



# Introducing Pennsylvania's New Employer Tax Credit



## For Matching Employer Contributions to Employee 529 Accounts

A new employer tax credit encourages Pennsylvania employers to contribute to their employees' 529 accounts.

Pennsylvania employers are now eligible to claim a 25% state tax credit against the aggregate amount of all matching contributions to employee 529 accounts of up to \$500 per employee per tax year.


PA 529 accounts help families save for future educational expenses at qualifying technical, collegiate and apprenticeship programs, as well as some K-12 expenses.

**Example:** In tax year 2025, an employer makes matching contributions of \$500 per PA 529 account for 10 employees. The employer's tax credit will be 25% of \$5,000, or \$1,250.


## Become a More Attractive Place to Work by Helping Employees Save

According to a recent survey, 87% of respondents said they were likely to start saving in a 529 college savings plan if their employer offered a match.

### Employer participation:

 Makes your company more attractive to jobseekers

 Improves your company's benefit offering

 Contributes to your employees' peace of mind

 Aids in employee retention

By encouraging your employees to save for education and providing a match to their 529 accounts, your company can help reduce debt for Pennsylvania's future workforce!

## Participation is Easy

To learn more about offering PA 529 as a workplace benefit for your employees, call **800-440-4000**, email **pa529@patreasury.gov** or visit **pa529.com/employers**.



This flyer is for informational purposes only and must not be interpreted as tax advice or guidance. Employers should consult their legal and tax professionals and the Pennsylvania Department of Revenue to learn more and to ensure appropriate treatment of contributions and any associated tax consequences. The Pennsylvania Department of Revenue may be reached at [revenue.pa.gov](http://revenue.pa.gov) or 717-787-1064.



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