

Department of the Interior Bureau of Ocean Energy Management Manual

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Series: Administrative

Part 370: Personnel

Chapter 537: Student Loan Repayment Benefit Program

Office of Primary Responsibility: Bureau of Safety and Environmental Enforcement, Office of Administration, Human Resources Division

BOEMM 370.537

1.1 **Purpose.** This chapter provides policy and guidance regarding the repayment of federally insured or guaranteed student loans.

1.2 **Scope.** This chapter applies to Bureau of Ocean Energy Management (BOEM) hiring officials and supervisors and all employees except employees serving under Schedule C appointments.

1.3 **Objectives.** The BOEM Student Loan Repayment Program is intended to provide supervisors with incentives for recruiting and retaining highly qualified employees and to assist eligible BOEM employees by relieving student loan obligations.

1.4 **Authority.**

A. 5 U.S.C. 5379, "Student Loan Repayments."

B. 5 CFR 537, "Repayment of Student Loans."

C. Department of the Interior Personnel Bulletin No. 24-04, "Student Loan Repayment Benefit Policy."

1.5 **Policy.** Hiring officials and supervisors may offer a student loan repayment benefit to facilitate the recruitment or retention of highly qualified employees who meet the eligibility criteria. The benefit is limited to outstanding federally insured or guaranteed loans made by higher education institutions or banks and other private lenders as authorized by the Higher Education Act of 1965 and the Public Health Service Act (see Appendix 4 for eligible loans). The amount paid by the bureau is subject to a maximum limit of \$10,000 per employee, per 12-month period, and a lifetime total of \$60,000 per employee. Employees who have defaulted on student loans are not eligible for the incentive until the loan is removed from default.

A. Employee Eligibility.

(1) BOEM may approve student loan repayment benefits to recruit a highly qualified job candidate or retain a highly qualified employee who, during the service period established under a service agreement, will be serving under:

(a) An appointment other than a time-limited appointment; or

(b) A time-limited appointment if:

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

(ii) The time-limited appointment authority leads to another appointment of sufficient duration so that their employment with the bureau is projected to last for at least three years after the beginning of the service period established under a service agreement.

(2) An employee occupying a position that is excepted from the competitive service because of its confidential, policy-determining, policymaking, or policy-advocating character is ineligible for student loan repayment benefits (e.g., Schedule C appointees).

(3) An employee becomes ineligible for student loan repayment benefits under the conditions described below in paragraph C.3.

B. Criteria for Repayment. The following criteria must be met or considered in authorizing a student loan repayment benefit.

(1) Recruitment. A student loan repayment benefit can be paid provided there is a written determination by the approving official that, in the absence of such a benefit, the bureau would encounter difficulty in filling the position with a highly qualified candidate.

(a) Evidence of need may be based on:

(i) The success of recent efforts to recruit suitable candidates for similar positions, including such indicators as offer acceptance rates, the proportion of positions filled, and the length of time to fill positions;

(ii) Recent turnover in the same or similar positions;

(iii) Labor market factors that affect the ability to recruit for similar positions; and/or

(iv) Highly specialized skills or qualifications required for the position.

(b) This determination must be in writing and must document criteria used to determine the amount of loan repayment benefits. Supervisors may consider the following criteria in deciding the amount:

- (i) The severity of the recruiting problem;
- (ii) Salary levels reported in published salary surveys for comparable non-Federal positions;
- (iii) The importance/criticality of the position to be filled and the effect on the bureau or equivalent office if it is not filled or if there is a delay in filling it;
- (iv) The disparity in cost of living between the candidate's current residence and the proposed duty station;
- (v) The projected cost of further recruitment effort if the candidate does not accept the position;
- (vi) The extent of the individual's past training and experience that serves to qualify him/her for the position; and/or;
- (vii) Budget availability.

(c) Determinations for recruitment purposes must be made before the employee enters on duty in the position for which they were recruited. Student loan repayment benefits may not be authorized to recruit an individual from outside the bureau who is currently employed in the Federal service.

(2) Retention.

(a) A loan repayment can be authorized upon determination that, in the absence of the loan repayment benefits, the bureau would have difficulty retaining a highly qualified employee. Evidence of need may be based on:

- (i) The unique or high qualifications of the employee or the special need for the employee's services that makes it essential to retain the employee;
- (ii) The likelihood the employee would leave for employment outside the Federal service if they do not receive loan payment benefits; and/or
- (iii) The extent to which the employee's departure would affect the bureau's ability to carry out an activity or perform a function that is deemed essential to BOEM.

(b) The loan repayment determination must be in writing and must document the criteria used to determine the amount of the loan repayment benefit. Supervisors may consider the following criteria in deciding the amount:

(i) Salary levels reported in published salary surveys for comparable non-Federal positions;

(ii) The importance/criticality of the position and the effect on the agency if the employee were to leave;

(iii) The projected cost of recruitment and training associated with replacement of the employee;

(iv) The length of service of the employee with the bureau or equivalent office; and/or;

(v) Budget availability.

(3) Selecting Employees. When selecting employees, or job candidates, to receive student loan repayment benefits, BOEM must ensure that benefits are awarded without regard to race, color, religion, sex (including pregnancy), national origin, age (as defined by the Age Discrimination in Employment Act of 1967, as amended), disability, genetic information (including family medical history), marital status, political affiliation, sexual orientation, labor affiliation or non-affiliation, status as a parent, or any other non-merit based factor, unless specifically designated by statute as a factor that must be taken into consideration when awarding such benefits, or retaliation for exercising rights with respect to categories enumerated above, where retaliation rights are available.

C. Service Agreement. A student loan repayment will be in accordance with the terms, limitations, and conditions of a written service agreement between the bureau and employee. The benefit paid will be in addition to basic pay and any other form of compensation payable to the employee. See Appendix 1 for a template service agreement.

(1) The minimum period for continued service is three years. Where appropriate, an approving official may seek agreements requiring a period of service beyond three years. The service requirement begins when the bureau makes the first payment to the holder of the loan and should be at the beginning of a pay period. Individuals must reimburse the bureau for the gross amount of the student loan repayment benefit paid under the agreement if their employment with BOEM terminates before completing the period of employment specified in the service agreement because:

(a) They are separated involuntarily on account of misconduct or performance; or

(b) They leave BOEM voluntarily except in the cases where they leave to accept employment in another federal agency and the service agreement does not stipulate that repayment is required in such cases (see paragraph C.4 and C.7 below).

(2) Prior to authorizing loan repayments, BOEM must first verify with the holder of the loan that the employee has an outstanding loan that qualifies for repayment under this policy. The remaining balance will be verified to ensure the loans are not overpaid. Further, since it is the bureau's policy to pay the net amount to the loan holder, the entire loan schedule must be determined using the loan balance at the time of the initial repayment, and not the loan balances existing in subsequent years, in order to avoid an overpayment. The schedule of payments must be determined from the loan balance at the time of the initial loan repayment authorizations and not from subsequent year balances. This verification and a schedule of payments will be included in the service agreement. More than one loan may be repaid as long as the payments will be included in the service agreement and as long as the payments do not exceed the legally prescribed limits.

(3) An employee receiving loan repayment benefits will be ineligible for continued benefits if the employee:

- (a) Separates from the bureau;
- (b) Does not maintain an acceptable level of performance, as determined under the standards and procedures prescribed for the Department and BOEM; or
- (c) Violates any of the conditions of the service agreement.

(4) If an employee leaves BOEM voluntarily to enter the service of another federal agency before completing the service requirement, the employee will not be required to repay the loan payments made on the employee's behalf unless such repayment is otherwise specified in the service agreement. If the service agreement does not require repayment, the Bureau of Safety and Environmental Enforcement (BSEE) Servicing Human Resources Office (SHRO) will contact the gaining federal agency and inform that agency of the employee's continued service requirement and coordinate repayment procedures with the gaining agency if that employee leaves Federal service before completing the remaining service.

(5) Employees receiving loan repayment benefits must make loan repayments on the portion of the loan(s) that continues to be their responsibility. The service agreement must state that failure to make their loan repayments terminates eligibility for further loan repayment benefits.

(6) Loan payments made for periods of service that are not completed in accordance with individuals service agreements are subject to the Department's debt collection process. Collection will be accomplished in accordance with the Department's regulations for collections by offset from an indebted Government employee under 5 U.S.C. 5514 and 5 CFR 550 Subpart K. The repayment may be waived, in whole or in part, by Assistant Secretaries, or

officials they have authorized to waive debt recovery, when recovery would be against equity and good conscience or against the public interest.

(7) The SHRO is responsible for monitoring employee's periods of service requirements and taking action to recoup the amount of the loan repayments in the event an employee leaves BOEM before fulfilling their service requirement. If an employee's student loan repayment benefits are terminated because they move within the Department to another bureau or office before completing the period of service agreement, the SHRO will inform the gaining bureau or office of the employee's remaining service requirement. The gaining bureau or office will monitor the employee's service requirement and take action to recoup the amount of the loan repayment if the employee terminates their employment with the Department prior to completing the service requirement. Money recouped by the employing bureau will be transferred to BOEM.

1.6 Responsibilities.

A. Director/Deputy Director. Authorize the bureau's student loan repayment program and review the use and effectiveness of the program at least annually.

B. Hiring Official/Requesting Supervisor. The hiring official or requesting supervisor will:

(1) Consult with the BSEE SHRO regarding the requirements and procedures for requesting student loan repayment authorization.

(2) Recommend the amount of repayment and ensure the availability of funding.

(3) Prepare the written determination describing the need to offer the student loan repayment benefit to recruit and/or retain an employee.

(4) Ensure a Request for Personnel Action (SF-52) is submitted through the Federal Personnel/Payroll System (FPPS) upon initial authorization and payment of student loan repayment benefits and in any subsequent year in which benefits are authorized and paid.

C. BSEE SHRO. The SHRO will:

(1) Provide guidance to hiring officials or requesting supervisors, approving officials, job candidates, and employees on the provisions of the student loan repayment benefit and the requirements for submitting requests.

(2) Review requests for repayments to ensure the necessary criteria are met.

(3) Work with the requesting hiring official or supervisor and job candidate/employee to obtain all required information to include outstanding loan information (see Appendix 2 for a template of outstanding loan information).

(3) Return acceptable requests to the requesting hiring official or supervisor to obtain the appropriate approving official's signature.

(4) Work with the hiring official or supervisor and employee to complete the service agreement and monitor it once it is in effect (see Appendix 1 for a template service agreement).

(5) Once received in FPPS, the SF-52 will be processed as a Nature of Action (NOAC) 817, "Student Loan Repayment." The resulting SF-50 will be uploaded into the employee's electronic Official Personnel Folder.

D. Approving Official. The determination to provide a student loan repayment benefit will generally be made by Associate Directors, Regional Directors, or by the Deputy Director if the request is made in the Director's Office. Note that the authorized approving official must be at least one level higher than the supervisor of the employee receiving a student loan repayment. Approving officials will:

(1) Determine whether an employee meets all statutory requirements, in coordination with the SHRO and the requesting supervisor.

(2) Approve, modify, or disapprove a determination for student loan repayment.

(3) Ensure all documentation in support of the determination is maintained.

1.7 Procedures.

A. Payments will be made based on a 12-month period. A new service agreement is not necessary for each annual payment previously authorized. However, for each payment the employee receives, they must provide the SHRO with official documentation from the lending institution that provides the current outstanding loan balance (within the previous 30 days) and that the employee continued to make timely payments during the previous 12 months. The SHRO will verify the remaining loan balance to ensure that overpayment is not made.

B. In accordance with the tax liability rules governed by the Internal Revenue Service, the Agency must withhold and pay Federal income tax on the loan repayment amount. To minimize the tax implication on employees, BOEM will pay the net amount, after taxes and other assessments have been withheld, to the lending institution. However, the gross amount paid by BOEM will count toward the annual (\$10,000) and lifetime (\$60,000) limits and toward the outstanding loan balance. BOEM is not responsible for any late fees assessed by the loan holder.

1.8 **Reporting Requirements.** The SHRO will compile and report annually, through the Department's Office of Human Capital and provide the report to the BOEM Human Capital Officer with the following information:

A. The number of employees selected to receive this benefit;

- B. The cost to the federal government for providing benefits under this plan; and
- C. The job classifications of the employees selected to receive loan repayment benefits.

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 the Interior, and the Bureau of Ocean Energy Management, I hereby agree:

1. To serve in BOEM for ____ year(s) [minimum period is 3 years for initial service agreement with possible 1-year extensions if payments are made beyond 3 years].
2. The total amount of the student loan repayment benefit authorized is \$_____ [up to \$10,000 annually]. I understand that BOEM's commitment to repay my loan is for ____ year(s) [insert number of years BOEM will repay the loan, such as 3 years or 1 year, subject to yearly extensions]. Payments will be made every 12 months if more than 1 year of payments are authorized.
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 payment made beyond the 3rd year.
5. The initial service agreement is effective _____ through _____.
(Month/Day/Year) (Month/Day/Year)
6. That BOEM/BSEE is authorized to verify the status and outstanding loan 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 bureau from effecting personnel actions as may be appropriate.
8. That in the event I voluntarily leave BOEM, or in the event that 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 BOEM for the full amount of any student loan repayment benefits received under this service agreement. Certain exceptions apply if transferring to another federal agency or bureau or office within the Department.

9. I am responsible for making loan payments on the portion of the loan that continues to be my responsibility, and ensure the loan does not default.
10. The student loan repayment benefits made do not exempt me from my responsibility and/or liability for the loan.
11. For each repayment each year, I am responsible for providing the Servicing Human Resources Office with official documentation from the lending institution that provides the current outstanding loan balance (within the previous 30 days) and that I continued to make timely payments during the previous year.
12. I am responsible for any income tax obligation resulting from the student loan repayment benefit.
13. BOEM is not responsible for any late fees assessed by the lender if the student loan repayment benefit is not received on time.
14. The student loan repayment benefits made on my behalf by BOEM cannot exceed the lifetime maximum amount of \$60,000.
15. Other condition(s) agreed to by employee and BOEM: _____

I AGREE TO THE TERMS OF THIS SERVICE AGREEMENT:_____
Employee Signature_____
Date_____
Name (Print/Type)_____
Supervisor Signature_____
Date_____
Name (Print/Type)_____
Supervisor, BSEE HR Operations Branch 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

Purposes and Uses

The main purpose for collecting the information requested on this agreement 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 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 BOEM 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 BOEM/BSEE 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 a 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.

Appendix 2

TEMPLATE Student Loan Repayment Program Outstanding Loan Information

NAME: _____

SSN: _____

The following information is required for each lender of loan(s) being considered under the Student Loan Repayment Program.

1. Loan Information*:

- a. Name of the Federally funded loan received, e.g., Federal Stafford Loan, Federal Plus Loan, Federally Insured Student Loan, etc.;
- b. Date Loan was Obtained;
- c. Remaining Balance of Loan;
- d. Loan Number; and
- e. Document to verify payments that continued to be my responsibility have been made timely during the previous 12 months.

*An official document/letter by the loan institution providing the Loan Information must be attached.

- 2. Name, address, and telephone number for the lending institution holding the loan, e.g. bank, educational institution.
- 3. Name, address, and telephone number of servicing agent of the loan to whom payment are sent (if different from #2).
- 4. Name, title, and telephone number of authorized official for the Lending Institution.
- 5. Federal Tax Identification Number or EIN (Required for sending payments).

____ -- _____

TEMPLATE Request for Student Loan Repayment Benefit Under the Student Loan Repayment Program 5 U.S.C. 5379

Name		Series/Grade/Step	
Title		Type of Appointment	
Total Amount of Student Loan Repayment Benefit Received to Date (Include the Requested Amount from this Request.)			
\$			
Student Loan Repayment Benefit Amount Requested:	Student Loan Repayment Benefit for Year Number: (Circle One)		
	1 2 3 4 5 6 Other _____		
\$	<i>NOTE: Written Determination and Service Agreement must be attached to this Request.</i>		
Current Balance of Outstanding Loan: \$ _____			
<i>NOTE: Official Documentation from loan holder documenting loan balance and type of loan must be attached to this Request.</i>			
Compensation:			
Base/Locality Pay		\$	_____
Other Continuing Pay, e.g., PSP, retention allowance		\$	_____
Other Payments, e.g., lump sum payments		\$	_____
Student Loan Repayment Benefit Amount		\$	_____
TOTAL COMPENSATION		\$	_____
Recommending Official	Title	Date	
Certification of Funds	Title	Date	
Human Resources Official	Title	Date	

Approving Official	Title	Date
Effective Date:		Expiration Date:

Appendix 4

Eligible Loans

The repayment authority, 5 U.S.C. 5379 as amended, is limited to student loans authorized by the Higher Education Act of 1965 and the Public Health Service Act. These are Federally insured loans made by educational institutions or banks and other private lenders.

The Higher Education Act covers guaranteed student loan programs such as:

- Stafford Loans (subsidized, unsubsidized, Direct subsidized, and Direct unsubsidized);
- PLUS Loans (Federal and Direct Federal);
- Federal Consolidation Loans (Direct subsidized and Direct unsubsidized);
- Defense Loans (made before July 1, 1972);
- National Direct Student Loans (made between 7/1/72 and 7/1/87); and
- Perkins Loans.

Loans covered under the Public Health Service Act include the:

- Nursing Student Loan Program loans;
- Health Profession Student Loan Program loans; and
- Health Education Assistance Loan Program loans.