



**For Immediate Release**

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**NOTE:** Video and images from today's press conference will be available [here](#).

## **Treasurer Stacy Garrity, PA Chamber, State Legislators Encourage Businesses to Use New PA 529 and PA ABLE Tax Credits**

*New law gives companies a unique opportunity to help employees save for education and disability-related expenses*

**Harrisburg, PA** — Treasurer Stacy Garrity and PA Chamber of Business and Industry President and CEO Luke Bernstein today encouraged businesses to help their employees save for the future by using new tax credits for matching contributions to employees' [PA 529](#) and [PA ABLE](#) accounts. The credits will be available starting in 2025.

They were joined by Rep. Kristin Marcell (R-178), Rep. Paul Friel (D-26), Rep. Greg Scott (D-54), Senate Majority Leader Joe Pittman (R-41) and Sen. Camera Bartolotta (R-46), all of whom played key roles in the legislation's passage earlier this year.

"This new tax credit will help Pennsylvanians save for the future – and make our businesses more attractive places to work," Treasurer Garrity said. "The PA 529 College and Career Savings Program and the PA ABLE savings program for people with disabilities are both powerful savings tools, and these new tax credits will benefit families across Pennsylvania."

Starting in January, employers who make contributions to their employees' PA 529 and PA ABLE accounts can get a 25 percent tax credit on up to \$500 in matching contributions per employee per year.

“I want to commend and thank Treasurer Garrity for supporting Pennsylvania employers and families,” Bernstein said. “Her strong leadership on these new tax credits will have a positive impact on our business community. By working closely with bipartisan leaders like Sen. Pittman, Sen. Bartolotta, Rep. Friel, Rep. Marcell, and Rep. Scott, we have new innovative tools that will help workers save for education and disability-related expenses while also giving employers more opportunities to recruit the top talent they need to compete. This is a win for our workforce, our families, and the future of Pennsylvania’s economy.”

The PA 529 tax credit, originally contained in [House Bill 1745](#), co-prime sponsored by Rep. Marcell and Rep. Friel, was included in this year’s Tax Code bill which was signed into law by Gov. Josh Shapiro and is now [Act 56 of 2024](#). The new credit also applies to matching contributions made to an employee’s PA ABLE account. Pennsylvania is the first state in the nation to establish this type of credit for its ABLE program.

“This is an example of a bill that made it across the finish line because lawmakers from both sides of the aisle worked together, partnering with Stacy Garrity and her office, who offered essential support for this effort,” Rep. Friel said. “This legislation, which passed the House unanimously, provides a new and creative approach to support families and businesses as they invest in the next generation of students.”

“This new tax credit is a big win for employees and a smart investment in workforce development,” Rep. Marcell said. “By allowing employers to contribute to their employees’ PA 529 accounts, we’re helping businesses attract and retain talent while empowering workers to plan for their futures without the burden of student debt. This initiative will play a key role in strengthening Pennsylvania’s workforce and ensuring that we remain competitive in today’s economy.”

Act 56 also includes a provision allowing funds in a PA 529 plan to be rolled over to a Roth IRA without any state tax implications. That provision was originally introduced in House Bill 2119, sponsored by Rep. Scott.

“I’m excited for this important step forward in helping Pennsylvania families maximize the value of their hard-earned savings,” Rep. Scott said. “With House Bill 2119, we’re making it easier for families to roll over unused PA 529 funds into Roth IRAs, without facing additional tax burdens. This means more flexibility for Pennsylvania families who have already invested in their children’s future and now have an additional way to save for retirement. It’s about giving our residents the options they deserve while keeping more of their money in their own hands.”

Senate Majority Leader Joe Pittman (R-41) sponsored the amendment that incorporated the tax credits and the Roth IRA rollover provision into this year's Tax Code bill, Senate Bill 654 (now Act 56) sponsored by Sen. Camera Bartolotta (R-46).

"The PA ABLE program is a useful tool serving individuals with disabilities, and the PA 529 program is a great way to save for education," Sen. Pittman said. "During these challenging economic times, the new incentives can have a significant impact and I'm pleased the changes we made will help families to better prepare for the future."

"Families everywhere will have some extra support as they save for the future, so the next generation is able to afford the education they need," Sen. Bartolotta said. "The future in Pennsylvania looks a little brighter."

The PA 529 College and Career Savings Program helps families steadily and strategically save for future educational expenses like tuition, fees, books, equipment, room and board and more at qualifying technical, collegiate and apprenticeship programs. PA 529 plans offer significant state and federal tax advantages, and saving with PA 529 does not impact Pennsylvania state financial aid eligibility

PA ABLE assists individuals to save for a wide array of disability-related expenses while protecting important federal and state benefits. The program offers seven different savings and investment options, including an interest-bearing checking account, and PA ABLE account owners can contribute up to \$18,000 per year. Contributions can be deducted from PA state income taxes, and account owners pay no federal or state income taxes on account growth when used for qualified expenses.

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