

4/29/2025

The Honorable Mike Crapo
Chair, Committee on Finance
U.S. Senate
Washington, D.C. 20510

The Honorable Jason Smith
Chair, Committee on Ways & Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Ron Wyden
Ranking Member, Committee on Finance
U.S. Senate
Washington, D.C. 20510

The Honorable Richard Neal
Ranking Member,
Committee on Ways & Means
U.S. House of Representatives
Washington, D.C. 20515

RE: Support for the Bipartisan, Bicameral Freedom to Invest in Tomorrow's Workforce Act

Dear Chairman Crapo, Chairman Smith, Ranking Member Wyden, and Ranking Member Neal:

The Tomorrow's Workforce Coalition, which includes more than 900 member organizations that help create economic and career opportunities, supports the bipartisan, bicameral *Freedom to Invest in Tomorrow's Workforce Act* (S. 756 / H.R. 1151). Our Coalition is grateful to **Senators Klobuchar, Marshall, Welch, and Collins** and **Representatives Wittman, Horsford, Hern, Larson, Finstad, McClellan, Collins, Panetta, Carey, and Subramanyam** for introducing this transformative workforce development policy.

The Coalition respectfully urges you to support the passage of the *Freedom to Invest in Tomorrow's Workforce Act* as part of any tax package that Congress enacts in 2025, so that families and workers can better access the skills training and credentials that help build strong, resilient careers.

As you know, 529 plans are state-sponsored education savings accounts that are exempt from federal taxes if funds are used to pay for qualified education expenses. These include college, graduate or professional degrees; education programs from Title IV accredited institutions; registered apprenticeships; and certain K-12 tuition and student loan repayments. Under current law, 529 plan beneficiaries cannot use funds to obtain or maintain recognized postsecondary credentials, including professional certifications, licenses and other valuable training or credentials.

The *Freedom to Invest in Tomorrow's Workforce Act* would expand qualified expenses under 529 plans to include high quality postsecondary training and credentialing programs, such as licenses and nongovernmental certifications. It would also provide valuable tax-advantaged resources for workers—with or without a college degree—who pursue career growth, mid-career changes or alternative career pathways.

The bill would shift the paradigm for 529 plans—transforming them from “college savings plans” to “career savings plans” accessible to contributors of all income levels and beneficiaries of all skill

and earnings levels. Families could save money—utilizing the unique tax advantages that 529 plans offer—for beneficiaries at any stage of their careers and at any education level to boost career prospects and earning potential. Contributors to 529 plans, such as parents and grandparents, rarely know if the traditional use of a 529 plan to help pay for a two- or four-year college education will be the right option when a beneficiary’s account is established. This legislation would provide flexibility for 529 beneficiaries to use their plan funds to cover whichever quality educational, training or credentialing programs that best fit their skills development, professional growth and career path. Standards of quality for recognized postsecondary credentials –including accreditation for credentialing programs, inclusion of credentials listed on the Department of Defense COOL directories, state or federally recognized occupational licenses or certifications, and credential recognized under the Workforce Innovation and Opportunity Act – are included to ensure that beneficiaries are spending their funds on proven training and credentialing programs, not diploma mills.

Thank you for your service to our country and for your attention to the *Freedom to Invest in Tomorrow’s Workforce Act*. Please email Kyle Hayes (khayes@asaecenter.org), ASAE Senior Director of Public Policy, if you or your staff have questions.

Sincerely,

Member Organizations of the Tomorrow’s Workforce Coalition