

117TH CONGRESS  
1ST SESSION

# H. R. 2917

To amend the Internal Revenue Code of 1986 to provide for retirement matching contributions by employers on account of student loan payments made by employees.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 2021

Mr. DANNY K. DAVIS of Illinois (for himself, Mr. LAHOOD, Mr. PASCRELL, Mr. ESTES, Mr. LARSON of Connecticut, Ms. SEWELL, Mrs. TRAHAN, and Mr. ZELDIN) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide for retirement matching contributions by employers on account of student loan payments made by employees.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Retirement Parity for  
5 Student Loans Act of 2021”.

1 **SEC. 2. TREATMENT OF STUDENT LOAN PAYMENTS AS**  
2 **ELECTIVE DEFERRALS FOR PURPOSES OF**  
3 **MATCHING CONTRIBUTIONS.**

4 (a) **IN GENERAL.**—Section 401(m)(4)(A) of the In-  
5 ternal Revenue Code of 1986 is amended by striking  
6 “and” at the end of clause (i), by striking the period at  
7 the end of clause (ii) and inserting “, and”, and by adding  
8 at the end the following new clause:

9 “(iii) subject to the requirements of  
10 paragraph (13), any employer contribution  
11 made to a defined contribution plan on be-  
12 half of an employee on account of a quali-  
13 fied student loan payment.”.

14 (b) **QUALIFIED STUDENT LOAN PAYMENT.**—Section  
15 401(m)(4) of such Code is amended by adding at the end  
16 the following new subparagraph:

17 “(D) **QUALIFIED STUDENT LOAN PAY-**  
18 **MENT.**—The term ‘qualified student loan pay-  
19 ment’ means a payment made by an employee  
20 in repayment of a qualified education loan (as  
21 defined section 221(d)(1)) incurred by the em-  
22 ployee to pay qualified higher education ex-  
23 penses, but only—

24 “(i) to the extent such payments in  
25 the aggregate for the year do not exceed  
26 an amount equal to—

1                   “(I) the limitation applicable  
2                   under section 402(g) for the year (or,  
3                   if lesser, the employee’s compensation  
4                   (as defined in section 415(c)(3)) for  
5                   the year), reduced by

6                   “(II) the elective deferrals made  
7                   by the employee for such year, and

8                   “(ii) if the employee certifies to the  
9                   employer making the matching contribu-  
10                  tion under this paragraph that such pay-  
11                  ment has been made on such loan.

12                  For purposes of this subparagraph, the term  
13                  ‘qualified higher education expenses’ means the  
14                  cost of attendance (as defined in section 472 of  
15                  the Higher Education Act of 1965, as in effect  
16                  on the day before the date of the enactment of  
17                  the Taxpayer Relief Act of 1997) at an eligible  
18                  educational institution (as defined in section  
19                  221(d)(2)).”.

20                  (c) MATCHING CONTRIBUTIONS FOR QUALIFIED  
21                  STUDENT LOAN PAYMENTS.—Section 401(m) of such  
22                  Code is amended by redesignating paragraph (13) as para-  
23                  graph (14), and by inserting after paragraph (12) the fol-  
24                  lowing new paragraph:

1           “(13) MATCHING CONTRIBUTIONS FOR QUALI-  
2 FIED STUDENT LOAN PAYMENTS.—

3           “(A) IN GENERAL.—For purposes of para-  
4 graph (4)(A)(iii), an employer contribution  
5 made to a defined contribution plan on account  
6 of a qualified student loan payment shall be  
7 treated as a matching contribution for purposes  
8 of this title if—

9           “(i) the plan provides matching con-  
10 tributions on account of elective deferrals  
11 at the same rate as contributions on ac-  
12 count of qualified student loan payments,

13           “(ii) the plan provides matching con-  
14 tributions on account of qualified student  
15 loan payments only on behalf of employees  
16 otherwise eligible to receive matching con-  
17 tributions on account of elective deferrals,

18           “(iii) under the plan, all employees el-  
19 igible to receive matching contributions on  
20 account of elective deferrals are eligible to  
21 receive matching contributions on account  
22 of qualified student loan payments, and

23           “(iv) the plan provides that matching  
24 contributions on account of qualified stu-  
25 dent loan payments vest in the same man-

1           ner as matching contributions on account  
2           of elective deferrals.

3           “(B) TREATMENT FOR PURPOSES OF NON-  
4           DISCRIMINATION RULES, ETC.—

5           “(i) NONDISCRIMINATION RULES.—  
6           For purposes of subparagraph (A)(iii),  
7           subsection (a)(4), and section 410(b),  
8           matching contributions described in para-  
9           graph (4)(A)(iii) shall not fail to be treated  
10          as available to an employee solely because  
11          such employee does not have debt incurred  
12          under a qualified education loan (as de-  
13          fined in section 221(d)(1)).

14          “(ii) STUDENT LOAN PAYMENTS NOT  
15          TREATED AS PLAN CONTRIBUTION.—Ex-  
16          cept as provided in clause (iii), a qualified  
17          student loan payment shall not be treated  
18          as a contribution to a plan under this title.

19          “(iii) MATCHING CONTRIBUTION  
20          RULES.—Solely for purposes of meeting  
21          the requirements of paragraph (11)(B) or  
22          (12) of this subsection, or paragraph  
23          (11)(B)(i)(II), (12)(B), or (13)(D) of sub-  
24          section (k), a plan may treat a qualified  
25          student loan payment as an elective defer-

1           ral or an elective contribution, whichever is  
2           applicable.

3           “(iv) ACTUAL DEFERRAL PERCENT-  
4           AGE TESTING.—In determining whether a  
5           plan meets the requirements of subsection  
6           (k)(3)(A)(ii) for a plan year, the plan may  
7           apply the requirements of such subsection  
8           separately with respect to all employees  
9           who receive matching contributions de-  
10          scribed in paragraph (4)(A)(iii) for the  
11          plan year.

12          “(C) EMPLOYER MAY RELY ON EMPLOYEE  
13          CERTIFICATION.—The employer may rely on an  
14          employee certification of payment under para-  
15          graph (4)(D)(ii).”.

16          (d) SIMPLE RETIREMENT ACCOUNTS.—Section  
17          408(p)(2) of such Code is amended by adding at the end  
18          the following new subparagraph:

19                 “(F) MATCHING CONTRIBUTIONS FOR  
20                 QUALIFIED STUDENT LOAN PAYMENTS.—

21                         “(i) IN GENERAL.—Subject to the  
22                         rules of clause (iii), an arrangement shall  
23                         not fail to be treated as meeting the re-  
24                         quirements of subparagraph (A)(iii) solely  
25                         because under the arrangement, solely for

1 purposes of such subparagraph, qualified  
2 student loan payments are treated as  
3 amounts elected by the employee under  
4 subparagraph (A)(i)(I) to the extent such  
5 payments do not exceed—

6 “(I) the applicable dollar amount  
7 under subparagraph (E) (after appli-  
8 cation of section 414(v)) for the year  
9 (or, if lesser, the employee’s com-  
10 pensation (as defined in section  
11 415(c)(3)) for the year), reduced by

12 “(II) any other amounts elected  
13 by the employee under subparagraph  
14 (A)(i)(I) for the year.

15 “(ii) QUALIFIED STUDENT LOAN PAY-  
16 MENT.—For purposes of this subpara-  
17 graph—

18 “(I) IN GENERAL.—The term  
19 ‘qualified student loan payment’  
20 means a payment made by an em-  
21 ployee in repayment of a qualified  
22 education loan (as defined in section  
23 221(d)(1)) incurred by the employee  
24 to pay qualified higher education ex-  
25 penses, but only if the employee cer-

1                   tifies to the employer making the  
2                   matching contribution that such pay-  
3                   ment has been made on such a loan.

4                   “(II) QUALIFIED HIGHER EDU-  
5                   CATION EXPENSES.—The term ‘quali-  
6                   fied higher education expenses’ has  
7                   the same meaning as when used in  
8                   section 401(m)(4)(D).

9                   “(iii) APPLICABLE RULES.—Clause (i)  
10                  shall apply to an arrangement only if,  
11                  under the arrangement—

12                   “(I) matching contributions on  
13                   account of qualified student loan pay-  
14                   ments are provided only on behalf of  
15                   employees otherwise eligible to elect  
16                   contributions under subparagraph  
17                   (A)(i)(I), and

18                   “(II) all employees otherwise eli-  
19                   gible to participate in the arrange-  
20                   ment are eligible to receive matching  
21                   contributions on account of qualified  
22                   student loan payments.”.

23                  (e) 403(b) PLANS.—Section 403(b)(12)(A) of such  
24                  Code is amended by adding at the end the following: “The  
25                  fact that the employer offers matching contributions on



1 account of qualified student loan payments as described  
2 in section 401(m)(13) shall not be taken into account in  
3 determining whether the arrangement satisfies the re-  
4 quirements of clause (ii) (and any regulation there-  
5 under).”.

6 (f) 457(b) PLANS.—Section 457(b) of such Code is  
7 amended by adding at the end the following: “A plan  
8 which is established and maintained by an employer which  
9 is described in subsection (e)(1)(A) shall not be treated  
10 as failing to meet the requirements of this subsection sole-  
11 ly because the plan, or another plan maintained by the  
12 employer which meets the requirements of section 401(a)  
13 or 403(b), provides for matching contributions on account  
14 of qualified student loan payments as described in section  
15 401(m)(13).”.

16 (g) REGULATORY AUTHORITY.—The Secretary shall  
17 prescribe regulations for purposes of implementing the  
18 amendments made by this section, including regulations—

19 (1) permitting a plan to make matching con-  
20 tributions for qualified student loan payments, as  
21 defined in sections 401(m)(4)(D) and 408(p)(2)(F)  
22 of the Internal Revenue Code of 1986, as added by  
23 this section, at a different frequency than matching  
24 contributions are otherwise made under the plan,

1 provided that the frequency is not less than annu-  
2 ally;

3 (2) permitting employers to establish reasonable  
4 procedures to claim matching contributions for such  
5 qualified student loan payments under the plan, in-  
6 cluding an annual deadline (not earlier than 3  
7 months after the close of each plan year) by which  
8 a claim must be made; and

9 (3) promulgating model amendments which  
10 plans may adopt to implement matching contribu-  
11 tions on such qualified student loan payments for  
12 purposes of sections 401(m), 408(p), 403(b), and  
13 457(b) of the Internal Revenue Code of 1986.

14 (h) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to contributions made for years  
16 beginning after December 31, 2021.

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