HRDG 4537 - Repayment of Student Loans - Introduction

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Subchapter 4537 - Repayment of Student Loans
Introduction

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HRDG 4537 TOC

Purpose

Effective 2/12/2001, OPM's regulations:

- Permitted Federal agencies to repay all or part of outstanding Federally-issued student loans as an incentive to recruit or retain highly qualified employees in difficult to fill positions, and
- Directed agencies to develop their own policies.

This HRDG subchapter, which supplements **MRP Directive 4537.1** (91.61 KB), provides operating guidelines for repaying student loans.

Glossary

Employee means a highly qualified candidate who has been appointed to a job or a highly qualified current employee in the GS, FWS, AD or career SES pay systems. Employees in these pay systems are eligible for this program, if all other conditions are met.

Service Agreement means a written agreement between the Agency (i.e., AMS or APHIS) and an employee, where the employee agrees to remain employed with the Agency for at least 3 years in return for the Agency paying in full or in part the employee's student loan(s). Use **MRP Form 251-R** (49.75 KB).

Student Loan means a:

- Loan made, insured, or guaranteed under Title IV, Parts B, D, or E, Higher Education Act of 1965; or
- Health education assistance loan made or insured under Title VII, Part A, Public Health Service Act or under Title VIII, Part E, Public Health Service Act.

A list of qualifying student loans can be found on the Internet **here**.

Employee Responsibilities

As an employee participating in this program you are responsible for:

- Fulfilling the conditions of the service agreement,
- Making timely loan payments on the portion of the loan(s) that continues to be your responsibility, and
- Any income tax obligations resulting from receiving this loan repayment benefit.

Supervisory Responsibilities

To repay a loan, you must:

- Determine, in writing, that without offering the loan repayment incentive, you will encounter difficulty in either filling the position with a highly qualified candidate (written determination must be made before the employee enters on duty in the position for which recruited) or retaining a highly qualified employee, and
- Determine the amount of the loan to be repaid within the allowable limits.

Note: Remember to check the OPM web site to see the list of qualifying student loans that are eligible for repayment under this **policy**.

Servicing Personnel Office	Your Servicing Personnel Office (SPO) will: • Provide advice and guidance to you on the appropriate use of this incentive, • Ensure appropriate forms have been completed and signed by all necessary persons, • Verify that computations are correct, • Verify that the candidate/employee meets the requirements for receiving the incentive, and • Forward forms to the Leave and Compensation Unit Specialists who will activate payment by forwarding necessary documentation to the National Finance Center.
Human Resources Enhancement Branch	Human Resources Enhancement Branch will: • Review and update policies, • Evaluate the use of this incentive, and • Collect and provide required information to USDA, Office of Human Resources Management (OHRM), and other Federal agencies.
Authority to Recommend a Loan	Managers and supervisors with the authority to take personnel actions (e.g., hire, promote) may recommend the repayment of a student loan(s) for a current or new employee. **AMS:** The Deputy Administrator is delegated the authority to recommend loans. This authority may not be further re-delegated.

Authority to Approve

APHIS and GIPSA: You may approve the repayment of a student loan(s) if you:

- Are at least 1 supervisory level above the recommending official,
- Are in the recommending official's chain of command, and
- Have the authority to make personnel selections.

You may not re-delegate approval authority to a lower supervisory/managerial level.

AMS: Approval authority is the Administrator or the Associate Administrator. This authority may not be further re-delegated.

Considerations for Recommending and Approving Officials

To use this incentive consider:

- The difficulty experienced or expected in filling the position if this incentive is not offered, and
- The unusually high or unique qualifications of the employee or the existence of a special need of the agency, or
- If the employee is likely to leave the Federal government,
- The extent to which the employee's departure would affect the agency, and
- If EEO goals will be met or improved by your determination.

Remember, you must:

- Still adhere to merit system principles, and
- Put your determination, with any supporting data, in writing.

The SPO must maintain the following information:

- Copy of Written Justification
- MRP-252R – Recommendation and Approval of the Repayment of Student Loan(s)
- MRP Form 251-R, MRP Service Agreement for Receipt of Repayment of Student Loan(s)
- MRP Form 250 – Release to Obtain Student Loan Information
- Student Loan Information
- Complete Name and Address of Institution that Received the Repayment
- Any Other Relevant Data

Records

Note: OHRM will request Race, Sex, National Origin, and Disability information from the NFC data base (Appendix C, DR 4050-537, dated April 2, 2002).

Note: Throughout the duration of the service agreement, any changes to its terms must be documented and agreed to, in writing by both the Agency and the employee with a copy provided to the SPO for any necessary action.

Incentives offered under the Federal Employees Pay Comparability Act (i.e., student loan repayment) may be destroyed by the SPO three (3) years after the date of approval, upon completion of the service agreement, or upon termination of the incentive or differential payment, whichever is later. Longer retention is permitted if required for business use. See DAA-GRS-2016-0015-0011.

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