



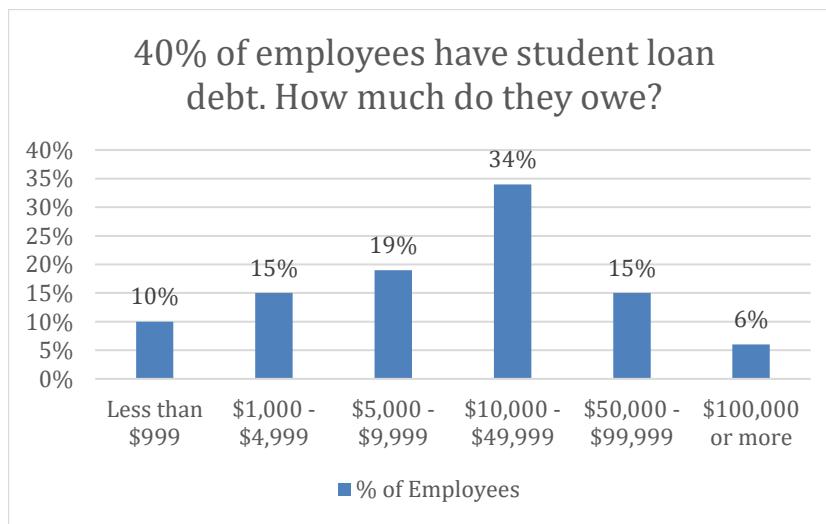
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## SECURE 2.0 Student Loan Match

### Decrease Student Loan Debt and Build Retirement Savings

In October of 2023, the moratorium on student loan repayment was lifted and Americans with outstanding student loans began making payments again on their \$1.76 trillion of student loan debt.<sup>i</sup> With 40% of workers still owing money on their student loans and the majority owing more than \$10,000, student loan debt has a huge impact on many Americans.<sup>ii</sup>

Many borrowers must make financial sacrifices because of student loan payments. For example, according to a study by Betterment at Work, nearly two-thirds (64%) of workers with student loan debt said their debt impacted their ability to save for retirement, and 61% of borrowers with children have put their retirement plans on the back burner to help pay for their children's education.<sup>iii</sup> Workers whose retirement savings take a back seat to student loan payments may find themselves in a tough spot when it comes time to retire.

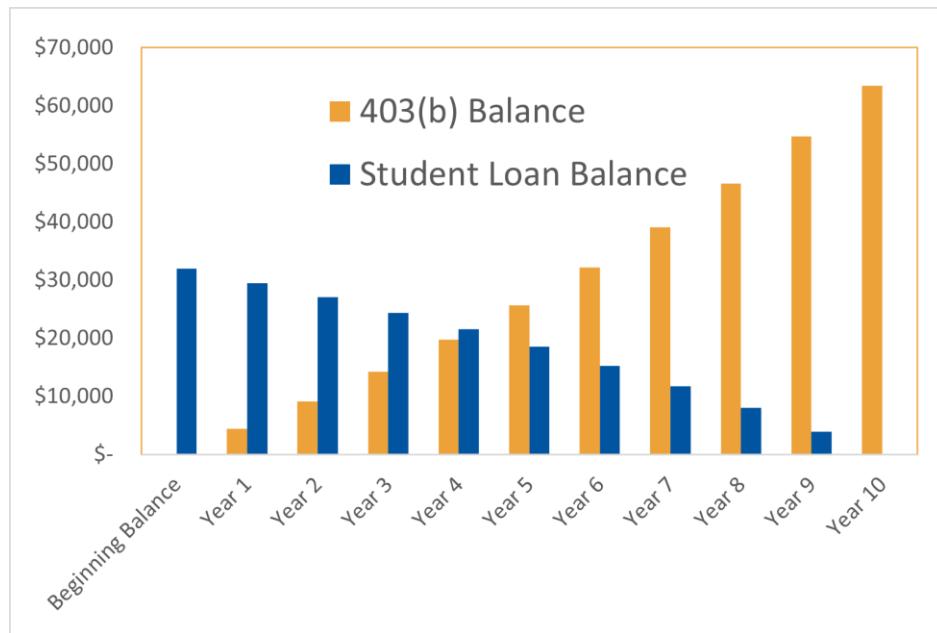


The SECURE 2.0 Act of 2022 provides an avenue for employers to help employees save for retirement while those employees make their student loan payments.<sup>iv</sup> The student loan matching provision of SECURE 2.0 enables employers to offer matching retirement contributions to 403(b) plans on the basis of qualified student loan payments. This option allows employees to save for retirement while paying off their student loans without having to choose between the two.<sup>v</sup>

## Benefits to Employers and Employees

Offering a student loan match for employees can provide a competitive advantage in recruiting and retaining top talent. Employees are rewarded for making their loan payments and are introduced to retirement plan participation early in their careers.

The following example demonstrates how the new rule allows employees to receive a match to grow their retirement plans if they actively pay their student loans. It assumes the employee is not contributing to their 403(b), is paying \$371/month on a \$32,000 student loan with a 7% interest rate, and is receiving a \$350/month employer match to the 403(b) plan with an 8% return.



## State Law Issues

Currently, Minn. Stat. § 356.24 precludes Minnesota school districts and other Minnesota governmental employers from providing retirement plan matches on the basis of student loan payments, but efforts are underway to amend the statute to align with the student loan match provisions of SECURE 2.0.

## Introducing Aviben's New Benefit Solution

**Aviben is introducing a new benefit solution in response to the student loan matching provision of SECURE 2.0.** Anticipated for release in mid-2024, this solution builds upon Aviben's existing ACS software, which assists employers in administering 403(b) plans and staying in compliance with relevant rules and regulations with a user-friendly interface. Employers already using Aviben's ACS software will have access to the new student loan tool seamlessly integrated into the existing software.

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<sup>i</sup> [The Retirement Readiness Annual Report: A Survey of Employee Retirement Readiness, Financial Wellness, and Benefits Needs and Expectations in 2023.](#) *Betterment at Work*, January 18, 2024.

<sup>ii</sup> *Id.*

<sup>iii</sup> *Id.*

<sup>iv</sup> Adam S. Minsky, [If You Work And Have Student Loans, These New Benefits Could Help.](#) *Forbes*, January 4, 2024.,

<sup>v</sup> *Id.*