



PROFESSIONAL
CERTIFICATION
COALITION

November 19, 2025

The Honorable Scott Bessent
Secretary of the Treasury and Acting Commissioner
of the Internal Revenue Service

Edward Killen
Commissioner, Tax-Exempt and Government Entities

Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Re: Implementation of § 70414 of the OBBBA – Expansion of Qualified Postsecondary Credentialing Expenses Under § 529 of the IRC

Dear Secretary Bessent and Commissioner Killen,

The Professional Certification Coalition (PCC)¹ writes to respectfully request that the IRS prioritize the implementation of § 70414 of H.R. 1 (titled the One Big Beautiful Bill Act, or “OBBBA”) relating to the expanded uses of 529 savings plans. Congress expanded the scope of expenses that may be funded from 529 plan accounts in recognition of the importance of enabling individuals to use savings for workforce-aligned credentials. This expansion has transformed 529 accounts from “college savings plans” to “career savings plans.” Section 70414 permits 529 plans to be used for *qualified postsecondary credentialing expenses* (“QPCEs”). QPCEs include costs incurred to obtain a *recognized postsecondary credential* (“RPC”)² in a *recognized postsecondary credential program* (“RPCP”). Both RPCs and RPCPs include subsections calling for the Secretary

¹ The PCC is a nonprofit, nonpartisan association with a membership that includes approximately 90 non-governmental professional certification organizations, professional societies, and service providers. More information about the PCC and a list of our current members is at www.profcertcoalition.org.

² *RPCs* include:

- State or Federal occupational licenses or certifications that are required for licensure;
- Credentials issued by programs accredited by the Institute for Credentialing Excellence (I.C.E.), the National Commission on Certifying Agencies (NCCA), or the American National Standards Institute (ANSI);
- Postsecondary employment credentials that are included in the Credentialing Opportunities On-Line (COOL) directory of credentialing programs maintained by the Department of Defense or by any branch of the Armed Forces;
- Certificates of completion of registered apprenticeship programs under the National Apprenticeship Act; and
- Any recognized postsecondary credential as defined in section 3(52) of the Workforce Innovation and Opportunity Act (WIOA).

of the Treasury to determine which expenses for a program or credential would automatically be deemed qualified postsecondary credentialing expenses.

Specifically, new § 529(f)(2) defines an *RPCP* to mean “any program to obtain a recognized postsecondary credential if— ... (D) such program is identified by the Secretary, after consultation with the Secretary of Labor, as being a reputable program for obtaining a recognized postsecondary credential for purposes of this subparagraph.”³ Similarly new subsection Section 529(f)(3) defines an *RPC* to mean “(A) any postsecondary employment credential that is industry recognized and is— ... (iii) any postsecondary employment credential identified for purposes of this clause by the Secretary, after consultation with the Secretary of Labor, as being industry recognized.”

Individuals considering enrolling in training programs or earning professional certifications and credentialing organizations communicating with candidates about their financing options urgently need clarity on which certifications qualify under the new law. Where certifications do not qualify, guidance from the IRS will help organizations identify appropriate actions they can undertake to meet eligibility requirements.

Clear guidance from the IRS is essential for successful implementation of these provisions. This guidance to enable individuals and organizations to determine which professional certifications and preparation programs for professional certifications may be financed with 529 plan funds. The guidance will ultimately enhance the American workforce. We are attaching to this letter a proposed IRS Notice that we hope will be of assistance to you in your efforts to implement this provision on an interim basis. We are available to discuss these issues at your convenience.

I. About the PCC and Professional Certifications

Congress limited the expansion of § 529 to apply to reputable training programs with rigorous credentials. The PCC’s membership – which primarily consists of nonprofit organizations – reflects a wide spectrum of fields, including in health care, engineering, financial services, and technology, among many others. The certification organizations in the PCC issue credentials that are valued by the public, employers, and the credential holders themselves. PCC certifications signify that the practitioner holds the credential and has met established standards for the profession, as defined by subject matter experts and as evaluated through a validated examination or other assessment.

Some certifications issued by PCC members are required as mandatory qualifications to practice an occupation under state licensure laws, such as for occupational therapists, physician assistants,

³ *Recognized postsecondary credential programs* are training programs that prepare participants to obtain a *recognized postsecondary credential* and include:

- Programs listed in the public directory of the Web Enabled Approval Management System (WEAMS) of the Veterans Benefits Administration;
- Programs included on a State WIOA list; and
- Programs that provide training or education which prepare individuals to take an examination that is developed or administered by an organization widely recognized as providing reputable credentials in the occupation.

professional engineers, certified public accountants, and pharmacy technicians. These certifications would automatically qualify as recognized postsecondary credentials under § 70414 of the OBBBA.

Other PCC members issue valued credentials to those who demonstrate expertise in unlicensed professions, such as association management, payroll, project management, human resources, dog training, kitchen design, spray foam installation, and information technology. And some PCC members issue specialty credentials to those who work in licensed occupations. In many such occupations, the voluntary credential is not a legal requirement but demonstrates advanced or specialized knowledge, expertise, and experience, as with certified financial planners, civil engineering certifications in specialty areas (e.g., in geotechnical engineering or coastal engineering), and advanced or specialty nursing board certifications (e.g., critical care nursing certification or adult-gerontology nursing specialist certification). Although some of these certification programs meet the criteria for automatic qualification as recognized postsecondary credential programs under the OBBBA, others, despite being regarded as high quality, reputable credentials, do not.

II. RCPs Issued by Credentialing Organizations Following Best Practices

The PCC respectfully requests that the IRS include accreditation of a postsecondary credential or credential program by a profession-specific accrediting body as sufficient evidence that the credential is “industry recognized” or the program is a “reputable program.” For example, there are a number of specialty nursing certification programs (including some that are PCC members) that are highly sought after and respected credentials and that are accredited by the Accreditation Board for Specialty Nursing Certification (ABSNC), rather than by the accrediting bodies listed in the statute – I.C.E., NCCA, or ANSI. Similarly, the Council of Engineering and Scientific Specialty Boards (CESB) accredits certification programs for professionals in engineering and scientific specialties, and the American Bar Association (ABA) Standing Committee on Specialization accredits specialty certification programs for lawyers in particular fields of law offered by private organizations that certify lawyers as specialists.

It is also critical that, in implementing § 70414, the IRS should identify specific standards of quality to ensure that only expenses for high quality postsecondary credentials are eligible. The PCC respectfully recommends that, for a postsecondary credential to qualify as a “recognized postsecondary credential” under § 529(f)(3)(A)(iii), the credentialing organization issuing the credential must, at a minimum –

1. maintain a process to define, periodically review, enforce, and update specific standards regarding knowledge and skills that are important to performance of the occupation or specialty for which the credential is issued;
2. administer a psychometrically valid assessment of relevant competencies for the occupation or specialty that is based on a job analysis conducted by a representative panel of subject matter experts in order to determine whether an individual seeking the credential meets standards for initial certification, and, if an assessment is required for recertification, for recertification;

3. establish and enforce a code of professional conduct for credential holders;
4. require that, in order to hold the certifying body's credential, candidates must satisfy—
 - a. the certifying body's applicable requirements for initial certification; and
 - b. any applicable recertification or continuing certification requirements of the certifying body that granted the initial certification; and
5. make information publicly available in an easily accessible form about the nature of the credential, including by publishing a content blueprint for any assessment that is required of credential holders, and also making publicly available the issuing certifying body's procedures and policies in order to enable candidates and the public to evaluate the scope, meaning, and value of the credential; and also maintain a public list of individuals holding the credential.

With such standards in place, organizations that offer credentials, states that administer 529 plans, and individuals who seek to fund or use 529 plans will have the certainty they need. At the same time, taxpayers will be assured that funds in 529 plans are only being used on high quality credentials, as the legislation intended.

The draft IRS Notice we have attached does not include any process for the IRS to identify the specific programs that qualify as a “recognized postsecondary credential” under § 529(f)(3)(A)(iii), but rather focuses on defining the criteria the IRS would approve on an interim basis. It is our hope, however, that any final guidance issued by the IRS will include a mechanism for members of the public to ascertain definitively whether a postsecondary credential meets those criteria, whether by publication of a list of such credentials by the IRS on its website or by issuance of private letter rulings by the IRS.

III. Need for Interagency Coordination

Given that § 70414 calls for the Secretary of Treasury to consult with the Secretary of Labor, the PCC also encourages the IRS to align with the U.S. Department of Labor's existing guidance regarding identifying high quality credentials, particularly Training and Employment Notice (TEN) No. 25-19. This Notice offers criteria for assessing whether credentials meet the WIOA definition of “recognized postsecondary credentials.” It is important for the IRS and DOL to coordinate in this effort to ensure that subject-matter-specific accreditors, many of whom are already acknowledged in the workforce development system, are appropriately recognized for 529 purposes.

Providing timely and clear guidance in the form of a Notice and/or a Revenue Procedure will help credentialing organizations prepare and align with the new law and equip the American people to make informed decisions about their education and career paths. Prioritization from the IRS on this issue will be essential to achieving the intent of Congress and ensuring the integrity and consistency of 529 programs across the country.

Thank you for your consideration. We are available to assist or provide further context as needed.

Sincerely,



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