

Lowell Walters Authors Article on Employer Matched Contributions Based on Student Loan Repayments

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Carlton Fields labor and employment attorney Lowell Walters authored an article for the *Daily Business Review*, "IRS Allows Employer Matching Contribution Based on Student Loan Repayment." The article reviews the recently released private letter ruling that permits employers to make matching contributions to employee 401(k) plans based on student loan repayments.

The Internal Revenue Service has typically only allowed employers to make contributions to retirement plans if the employee voluntarily chose a salary deferral into the plan.

Employees with student loan debt were required to comply with their repayment obligations before building their 401(k) plans for retirement.

With the private letter ruling, employers are now able to make matching contributions not only to employees that defer a certain percentage of their salary, but also to any employees who make student loan payments in an amount that is at least equal to that same percentage of their compensation.

Walters concludes that though the new ruling may raise several issues that need clarification, it is a positive sign for employers and their employees burdened by student loans.

[Read the article.](#)

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