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**Maximizing Benefits through Tax Waivers
and Loan Repayment Programs**

Healthcare employers play a crucial role in supporting their workforce through various benefits.

This booklet aims to educate you on the recent tax waiver interpretation that extends to tuition assistance and loan repayment programs. By leveraging these programs, you can enhance your recruitment and retention strategies, expand health services to underserved areas, and benefit from significant tax credits.

● **Understanding the Tax Waiver Interpretation**

The recent tax waiver interpretation allows employers to provide tuition assistance and loan repayment benefits to their employees without the financial burden of additional taxes for all employers hired to expand health service among medically underserved communities. This means you can offer these valuable benefits while enjoying federal and state tax credits.

● **The CHESLA Program at CHESLA**

The Connecticut Higher Education Supplemental Loan Authority (CHESLA) administers the CHES program, which is managed by the Rhode Island Student Loan Authority (RISLA). This program offers a structured way for employers to support their employees' educational expenses and student loan repayments.

● **Benefits to Employers**

1. **Tax Credit/Refund:** Take advantage of federal and state tax credits by offering tuition assistance and loan repayment benefits.
2. **Recruitment and Retention:** Attract and retain top talent by providing competitive benefits that address one of the most significant financial burdens for employees—student loans.
3. **Expansion of Health Services:** By supporting your employees' education, you can help expand health services, particularly in underserved areas.

● **How You Can Support Employee Loan Repayment**

- **Recapturing Sign-On Bonuses:**
Consider offering loan repayment assistance as part of your sign-on bonuses. This approach allows you to recoup the money while still providing an attractive incentive for new hires.

- **Leveraging Other Programs:**
In addition to the CHES program, several other programs can be leveraged for student loan relief in Connecticut:
 - ▶ **Student Loan Ombudsman:** Provides assistance and advocacy for borrowers facing challenges with their student loans.
 - ▶ **Perkins Loan Forgiveness Program:** Offers loan forgiveness for individuals working in public service roles.
 - ▶ **Public Service Loan Forgiveness Program:** Provides loan forgiveness for employees in public service jobs after a certain period of qualifying payments.

● **Collaboration for Greater Impact**

The Connecticut Student Loan Repayment Program and CHESLA work together to provide comprehensive support for student loan repayment. By participating in these programs, you can offer your employees robust financial assistance, enhancing their job satisfaction and loyalty.

● **Tax Exemption Details**

According to recent guidance, SLRP (State Loan Repayment Program) awards, CHES or any tuition assistance or loan repayment tied to expanding health services among medically underserved communities are not subject to federal or Connecticut income tax. This exemption is based on:

- ✓ Federal Tax Exemption**: Under 26 U.S.C.A. § 108(f)(4)
- ✓ State Tax Exemption**: Similarly, under CGS § 12-701(19) and (20).

By understanding and utilizing these tax waivers and loan repayment programs, healthcare employers can significantly benefit both their organizations and their employees. We encourage you to sign up for the **CHES** program at **CHESLA** and explore the various opportunities available to support your workforce.

● **Next Steps:**

- ✓ Schedule an appointment with the SLRP team
- ✓ Plan to share information about your financial assistance program for employees:
 - Bonus
 - Tuition assistance
 - Loan repayment programs
 - Other