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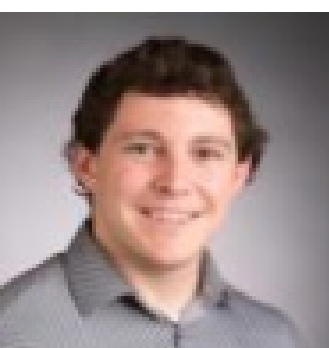
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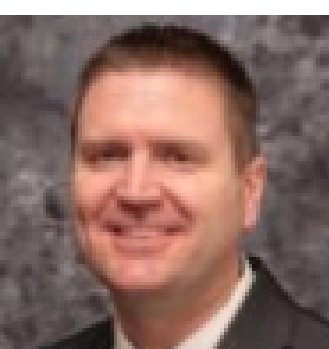


Looking for a job? Looking to fill new positions at your company?

PEOPLE



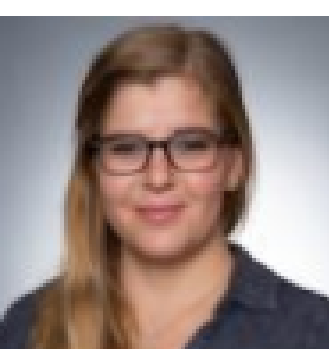
Nick Brady and Andrew Ford promoted at TitleOne



Dirk Stanger joins D.L. Evans Bank as a vice president commercial loan officer



Kara Craig promoted to executive director of First Choice Home Health, Hospice & House Calls



Rebecca McHaddad joins TitleOne as a title assistant in

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State offers employers tax credit for education contributions

By: Sharon Fisher May 5, 2020 0



Idaho's IDeal program creates savings accounts for education, like these classes at the University of Idaho's College of Law. File photo.

A new bill from this year's legislative session makes it less expensive for Idaho companies to offer a benefit to their employees.

House Bill 550, which was signed into law March 24 and went into effect retroactively to Jan. 1, gives Idaho businesses a 20% tax credit, up to a maximum of \$500 per employee per year, for contributions to an IDeal Idaho 529 college savings account. Contributions to the IDeal program can be used by the employee or eligible family members to pay for a variety of educational expenses.

The biggest barrier to Idaho high school graduates "going on" to continuing education is cost, said Dodds Hayden, owner and CEO of Hayden Beverage Co. in Boise, which began offering IDeal contributions as an employee benefit last year.

Last July, the company had 26 people enroll, Hayden said.

"We just did the match for the second half of \$52,000," he said. "On average, we had employees put in \$2,000 in six month's time."

Next year's match will amount to more than \$120,000, he said.

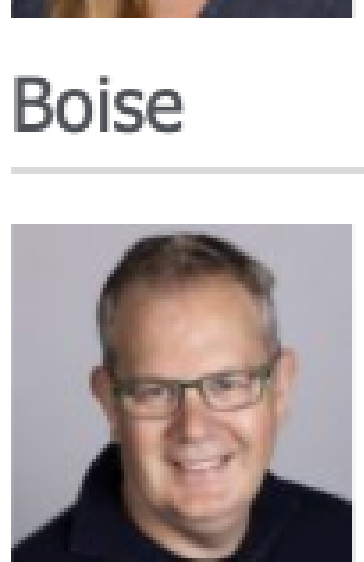
Hayden Beverage set up the system with a 100% match.

"They put in a buck, I put in a buck," he said.


And the response was greater than he expected.



Dodds Hayden

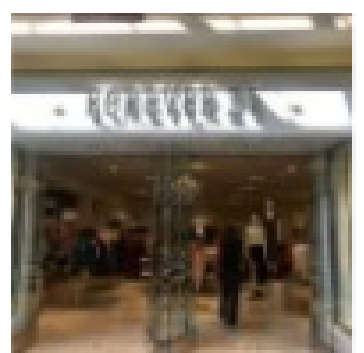


assistant in
Boise

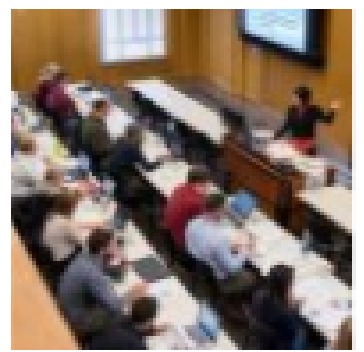


Warren Barkley
joins
Clearwater
Analytics as
chief
technology officer

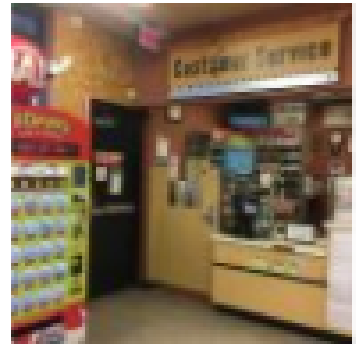
TOP STORIES




Results mixed
in first quarter
retail, office
real estate
market




State offers
employers tax
credit for
education
contributions



Idaho lottery
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bet during
pandemic
worries



Idaho's land
and industrial
real estate
markets show
little slow down



Idaho Falls
encourages
social distance
shopping with
prizes

"I made the maximum \$5,000, thinking nobody would do that," he said.

Four people, two of them accountants, maxed out, he said. Of the four, two had young children, while two already had children in college.

"That was a no-brainer," he said.

Value of program

Idaho had been considering such a program for several years, after three or four states had already implemented a similar one, said Christine Stoll, executive director of the Idaho college savings program.

"We just never felt like the time was right," Stoll said, partly because Congress had been considering similar legislation on a federal level that never came to fruition. "We revisited this concept every year and thought this would be the year to move it forward."

The Idaho college savings program is working with several other companies, which Stoll said she couldn't name, to offer programs similar to those of Hayden.

"We're hoping that in the next several months to a year we will have more employers come on board," Stoll said. "The challenge is to get employers to understand what we do."

The IDEal program is an economic development tool for everybody, Stoll said.

"For us, as a state entity, it's looking at how to help the state have a larger educated workforce."

It benefits the companies as well, she added.

"Research shows that employees that have specific benefits they feel are detailed feel more loyalty to their employers," she said.

The benefit helps recruit and retain great people and helps more people afford to go on, she said.

Meanwhile, Hayden Beverage will continue to offer its own IDEal program at the current rate, Hayden said. Providing good benefits helps the company retain employees, even in a time of low unemployment, he said.

Idaho 529 plan

The Internal Revenue Service created the 529 plan for college savings in 1996. With or without employer contributions, it lets people save money for a number of qualified educational purposes — now including paying off student loans and for apprenticeship programs — with the money growing tax-deferred in the meantime.

Account-holders can open an account with as little as \$25, and contribute \$25 or more at any time — \$15 per pay period through payroll direct deposit. Any Idaho taxpayer contributing to the account can also receive an Idaho state income tax deduction of up to \$12,000 per year (\$6,000 if single).

Currently, Idaho has 30,150 active beneficiary accounts among 24,675 Idaho children under 18, with an average balance per account of \$14,000.

The biggest demographic of account owners are those between the ages of 40-49 at 34%, followed by those between the ages of 50-59 at 24%, according to the program.