

PSLF EDUCATION SESSION CONTEXT

OSU's services are provided in compliance with state law and in furtherance of its goal to support employees to the greatest extent possible. This session is designed to provide information about PSLF.

The PSLF Program is administered by Federal Student Aid, an Office of the U.S. Department of Education. It is not an OSU Program, and OSU is not providing information and advising in partnership with or at the request of the U.S. Department of Education.

OSU is not the decision maker on any aspect of whether an individual qualifies for PSLF and employees cannot rely on advice or information provided by OSU as definitive statements about any aspect of the PSLF program.

The advice and information is provided for guidance only, and all definitive answers with respect to the Program must be directed to the office of Federal Student Aid, U.S. Department of Education.

What is the Public Service Loan Forgiveness Program (PSLF)?

The PSLF Program forgives the remaining balance on Direct Loans after a person makes 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer.

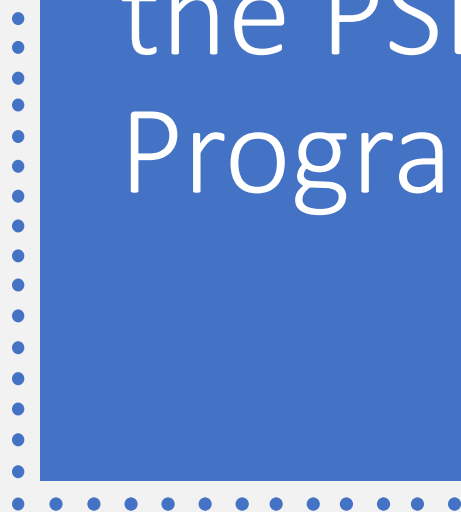

<https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>

Who is a Qualifying Employer?

- . Government organizations at any level (U.S. federal, state, local, or tribal) – this includes the U.S. military
- . Not-for-profit organizations that are tax-exempt under Section 501(c)(3) of the Internal Revenue Code
- . Other than 501(c)(3) not-for-profit organizations that provide certain types of qualifying public services. (e.g. military, law enforcement, public interest law, educational services, care services, public library services).

What is Full-Time Employment?

- Under federal law, for purposes of the PSLF program, a person is generally considered to work full-time if they meet their employer's definition of full-time, or work at least 30 hours per week, whichever is greater.
- At OSU, 30 hours or more FTE per week is considered full-time for purposes of the PSLF program.
- An individual who simultaneously holds multiple part-time jobs with qualifying employers will be considered full-time for purposes of PSLF if they work a combined average of at least 30 hours per week with their employers.



Which Loans are Eligible for the PSLF Program?

- Any loan received under the William D. Ford Federal Direct Loan (Direct Loan) Program qualifies for PSLF.
- Loans from these federal student loan programs **do not** qualify for PSLF: the Federal Family Education Loan (FFEL) Program and the Federal Perkins Loan (Perkins Loan) Program. However, they may become eligible if you consolidate them into a Direct Consolidation Loan.
- Student loans from private lenders **do not** qualify for PSLF.



Special Note on Consolidation

- Though any Direct Loans qualify for PSLF, if Direct Loans are consolidated, only qualifying payments made on the new Direct Consolidation Loan can be counted towards the 120 payments required for PSLF.
- Any payments made on the loans before consolidation will not count even if they had counted prior to consolidation.

What Counts as Qualifying Payments?

- A qualifying monthly payment is a payment made:
 - after October 1, 2007;
 - during a period where payments are required*;
 - under a qualifying repayment plan;
 - for the full amount due as shown on the bill;
 - no later than 15 days after the due date; and
 - while employed full-time by a qualifying employer or employers.

*payments made during an in-school status, grace period, deferment or forbearance do not qualify

- The 120 qualifying payments do not need to be consecutive
- PSLF requires 120 separate payments – making higher than owed monthly payments will not result in earlier eligibility for forgiveness.

Which Repayment Plans are Qualifying Repayment Plans?

- Only those plans that are based on income – Income Driven Repayment Plans.
- These IDR plans set the student monthly loan payment at an amount that is intended to be affordable based on the borrower's income and family size. There are four types of IDR plans:
 - Revised Pay as Your Earn Repayment Plan (REPAYE Plan)
 - Pay as You Earn Repayment Plan (PAYE Plan)
 - Income-Based Repayment Plan (IBR Plan)
 - Income-Contingent Repayment Plan (ICR Plan)
- The following repayment plans **do not** qualify for PSLF:
 - Standard Repayment Plan for Direct Consolidation Loans
 - Graduated Repayment Plan
 - Extended Repayment Plan
 - Alternative Repayment Plan

PSLF Process

- It is beneficial to fill out and submit The PSLF Certification and Application as soon as possible after a person enters employment with a qualifying employer rather than waiting until 120 payments have been made. **NOTE: a new PSLF Certification and Application will need to be submitted for each new period of qualifying employment. Federal Student Aid suggests submitting a new form annually, and any time employment changes.**
- Digital Signatures from applicants must be hand drawn (from a signature pad, mouse, finger, or by taking a picture of a signature drawn on a piece of paper that you then scan and embed on the signature line of the PSLF form) to be accepted. Typed signatures, even if made to mimic a hand-drawn signature, or security certificate-based signatures are not accepted.
- After the PSLF Certification and Application has been submitted, and if there have not yet been 120 qualifying payments, the loans will be transferred to the PSLF servicer (currently FedLoan Servicing, but transitioning to MOHELA in 2022). The PSLF servicer will determine how many qualifying payments have been made and notify the borrower by letter.
- The number of qualifying payments made will only be updated when the borrower submits another PSLF Certification and Application that documents a new period of qualifying employment.
- A borrower can find out how many certified qualifying payments they have made by logging into their account with the PSLF servicer, or by logging into the StudentAid.gov account.





Employment Certification

- Employment can be certified by an official who has access to your employment records and is authorized by the employer to certify employment. This is often someone in the human resources department.
- The Employment Certification Form is part of the PSLF Certification and Application.
- At OSU you can reach the individuals who can assist with employment certification by e-mailing employment.verification@oregonstate.edu
- NOTE: Digital Signatures from an employer must be hand drawn (from a signature pad, mouse, finger, or by taking a picture of a signature drawn on a piece of paper that you then scan and embed on the signature line of the PSLF form) to be accepted. Typed signatures, even if made to mimic a hand-drawn signature, or security certificate-based signatures are not accepted.



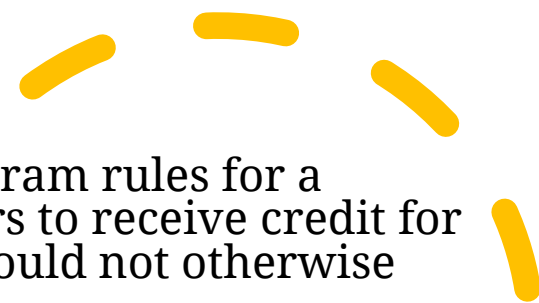
Income Tax on Forgiveness

- Amounts forgiven under the PSLF Program are not considered income by the Internal Revenue Service. Therefore, borrowers will not have to pay federal income tax on the amount of Direct Loans that are forgiven.



Is there a
Guarantee that
Loans will be
Forgiven for All
Who Meet
Requirements?

- No. The PSLF Program was created by Congress, and Congress could change or end the PSLF Program.



What Should I Know About PSLF Waiver Offers?

- A temporary change to PSLF program rules for a limited time that allows borrowers to receive credit for past periods of repayment that would not otherwise qualify for PSLF.
- The qualifying employment requirement **has not** changed.
- The waiver applies to borrowers with Direct Loans, including those who have already consolidated into the Direct Loan Program, and those who consolidate into the Direct Loan Program **no later than October 31, 2022.**
- **Waiver Website:**
<https://studentaid.gov/announcements-events/pslf-limited-waiver>
- Questions about the PSLF waiver program? Please call PSLF customer service representatives at 1-800-433-3243

Normal PSLF Requirements

- Repay under the 10-year Standard Plan or an income-driven repayment plan
- Receive credit only on Direct Loans
- Make on-time payments
- Need to be employed fulltime for a qualifying employer in order to receive credit
- Must work for a qualifying employer at the time of application and forgiveness
- If received Teacher Loan Forgiveness, the period of service that led to eligibility cannot also count toward PSLF

Waiver Website:

<https://studentaid.gov/announcements-events/pslf-limited-waiver>

Questions about the PSLF waiver program?

Please call PSLF customer service representatives at 1-800-433-3243

Waiver Related Changes Until Oct. 31, 2022

- Periods of repayment under any plan count
- Receive credit for periods of repayment on Direct, FFEL, or Perkins Loans
- Periods of repayment on loans before consolidation count, even if on the wrong repayment plan
- Periods of repayment where payments were late or for less than the amount due also count
- Periods of repayment on loans before consolidation count, even if paid late or for less than the amount due
- Can get forgiveness even if not employed or not employed by a qualifying employer at the time of application and forgiveness
- If received Teacher Loan Forgiveness, the period of service that led to eligibility can count toward PSLF if borrower certifies PSLF employment for that period

Resources:

Public Service Loan Forgiveness Program:

<https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service>

Public Service Loan Forgiveness FAQ:

<https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service/questions>

PSLF Certification and Application Form:

<https://studentaid.gov/manage-loans/forgiveness-cancellation/public-service/public-service-loan-forgiveness-application>

PSLF Limited Waiver Program:

<https://studentaid.gov/announcements-events/pslf-limited-waiver>