

Congress of the United States
Washington, DC 20515

July 24, 2007

**SUPPORT WORKFORCE EDUCATION
ASSISTANCE TO STRENGTHEN
AMERICAN COMPETITIVENESS**

Dear Colleague:

We urge you to join us in cosponsoring the "Employee Educational Assistance Act." This legislation will help American workers continue to develop the skills they need to compete in the increasingly global economy.

The legislation permanently extends Section 127 of the Internal Revenue Code to exclude from an employee's income the value of employer-provided educational assistance, up to a maximum of \$5,250 for both graduate and undergraduate programs. Unless extended, this provision will expire in 2010 depriving millions of access to additional education through employment.

Section 127 plays a critical role in maintaining US competitiveness. In the past year 65 percent of employees used Section 127 to pursue degrees in Science, Technology Engineering or Math (STEM) fields, an area where U.S. employers currently experience a shortage. An additional 18 percent pursued degrees in health-related fields.

Section 127 needs to be permanently extended now. The temporary nature and upcoming expiration of Section 127 causes a great deal of confusion for employers seeking to re-work payroll systems or change training programs. If Section 127 is not extended, thousands of employees will have to pay taxes on the value of education benefits provided by their employers. This would not only deter employees from pursuing the education they need for higher paying positions in the future, but would also deter businesses from offering the benefit in the first place. In our increasingly dynamic and competitive economy, Congress has more reason than ever to permanently extend this important tax provision.

Employer-provided education assistance is recognized as a valuable training and re-training tool with 71 percent of employers offering education benefits. This legislation is widely supported by a diverse coalition of higher education organizations, labor groups and business interests and has enjoyed the broad bipartisan support of over 170 cosponsors in past Congresses.

If you would like more information or to become an original cosponsor, please contact Gabe Maser in Congressman Levin's Office (5-4961) or David Stewart in Congressman English's Office (5-5406).

Sincerely,



Sander M. Levin
Member of Congress



Phil English
Member of Congress