



# TaxNewsFlash

United States

No. 2026-090  
April 20, 2026

## IRS issues updated FAQs regarding educational assistance programs

The U.S. Treasury Department and IRS today released [FS-2026-10](#), containing updated FAQs regarding educational assistance programs.

As explained in a related IRS release—[IR-2026-55](#) (April 20, 2026)—an employee's gross income does not include benefits provided under a section 127 educational assistance program, up to \$5250 per calendar year. The “One Big Beautiful Bill Act” (OBBBA) amended section 127 to index the \$5250 cap for inflation for tax years after 2026 and also made certain other changes.

The updated FAQs, which supersede the FAQs previously issued in [FS-2024-22](#), provide revised information about educational assistance programs generally (including how the rules apply to certain qualified education loans), updates related to the OBBBA amendments, and a modified sample plan.

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



The information contained in TaxNewsFlash is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader’s knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG’s Federal Tax Legislative and Regulatory Services Group at + 1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)