



GRADIFI

Student Loan PayDown

Make a positive impact on your company's bottom line and your employees' financial well-being through direct contributions towards employees' student loans.

Why Student Loan PayDown for your workforce:

- Flexible program design
 - o Create benefit programs that best fit your workforce's needs with ease, directly within the admin portal
- Tax-free contributions¹
 - o Employer-funded contributions of up to \$5,250 per employee per year toward employee student loan debt are tax-free, making the impact of Student Loan PayDown more meaningful for your employees

	Without Employer Contributions	With Employer Contributions
Loan Balance	\$26,500	\$18,300
Total Interest	\$5,696	\$3,850
Total Years of Repayment	10 years	6.9 years
Total Cost of Loan²	\$32,196	\$22,150

52% of Gradifi participants felt less stress about their student loans due to Gradifi³

For every \$1 spent in contributions, **\$1.64 is saved by employees** in student loan payments⁴

1. The Consolidated Appropriations Act, 2021 (CAA), extends for five years COVID-19 relief that allows employer-provided student loan repayment as a tax-free benefit to employees under Section 127 of the Internal Revenue Code.
2. Estimated savings are based on a \$26,500 student loan balance with a 4.00% interest rate, under a 10-year repayment plan with a \$100 monthly employer contribution plus regular monthly payments made by the borrower
3. E*TRADE Financial Corporate Services, Gradifi Solutions Member Satisfaction Survey, 2019
4. Data sourced from E*TRADE Financial Corporate Services, Gradifi Solutions admin portal, for a sample of 15 employees, on May 15, 2020. All contributions for employees are as follows: \$100 for month 1-12, \$125 for month 13-24, \$150 for month 25+. Payment savings are for principal and interest.

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