

U.S. Rep. Steil: Leads congressional effort to give parents additional flexibility to help their children learn from home

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JANESVILLE, WISCONSIN—Today, Bryan Steil led 12 of his colleagues to urge Speaker Pelosi, Republican Leader McCarthy, Senate Majority Leader McConnell, and Minority Leader Schumer to allow parents to access funds from 529 plans for expenses incurred while students are required to learn from home without being taxed or penalized.

“Families across Wisconsin are struggling with the unprecedented challenges of the coronavirus pandemic. With schools closed, students and families are adjusting to online and distance learning. To ease the financial burden on many families, funds in 529 plans should be expanded to help students obtain the needed curriculum material or online educational material. I look forward to working with my colleagues to support students and families during this difficult time,” **said Steil.**

Currently, withdrawals from 529 saving plans are tax-free if they are used to pay for qualified higher education expenses or qualifying elementary and secondary school expenses. If parents were to withdraw funds to cover the costs for online and distance learning, the withdrew money is taxable and may also be subject to a penalty.

In part, Steil’s letter requests: “Allowing the use of funds from 529 plans to cover expenses related to learning from home. We should allow distributions for such distance learning expenses be treated in the same manner as distributions for qualified higher education expenses and similar distributions for elementary and

secondary school tuition. Examples of qualifying expenses incurred in connection with learning from home may include curriculum and curricular materials, books or other instructional materials, online educational materials, tuition for tutoring or educational classes outside of the home, and educational therapies for students with disabilities.”

You can read the full letter [here](#).