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**HR Highlights**

**July 2022**

**Federal Student Loan Forgiveness Opportunity for State Employees**

Are there full-time state employees at your agency with federal student loans? If so, have you considered informing them about the Public Service Loan Forgiveness Program (PSLF) that can reduce and eliminate student debt? Have you encountered problems interacting with that program?

The PSLF Program forgives the remaining balance on federal Direct Loans after making 120 qualifying payments while working full-time for a qualifying employer. The U.S. Department of Education (ED) recently announced a temporary, but significant waiver to PSLF program rules. The waiver, called the “Limited PSLF Waiver,” allows those borrowers who had the wrong type of loans or repayment plan to get credit for those past periods. All full-time employment with a state agency counts as a qualifying employer.

Here are some of the key improvements available under the Limited PSLF Waiver that may allow borrowers to receive credit for past periods of repayment not previously eligible:

* If you have Federal Family Education Loans (FFEL), Perkins loans, or other federal student loans, you will need to consolidate your loans into a Direct Consolidation Loan to qualify for PSLF both in general and under the waiver. Before consolidating, make sure to confirm your loan status using the [**PSLF Help Tool**.](https://studentaid.gov/pslf/)
* Past periods of repayment will now count regardless of whether you made a payment on time, for the full amount due, or on a qualifying repayment plan.
* Periods of deferment or forbearance, and periods of default, may qualify under a newly announced [Income-Drive Repayment (IDR) Account Adjustment](https://studentaid.gov/announcements-events/idr-account-adjustment) program.

**The waiver is available to borrowers until October 31, 2022.** To take advantage of the waiver, employees will need to:

* 1. Log into studentaid.gov with your FSA ID. If you do not have your user name or password, the site has account recovery tools. You can also register for an FSA ID at [**StudentAid.gov/fsa-id/create-account**.](https://studentaid.gov/fsa-id/create-account)
  2. Submit a PSLF form to certify qualifying employment for PSLF. You can generate a PSLF form for your agency to sign at [**StudentAid.gov/pslf**.](https://studentaid.gov/pslf) In the PSLF Help Tool, it’s important to use the appropriate Federal Employer Identification Number (EIN). For our employees, please use the following when searching for our agency, [CUSTOMIZED BY AGENCY]. Please note that some state agencies have the same EIN, and you may see several agencies in the PSLF Help Tool once you put in the EIN, be sure to select our agency from the list. After the PSLF Help Tool gives you a PDF, please sign and date it and submit it to [AGENCY TO INSERT PROCESS].

NOTE: If you worked at another state agency or for other eligible employers outside of state service (federal government; local government; non-profits) since October 2007, make sure you submit employment certifications to those employers. Service does not need to be consecutive.

* 1. Have federal Direct Loans (including through loan consolidation). You can consolidate your loans if you need to at [**StudentAid.gov/consolidation**](https://studentaid.gov/consolidation).

There’s no specific application for the waiver. Once borrowers have submitted PSLF forms and/or consolidated into the Direct Loan program, they will be automatically opted in to the waiver and receive forgiveness if they have 120 qualifying payments or an updated payment count.

Remember: this opportunity is time sensitive. **It’s important for you to take the steps necessary to qualify for the Limited PSLF Waiver before October 31, 2022.**

Learn more about the Limited PSLF Waiver at [**StudentAid.gov/PSLFWaiver**.](https://studentaid.gov/PSLFWaiver)