

Recent SECURE 2.0 Guidance with Respect to Matching Contributions Made on Account of Qualified Student Loan Payments

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PRACTICES Employee Benefits and Executive Compensation

As we previously reported [here](#), the SECURE 2.0 Act includes a permissive plan design provision that allows employers sponsoring 401(k), 403(b), SIMPLE IRA, and governmental 457(b) plans to treat qualified student loan payments (as defined below) (“**QSLPs**”) as elective deferrals for purposes of matching contributions for contributions made for plan years beginning after December 31, 2023. The IRS recently issued Notice 2024-63 (the “**Notice**”), which provides further guidance on the administration of QSLPs.

A QSLP is a qualified education loan payment made by a participant during a plan year to pay for qualified higher education expenses for the participant or the participant’s spouse or dependent that does not exceed, when aggregated with other loan payments for the plan year, IRS annual elective deferral limits decreased by elective deferrals made for such plan year, provided that such loan repayments are appropriately certified by the employee (as further provided below). The guidance from the Notice includes the following significant provisions:

- **No Limitation of Education Type:** A plan may not limit QSLPs to only certain types of educational programs, degrees, or schools.
- **Uniform Treatment:** Matching contributions for QSLPs must apply to all participants covered by a plan, so that participants may not be excluded from QSLP matches on an individual employer, business unit, division, location, or other similar basis.
- **Content of Employee Certifications:** A plan sponsor or service provider must receive the following items for purposes of certifying a QSLP: (i) the amount of the loan payment; (ii) the date of the loan payment; (iii) that the payment was made by the participant; (iv) that the loan being repaid is a qualified education loan and was used to pay for qualified higher education expenses of the participant or the participant’s spouse or dependent; and (v) that the loan was incurred by the participant.
- **Prior Year Loan Payments Prohibited:** A QSLP match cannot be based on a QSLP from a different plan year.

The Notice is available [here](#) and applies for plan years beginning after December 31, 2024. Plan sponsors may rely on the guidance in this Notice until proposed regulations are issued at a later date.