and gown for a mountain of debt and uncertainty."

The idea is backed by more than two dozen other senators, and more than 140 members of the House. But in the Senate, it will need to pass as part of a larger tax bill that's yet to be introduced.

Some critics warn that, while popular, the incentive would encourage more borrowing and higher education costs.

Neal McCluskey, director of the libertarian Cato Institute's Center for Educational Freedom, told "CBS This Morning," In the long run, the worst thing we can do is say even more to students, 'Someone else is going to pay that debt, not you.'

Correspondent Ed O'Keefe asked, "Why not focus instead on compelling or forcing colleges and universities to just charge less?"

"I think that's got to be part of the solution," Sen. Warner replied.

"It's not going to solve every problem, as Mark pointed out, but we think it's realistic," Sen. Thune said. "We think it's something that could pass."

Warner added, "Even in a place as dysfunctional as Washington, this one should be a no-brainer."

Navarro said the repayment benefit he's already receiving has changed his life: "I'm a little less stressed, a little more excited for my future, what it can hold, as far as I will be out of debt sooner."

Late last night CBS News got word that the legislation has the support of Ivanka Trump, someone known to have sway with her father. She said in a statement to CBS News that she and her team believe this legislation "will have a transformative effect on students entering the workforce as well as workers seeking to advance their careers. We hope that Congress can set its differences aside and provide solutions."

Even though there is broad bipartisan support for this, the right bill – probably a larger tax overhaul measure – has to be found to which they could attach this as a rider so that it will pass, in a Congress where passing *anything* has been a struggle.