



UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES

SUBJECT: Uniformed Services University of the Health Sciences (USU) Student Loan Repayment Program

Instruction 1442

(CHR)

ABSTRACT

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This Instruction provides procedures and establishes policies for the Uniformed Services University of the Health Sciences (USU) student loan repayment program.

A. Purpose

This Instruction provides the procedures and guidance for implementing the USU Student Loan Repayment Program (SLRP) in accordance with Title 5, United States Code, section 5379 and Title 5 Code of Federal Regulations (CFR), Part 537. The repayment of a student loan is a benefit that, at the discretion of the agency, may be authorized to facilitate the recruitment and retention of "highly qualified" non-Federal job candidates for positions considered difficult to fill or for current USU employees who are likely to leave the Federal service. A student loan repayment benefit is not an entitlement and will be used only to the extent necessary to effectively recruit and retain personnel. The determination to offer a student loan repayment benefit will be made on a case-by-case basis based on the organizational need of the position, budget availability, and specific case justification. Determinations will be made without regard to race, color, religion, sex, national origin, age, disability, marital status, political affiliation, sexual orientation, or any other non-merit-based factor. This program can be used in conjunction with other recruitment, relocation, and retention incentives.

B. References See Enclosure 1.

C. Definitions See Enclosure 2.

D. Approval Authority

The President, USU, is the approving official for student loan repayment requests. The President, USU, may further delegate this authority.

E. Coverage

1. Eligibility. USU full-time and part-time employees on the following types of appointments are eligible to be considered for Federal student loan repayment benefits:

a. An appointment other than a time-limited appointment.

b. A time-limited appointment if:

1) The employee or job candidate will have at least three years remaining under the appointment after the beginning of the service period established under a service agreement.

2) The time-limited appointment authority leads to conversion to another appointment of sufficient duration so that employee's employment with the agency is projected to last for at least three additional years after the beginning of the service period established under a service agreement.

2. Employees receiving a Physicians Comparability Allowance (PCA) are eligible. However, the amount of their PCA must be reduced by an amount equal to any loan repayment benefit received under this plan.

3. Exclusions. The following employees are ineligible for the student loan repayment benefit:

a. An employee occupying a position that is excepted from the competitive service because of its confidential, policy-determining, policy making, or policy advocating character.

b. Individuals whose student loans are past due, delinquent, or defaulted.

c. Individuals who received their diplomas/degrees from universities or institutions not accredited by the US Department of Education at the time it was received.

F. Student Loan Repayment Amount

1. The amount of the student loan repayment benefit is subject to the following limits:

a. \$10,000 per employee per calendar year.

b. A total maximum of \$60,000 per employee.

c. The repayment is taxable income.

G. Requests for Student Loan Repayment

1. A selected candidate or current employee may request in writing for repayment of an eligible student loan from the selecting official or their immediate supervisor. The requestor must include the reason for the request. The request must be accompanied by a completed Student Loan Repayment Benefit Application (Attachment 1) and the Release to Obtain Student Loan Information (Attachment 2).

2. The selecting official or supervisor after considering the employee's request may recommend the individual as follows:

a. Prepare a memorandum recommending the candidate or current employee for a student loan repayment benefit. The recommendation must be fully justified addressing the recruitment or retention criteria for student loan repayment specified in section H of this plan.

b. Provide the completed justification memorandum, the individual's written request, the Student Loan Repayment Benefit Application and the Release to Obtain Student Loan Information to the appropriate USU School Dean, Vice President, or Institute/Center Director for review and concurrence or non-concurrence.

c. If authorized, forward the request package to Civilian Human Resources (CHR) for review, coordination, and a determination by USU President, or designee.

d. CHR will advise the department of the final determination. If approved, CHR will process the request including coordinating with the department to complete the Service Agreement (Attachment 3).

H. Criteria for Justifying Student Loan Repayment

1. Determination for Recruitment.

a. A student loan repayment benefit for recruitment may be authorized upon the determination that, in the absence of a loan repayment benefit, the department would encounter difficulty filling a position with a highly qualified non-Federal job candidate. The determination must be in writing reflecting the criteria used for making the determination. The following factors will be considered as applicable to the case at hand in making the determination:

- 1) The availability and quality of candidates possessing the competencies required for the position, including the success of recent efforts to recruit candidates for the position or similar positions using indicators such as offer acceptance rates, the proportion of positions filled, and the length of time required to fill similar positions.
- 2) Recent turnover in the same or similar positions.
- 3) Labor market factors that affect the ability to recruit for similar positions.
- 4) Special or unique qualifications required for the position.
- 5) Salaries typically paid outside the Federal Government for similar positions.
- 6) Other supporting factors.

b. Determination of the Benefit Amount. In determining the student loan repayment amount, the following criteria will be considered as applicable to the case:

- 1) The severity of the recruiting problem.

- 2) Salary levels reported in published salary surveys for comparable non-Federal positions.
- 3) The importance/critical need of the position to be filled and the effect on the department or agency if it is not filled or if there is a delay in filling the position.
- 4) Current salary of the candidate.
- 5) Salary documented in a competing job offer (if available).
- 6) The disparity in cost-of-living between the candidate's current residence and the proposed location.
- 7) The projected cost of further recruitment efforts if the candidate does not accept the position.
- 8) The extent of the individual's past training and experience that serves to qualify him/her for the position.
- 9) Budget availability.

c. A determination concerning the student loan repayment request must be approved before the employee enters on duty.

d. The student loan repayment benefit may not be used to recruit an individual who is currently employed in the Federal service.

2. Determination for Retention.

a. A student loan repayment benefit for retention purposes may be authorized upon determination that, in the absence of a loan repayment benefit, the employee is likely to leave the agency for employment outside the Federal service and it is essential to retain the employee based the employee's high or unique qualifications or a special need of the agency. The determination must be in writing reflecting the criteria used for making the determination. The following factors shall be considered as applicable to the case at hand in making the determination.

- 1) The unique or high qualifications of the employee or the special need for the employee's skills that makes it essential to retain him/her.
- 2) The extent to which the employee's departure would affect the departments or the agency's ability to carry out an activity or perform a function that is deemed essential to the Agency's mission.
- 3) The likelihood the employee would leave the agency for employment outside the Federal service in the absence of receiving the loan repayment incentive.
- 4) The availability and quality of candidates in the labor market possessing the

competencies required for the position and who, with minimal training, cost, or disruption of service to the public, could perform the full range of duties of the employee's position at the level performed by the employee.

- 5) Special or unique competencies required for the position.
- 6) Salaries typically paid outside the Federal Government for similar positions.
- 7) Other supporting factors.

b. Determination of the Benefit Amount. In determining the student loan repayment amount for retention, the following criteria shall be considered as applicable to the case:

- 1) Salary levels reported in published salary surveys for comparable non-Federal positions.
- 2) Salary documented in a competing job offer.
- 3) The importance/critical need of the position and the effect on the department or agency if the employee were to leave.
- 4) The projected cost of recruitment and training associated with replacement of the employee.
- 5) Special or unique competencies required for the position.
- 6) The special or high qualifications and skills possessed by the employee.
- 7) Budget availability.

I. Procedures for Making Student Loan Repayment

1. The repayment of student loans will be based on the outstanding debt at the time the employee and the agency enter into a written agreement. Payments cannot be made prior to the employee entering on duty.

2. CHR in coordination with the employee and requesting department, will verify the balance remaining on the qualifying outstanding loan consistent with 5 CFR Part 537. This shall be accomplished by requesting that the candidate or employee complete the Release to Obtain Student Loan Information document (Attachment 2).

3. CHR will forward approved student loan repayment actions to the Defense Finance and Accounting Service (DFAS) for processing. DFAS will pay the authorized student loan amount directly to the holder of the loan on a bi-weekly basis.

4. Loan repayment benefits made under this authority are in addition to basic pay. The

benefits are subject to Federal income tax, FICA, and Medicare withholdings, and state or local income tax that may be applicable.

5. The Department of Defense (DoD) or USU is not responsible for any late fees or penalties assessed by the loan holder(s) if the student loan repayment is not received in time.

6. The employee is responsible for continuing to make loan payments on the portion of the loan for which he/she is responsible and for any income tax obligations resulting from the student loan repayment benefit.

J. Service Agreement

1. Before a loan repayment may be made, the employee must sign a Student Loan Repayment Service Agreement (Attachment 3) acknowledging the requirement to serve a minimum of three (3) years with the agency regardless of the amount of repayment authorized and to reimburse the agency for the student loan repayment benefit if he/she fails to meet the terms specified in the agreement. This three-year period will begin when the DFAS makes the first payment to the holder of the loan. Any additional repayments made during this three-year period does not extend the service agreement. However, if additional payments are made after the initial three-year agreement has been completed, the service agreement will be extended by one year for each payment made beyond the third year. The extended service agreement period begins when the first payment beyond the third year is made to the holder of the loan by DFAS. A copy of the approved service agreement will be sent by CHR to DFAS to make payments to the lender on a bi-weekly basis.

2. The agreement may also specify employment conditions considered appropriate (e.g., employee's position and the duties he/she is expected to perform, work schedule, or expected level of performance).

3. The service agreement in no way constitutes a right, promise, or entitlement for continued employment or noncompetitive conversion to the competitive service, nor does it limit management's right to take corrective or disciplinary actions as otherwise appropriate.

4. Periods of leave without pay (LWOP), or other periods during which an employee is not in a pay status, do not count toward completion of the required service period. The service period completion date must be extended by the total amount of time spent in the non-pay status. However, absence because of uniformed service or compensable injury is considered creditable toward the required service period upon reemployment.

K. Termination of Loan Repayment Benefit

An employee will lose their entitlement to the loan repayment benefit if he/she:

1. Voluntarily leaves USU.
2. Is separated involuntarily because of unacceptable performance, misconduct, or a negative suitability determination.
3. Fails to maintain a fully successful rating of record.

4. Violates the conditions of the service agreement.

L. Employee Reimbursement

1. An employee who is separated from USU for reasons of misconduct, unacceptable performance, or a negative suitability determination or voluntarily leaves USU before completing the period of service specified in the service agreement must refund **the full amount** of benefits received during the initial three-year period. Employees who fail to complete the period of service under an extension period, (e.g., 4th year, 5th year) must repay the amount of the benefits received in the extension year only. If an employee fails to reimburse USU, the amount outstanding will be recovered from the employee under established debt collection procedures.

2. Employee reimbursement is not required when involuntary separation is based on reduction in force, death, or disability retirement, or an employee is unable to continue working because of disability evidenced by acceptable medical documentation.

M. Waiver of Repayment

1. The President, USU, may waive all or part of an employee's required repayment if he or she feels the repayment would be against equity and good conscience or against the public interest.

2. An employee may request a waiver of repayment by completing a Waiver of Student Loan Indebtedness Information Request document (Attachment 4) and submitting the document to CHR for forwarding to President, USU, for a determination.

3. If the waiver request is approved, CHR will coordinate the action with DFAS for suspension of the debt collection and notify the employee.

N. Recordkeeping and Reporting

1. The CHR will maintain the documentation for each student loan repayment benefit request to include: the student loan application; verification document of the loan; the documentation authorizing the loan repayment incentive; and a copy of the service agreement.

2. As requested by the Office of Personnel Management (OPM), CHR will submit an annual report on student loan repayment incentives authorized during the year. The report will contain:

- a. The number of employees who received a student loan repayment incentive.
- b. The employee's job classification.
- c. The total cost of the student loan repayment incentive.

3. Student loan repayment records will be maintained for three years. The record will be destroyed when three years has elapsed since the end of the service period specified in the service

agreement unless a dispute has been raised regarding the agreement.

A handwritten signature in black ink, appearing to read "RW Thomas".

Richard W. Thomas, MD, DDS, FACS
President

Enclosures:

1. References
2. Definitions
3. Request for Student loan repayment benefit application
4. Release to obtain Student loan information
5. Students loan repayment program service agreement
6. Wavier of Student loan indebttness information request
7. Request for Student loan repayment checklist for managers and additional information

Enclosure 1

REFERENCES

- A. Title 5 United States Code, § 5379
- B. Title 5 Code of Federal Regulations, Part 537
- C. Memorandum, "Department of Defense (DoD) Student Loan Repayment Program,"
USD(P&R) (September 30, 2004)

DEFINITIONS

- A. Student Loan Repayment Benefit – The benefit provided to an employee in which an agency repays (by a direct payment on behalf of the employee) a qualifying student loan previously taken out by the employee. (See Title 5 CFR, Part 537.106(b)).
- B. Student Loan - A loan made, insured, or guaranteed under parts B, D, or E of Title IV of the Higher Education Act of 1965; or a health education assistance loan made or insured under Part A of Title VII of the Public Health Service Act, or under Part E of Title VIII of that Act.
- C. Loans covered under The Higher Education Act include:
- Federal Stafford Loans-including Federal subsidized, Federal unsubsidized, direct subsidized, and direct unsubsidized loans.
 - Federal Supplemental Loans for Students.
 - Federal Plus Loans-Federal and Direct Plus Loans.
 - Federal Consolidation Loans, direct subsidized, direct unsubsidized, and Federal Consolidation Loans.
 - Defense Loans made before July 1, 1972.
 - National Direct Student Loans made between July 1, 1972 and July 1, 1987.
 - Federal Perkins Loans.
- D. Loans covered under the Public Health Service Act include loans made under:
- The Nursing Student Loan Program.
 - The Health Profession Student Loan Program.
 - The Health Education Assistance Loan Program.
- E. Federal Direct Student Loan - The U. S. Department of Education is the lender for these loans. Direct Loans include Federal Direct PLUS loans and Federal Direct Stafford loans.
- F. Federal Family Education Loan Program - These loans are insured by the Department of Education. Loans are privately issued by a bank, credit union, or other lender that participates in the Federal Family Education Loan Programs.
- G. Subsidized Loan - The U.S. Government pays the interest on the loan while the student is in school, during the 6-month grace period, and during periods of authorized deferment.

- H. Unsubsidized Loan - The student is responsible for paying the interest accrued while the student is in school, during the 6-month grace period, and during authorized periods of deferment.
- I. Time Limited Appointment - A non-permanent appointment.

REQUEST FOR STUDENT LOAN REPAYMENT BENEFIT APPLICATION

Name Enter		
Title Enter	Series/Grade/Step Enter	Type of Appointment Enter
Total Amount of Student Loan Repayment Benefit Received to Date (Include the Requested Amount from this form). \$0.00		
Student Loan Repayment Benefit Amount Requested: \$0.00	Note: The minimum period of service to the agency for granting a student loan repayment benefit is three years. The employee will be required to sign a service agreement.	
Current Balance of Outstanding Loan: \$0.00 <i>Note: Official Documentation from loan holder documenting loan balance and type of loan must be attached to this Request form.</i>		
Compensation:		
Base/Locality Pay	\$0.00	
Other Continuing Pay, e.g., PCA, retention allowance	\$0.00	
Other Payments, e.g., lump sum payments	\$0.00	
Student Loan Repayment Benefit Amount	\$0.00	
Total Compensation	\$0.00	
Rational for Request: Click here to enter text.		
Employee's Signature	Date Click here to enter a date.	

RELEASE TO OBTAIN STUDENT LOAN INFORMATION

SECTION 1: (To BE Completed by Applicant)			
NAME Click here to enter text.	POSITION, TITLE, GRADE Click here to enter text.		For Multiple loans
			Loan 0 Of 0
SSN (PII)-Provide Upon Request Click here to enter text.	TELEPHONE Click here to enter text.		AGENCY Click here to enter text.
UNPAID BALANCE OF LOAN(S) (Approx.) Click here to enter text.	AMOUNT REQUESTED TO BE REPAYED BY AGENCY Click here to enter text.	LOAN ACCOUNT NUMBER Click here to enter text.	
NAME OF LOANHOLDER (LENDER) Click here to enter text.		Address of Lending Institution(s) Click here to enter text.	
TELEPHONE Click here to enter text.			
I authorize the release of my financial data by lender/holder to complete the entries in SECTION 2. (A copy of this form should be deemed as the original for authorization purposes.)		SIGNATURE	DATE
SECTION 2:			
LOAN STATUS CONFIRMATION Loan holder: Please verify the information below and provide correct information, where missing. Please return to:			
STATUS:	TYPE OF LOAN	OUTSTANDING BALANCE	DATA SHOWS CONSOLIDATION (when multiple loans are involved)
<input type="checkbox"/> IN DEFAULT <input type="checkbox"/> PAYMENTS BEING MADE <input type="checkbox"/> DEFERRED	<input type="checkbox"/> HEA OF 1965 <input type="checkbox"/> PUBLIC HEALTH SERVICES ACT <input type="checkbox"/> OTHER	Click here to enter text.	<input type="checkbox"/> Yes <input type="checkbox"/> No Date Click here to enter text.
INSTITUTION WHERE PAYMENT IS TO BE SENT			
NAME Click here to enter text.		ADDRESS Click here to enter text.	
TELEPHONE Click here to enter text.		Routing Number Click here to enter text.	Account Number Click here to enter text.
ADDITIONAL INFORMATION Click here to enter text.			
CERTIFICATION: As an official of the holding institution, I verify that the information in SECTION 2 is correct and current. Copy of the promissory note(s) is/are enclosed.			
NAME AND TITLE Click here to enter text.		SIGNATURE AND DATE	
SECTION 3: TO BE COMPLETED BY HUMAN RESOURCES OFFICE – O.K. for Processing			
Effective Date:	Annual Amount	Number of Years	Total Repayment Amount
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
PERSONNEL OFFICER OR DESIGNEE		DATE	SIGNATURE

Privacy Act Statement: The collection of this information is authorized by 5 U.S.C. 5379 in order to facilitate the repayment of student loans, where authorized. Providing this information is voluntary, but choosing not to provide the requested information will preclude the payments by the agency. **Note:** The requestor will be required to provide their social security number upon request by the agency.

**SAMPLE
STUDENT LOAN REPAYMENT PROGRAM SERVICE AGREEMENT**

Name (Print or Type)	Social Security Number

In consideration of the student loan repayment benefit for which I qualify under 5 U.S.C. 5379 as implemented by the regulations of the U.S. Office of Personnel Management (5 CFR, Part 537), the policies of the Department of Defense (DoD), and the Uniformed Services University of the Health Sciences (USUHS),

I hereby agree:

1. To serve in USUHS for 3 years (initial contract).
2. The amount of the student loan repayment benefit is \$ _____ (Note: May not exceed \$10,000 per year, or a total maximum of \$60,000). I understand that the commitment to repay my loan is for one year, subject to yearly extensions up to 3 years.
3. If student loan repayment benefits are made in the 2nd or 3rd year, my service agreement will not be extended.
4. If student loan repayment benefits are made beyond 3 years, my service agreement will be extended by one year for each year payment is made beyond the 3rd year.
5. The service agreement is effective _____ through _____.
(Month/Day/Year) (Month/Day/Year)
6. That ____ is authorized to verify the status and outstanding balance of each loan and to discuss the terms with the lender or note holder.
7. This service agreement in no way constitutes a right, promise, or entitlement for continued employment or noncompetitive conversion to the competitive service. That acceptance of this agreement does not alter the conditions or terms of my employment; accordingly, this agreement will not preclude nor limit the Agency from effecting personnel actions as may be appropriate.
8. That in the event I voluntarily leave, or in the event I am involuntarily separated for misconduct or performance before completing the agreed upon period of service, I will be indebted to the Federal Government and must reimburse USUHS for the full amount of any student loan repayment benefits received under this service agreement.
9. I am responsible for making loan payments on the portion of the loan that continues to be my responsibility.
10. The student loan repayment benefits made do not exempt me from my responsibility and/or liability for the loan.
11. I am responsible for any income tax obligation resulting from the student loan repayment benefit.
12. USUHS is not responsible for any late fees assessed by the lender if the student loan repayment benefit is not received on time.
13. The student loan repayment benefits made on my behalf by USUHS have/will not exceed the maximum amount of \$60,000.

14. Other condition(s) agreed to by employee and the USUHS.

I AGREE TO THE TERMS OF THIS SERVICE AGREEMENT:

Signature _____ Date _____

Name (Print/Type) _____

General

This information is provided pursuant to the Privacy Act of 1974 (P.L. 93-597).

Authority for Collection of Information

5 U.S.C 5379

Purpose and Uses

The main purpose for collecting the information requested on this form is to establish the terms under which an individual receives a student loan repayment benefit under the Student Loan Repayment Program. The information collected will be used as a basis for payroll actions. Accordingly, disclosure of identifiable information, including your Social Security Number (SSN), may be made to the Internal Revenue Service for tax withholding purposes, the Department of Treasury for payroll action, and to the Department of Labor for worker compensation claims. This information may also be disclosed to the Department of Justice for other lawful purposes including law enforcement and in the event of litigation.

In addition, these records, or information therefrom, may also be used within USUHS for study purposes, such as projection of staffing needs, and/or creation of non-identifiable statistical data for reports to other Federal agencies and Congress.

Information Regarding Disclosure of Your Social Security Account Number

Disclosure of the SSN is mandatory since it is the identifier used by the Internal Revenue Service and for the withholding of taxes from your salary. The use of the SSN is necessary because of the large number of present and former employees and applicants who have identical names and birth dates, and whose identities can be distinguished only by the SSN. It is used primarily to identify an employee's personnel, leave, and pay records and to relate on to the other. In this regard, it is also used by the USUHS to locate records in order to respond to lawful requests for information from former employers, educational institutions, and financial or other organizations.

The information gathered through the use of the number will be used only as necessary in personnel administration processes carried out in accordance with established regulations and published notices of systems of records. The SSN also will be used for the selection of persons to be included in statistical studies of personnel management matters.

Effect of Non-disclosure

Your submission of this agreement is voluntary; however, if the agreement is submitted, omission of significant information requested would preclude continued processing of the agreement for you to receive an allowance because payroll would be unable to process the necessary actions.

WAIVER OF STUDENT LOAN INDEBTNESS INFORMATION REQUEST

Attach a copy of the Student Loan Repayment Service Agreement and the loan balance information from the lending institution to this form. Return form to the employing Department.

Employee Name (Last, First, MI) Click here to enter text.	Date (MM/DD/YY) Click here to enter text.		
Job Title Click here to enter text.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;"> Agency Click here to enter text. </td> <td style="width: 50%; padding: 5px;"> Outstanding Loan Balance Click here to enter text. </td> </tr> </table>	Agency Click here to enter text.	Outstanding Loan Balance Click here to enter text.
Agency Click here to enter text.	Outstanding Loan Balance Click here to enter text.		

Reason for Requesting Waiver of Student Loan Indebtedness: (Explain why the recovery of this debt would be against equity and good conscience or against the public interest). Note: Repayment is automatically waived for those employees separated by death or disability retirement, or an inability to continue working because of disability evidenced by acceptable medical documentation).

Reason for Requesting Waiver of Student Loan Indebtedness		
Waiver Approved: Yes <input type="checkbox"/> No <input type="checkbox"/>		
Approver Signature	Print Name	Date

REQUEST FOR STUDENT LOAN REPAYMENT CHECKLIST FOR MANAGERS AND ADDITIONAL INFORMATION

Each request for Student Loan Repayment must include the following information:

- _____ Request for Personnel Action, SF-52.
- _____ Request for Student Loan Repayment Application (Attachment 1).
- _____ Release to Obtain Student Loan Information Form.
- _____ Written Justification – Addressing each of the applicable criteria for eligibility.
- _____ A statement other compensation options which have been considered and the reasons for use or rejection.
- _____ Statement of Account – Documentation showing outstanding balances from each lender for each loan.
- _____ Documentation demonstrating all original loans were qualifying loans when repayment is for consolidated loans.
- _____ Signed Service Agreement (**Note:** Complete if request is approved).
- _____ Resume (as applicable).