

Approved: 08-05-10

Student Loan Repayment Program



**NATIONAL NUCLEAR SECURITY ADMINISTRATION
Office of Management and Administration
Office of Human Capital Management Programs**

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Student Loan Repayment Program

1. **PURPOSE.** To establish and implement a uniform incentive program for repayment of student loans, under the provisions of 5 U.S.C. 5379 and 5 CFR 537, as amended by the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398), and the Federal Employee Student Loan Assistance Act of 2003 (Public Law 108-123).
2. **APPLICABILITY.** This policy applies to all NNSA elements.
3. **CANCELLATION.** This BOP cancels BOP-002.02a, NNSA Student Loan Repayment Program, dated December 27, 2005.
4. **POLICY.** At the discretion of NNSA, the repayment of all or parts of “qualifying” student loans (as defined in Section 4.e., below) may be provided to recruit highly qualified candidates for initial Federal appointment to positions determined to be difficult to fill.
5. **DEFINITIONS.**
 - a. **Direct Student Loan Program.** A loan authorized under Part C of Title 20, USC, Chapter 28, Subchapter 4, for which the U.S. Department of Education is the lender. Direct loans include Federal Direct PLUS loans and Federal Direct Stafford Loans.
 - b. **Federal Family Education Loan Program.** A loan authorized under Part B of Title 20, USC, Chapter 28, Subchapter 4, insured by the U.S. Department of Education that is issued privately by a bank, credit union, or other participating lender.
 - c. **Loan Payment.** The net payment made by NNSA to the holder of a student loan, following application of taxes and withholding to that gross amount.
 - d. **Non-qualifying Student Loan.**
 - (1) Loans not made, insured, or guaranteed under Parts B, D, or E of Title IV of the Higher Education Act of 1965.
 - (2) Health education assistance loans not 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.
 - (3) Previously repaid student loans.
 - (4) Future student loans accrued by an employee (i.e., any otherwise

qualifying student loan the eligible employee obtains subsequent to the service agreement being executed).

- (5) PLUS loans, which are loans borrowed by parents, for their children's benefit, to help pay education expenses for a dependent undergraduate student enrolled at least half time in an eligible program at an eligible school.
- e. Qualifying Degree/Major. Any degree or major provided that the loan is a Qualifying Student Loan (as defined below). A degree, diploma, or certificate need not have been awarded.
- f. Qualifying Student Loan.
- (1) Outstanding loans made, insured, or guaranteed under Parts B, D, or E of Title IV of the Higher Education Act of 1965;
 - (2) Outstanding health education assistance loans 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;
- g. Student Loan Repayment Benefit.
- (1) Benefit provided to an employee in which NNSA repays (by direct payments to the loan holder on behalf of the employee) a qualifying student loan previously taken out by the employee.
 - (2) Student loan repayments are fully taxable. The nominal dollar value of a respective benefit is the gross amount, before income tax deductions and withholding.
 - (3) Student loan repayment benefits are not considered basic pay for any purpose.
- h. Subsidized Loan. A loan in which the U.S. Government pays the interest on the loan while the student is in school, during the grace period, and during periods of authorized deferment.
- i. Unsubsidized Loan. A loan for which the student is responsible for paying the interest accrued while the student is in school, during the grace period, and during the period of authorized deferment.

5. ELIGIBILITY.

- a. NNSA Selectees for Federal Appointment: Individuals seeking initial Federal appointment who have been selected for:
 - (1) career or career-conditional appointments in the competitive service;
 - (2) appointments without time limitation in the excepted service;
 - (3) time-limited appointments in the competitive or excepted service of at least 3 years in duration; or
 - (4) appointments with eligibility for non-competitive conversion to the competitive service (e.g., Federal Career Intern Program, Student Career Experience Program, Presidential Management Fellow Program, Veterans Recruitment Appointment).
- b. Exclusions: Selectees who are current Federal employees are not eligible for an initial student loan repayment. Candidates who will serve under time-limited appointments of less than 3 years in duration and Schedule C appointees are excluded from receiving student loan repayments.

6. LOSS OF ELIGIBILITY. An employee receiving student loan repayment benefits becomes ineligible for continued NNSA-provided benefits when:

- a. The recipient separates from NNSA.
- b. The recipient does not maintain an acceptable level of performance, as indicated by an official rating of at least Fully Meets Expectations (i.e., a rating equivalent to “Level 3” or higher, as described in 5 CFR 430.208(d)).
- c. The recipient violates a term or condition of the service agreement.

7. TERMS, LIMITATIONS, AND CONDITIONS.

- a. Requirement: Under 5 USC 5379(e) and 5 CFR 537.103(d), NNSA must establish criteria for selecting recipients of student loan repayment benefits that ensure fairness, equity, and that are consistent with the merit system principles enumerated in 5 USC 2301(b).
- b. Criteria for authorizing benefits: Before benefits can be authorized, two essential criteria must be met, which are as follows:
 - (1) A selectee must be determined to be highly qualified.

- (2) There must be a determination that without the benefit the agency would otherwise encounter difficulty in filling a position with a highly qualified individual.

These determinations must be made in writing. Attachment 1, the *Student Loan Repayment Request Form (Non-ERB Action)*, provides a template for making these written determinations.

c. Benefit Amounts:

- (1) Maximum benefits:
 - (a) \$10,000.00 per calendar year (before deduction of payroll taxes and income tax withholding);
 - (b) \$60,000.00 lifetime (before deduction of payroll taxes and income tax withholding).
- (2) NNSA may not authorize any amount that exceeds the total amount of student loan indebtedness at the time NNSA and the candidate enter into a service agreement.
- (3) In determining the amount of student loan repayment benefits, the requesting official must consider the availability of budgeted funds.
- (4) Multiple job openings for identical positions may be covered by the same vacancy announcement. When this method of selection is used, in the interest of fairness and equity, all selected applicants should be offered the same dollar amount of student loan repayment benefits. The vacancy announcement should advertise the availability of the benefits and may state the monetary value of the benefits.
- (5) When an eligible individual has outstanding loans for multiple degrees, repayment benefits should be first directed toward loans incurred to complete the principal job-related degree. Additional benefits may be directed toward loans incurred for the most recent post-secondary course of study that has conferred additional job-related or professional skills.

d. Benefit Payment:

- (1) At the appointee's request, and subject to the loan holder's approval, student loan repayment benefits are paid directly to lender/note holder as either an annual lump-sum payment, beginning no sooner than the first full pay period a service agreement is in force, and annually thereafter on the anniversary of the first lump-sum payment, or on a biweekly basis. The first payment will be made within 120 days of the effective date of the

appointment. When paid annually, taxes are deducted from the gross amount of the loan repayment and made as a net payment to the lender/note holder. When paid biweekly, taxes are withheld from the employee's gross pay.

- (2) If the benefit represents only a part of the recipient's financial obligation, he or she is responsible for the remainder of the debt.
- (3) If multiple loans are being repaid, each lender/note holder should generally be paid in the same manner, at the same time.
- (4) For all loans being repaid, the DOE Payroll Office should be provided with a copy of the service agreements and any other documentation required to process the payments.

NOTE: A single lender/note holder (e.g., Sallie Mae) may be servicing a number of different loans, both qualifying and non-qualifying, for a single individual. In such cases, the lender/note holder must be informed of the specific qualifying loans that are being paid and advised not to apply any payments to any non-qualifying loans.

- e. **Annual Recertification:** Prior to each 1-year anniversary following the effective date of the service agreement, or when a completed service agreement is extended on an annual basis, the requesting official must certify in writing that funds are available to pay for the next upcoming annual payment, or that sufficient funds still exist to continue paying the lender on a biweekly basis. (In NNSA, funds for student loan repayment are allocated from a budgetary device known as the "recruitment pay pool.") Prior to the 1-year anniversary, the Human Resources Consultant (HRC) ascertains and verifies the status of the student loan obligation, such as the loan's remaining balance, as well as whether or not it is in good standing or is in default. The recertification must be recorded by a personnel action in CHRIS (DOE's automated HR information and reporting system) for OPM reporting purposes. If the amount of the benefits will be reduced from the prior year or terminated, the employee, payroll office, and the lender/note holder must be informed at least 90 days before such a decision takes effect.
- f. **Service Agreements:**
 - (1) Recipients of an initial student loan repayment incentive must sign a 3-year service agreement. The service agreement is the contractual instrument through which NNSA, an agent of the Government, and a recipient mutually agree to certain terms, limitations, and conditions on the repayment of qualifying loans. Attachment 4 is the required service

agreement template. The service agreement must be signed no later than the date an employee enters on duty in the position to which he or she was appointed. The service agreement becomes effective, and the obligatory service period begins, the first day of the employee's service in the position, even though actual loan disbursements are not likely until after entrance on duty. It is, therefore, the employee's responsibility to continue making regular payments to the lender according to the terms of the loan agreement, though NNSA will be submitting separate payments to the lender to resolve part or all of the employee's indebtedness.

- (2) Recipients who have completed the initial 3-year service agreement may have student loan repayment benefits extended until the lifetime benefit amount is exhausted, or for 6 years, whichever comes first. When the payment is made through a one-time annual lump-sum payment, a 1-year service agreement must be signed.
- (3) Periods of leave without pay (LWOP) do not count toward completion of the required service agreement period. The service agreement completion date will be extended by the amount of time spent in LWOP pay status, unless the period of LWOP coincides with a call-up to duty in a uniformed service, or due to a compensable injury (see 5 CFR 353.107). During periods of any type of LWOP, payments to the lending institution will continue unless NNSA is notified by the lender that the loan(s) have entered a period of deferment, or the employee requests that NNSA discontinue making payments to the lender during the period of non-pay status.

g. Employee Reimbursement Requirements:

- (1) An employee who voluntarily separates from Federal service before completing the service agreement period must reimburse NNSA for the gross amount of all student loan repayment benefits paid by NNSA on the employee's behalf.
- (2) An employee who is involuntary separated from Federal service before completing the service agreement for reasons other than misconduct, unacceptable performance, or a negative suitability determination under 5 CFR part 731 (e.g., a reduction-in-force (RIF) separation) is not required to reimburse NNSA for student loan repayment disbursements.
- (3) An employee who is voluntarily reassigned or promoted to a position in another DOE element, or transfers to a position at another Federal agency, before the expiration of the service agreement, is not required to reimburse NNSA for prior student loan repayments made to the employee's lender.

NNSA will not, however, make any future payments to the employee's lender.

- (4) An employee who changes positions within NNSA, through promotion, reassignment, or reduction in grade, will continue to receive scheduled student loan repayment benefits provided the new organization has the funding available to continue payment of those benefits.
- (5) An employee who is reassigned to another NNSA position within the same commuting area at management's direction, or as a result of a RIF displacement action, RIF assignment, or through the exercise of a career transition assistance plan (CTAP) placement, will continue to have their student loan repayments made by NNSA, with the existing service agreement continuing in force, provided NNSA has adequate funds in the pay pool to support continuation of loan repayments. Similarly, an employee who is reassigned to another NNSA position in another geographic location at the direction of management will continue to have their student loan repayments made by NNSA, with the original service agreement remaining in force.
- (6) An employee who is reassigned to another position in DOE at management's direction, or through CTAP, prior to the completion of a service period is not required to reimburse NNSA for student loan repayments already made on the employee's behalf. NNSA will not, however, make any future payments to the employee's lender.
- (7) An employee whose benefits are extended annually beyond the initial 3-year service agreement period, but who voluntarily separates from Federal service before a year of service is completed, must reimburse NNSA for the gross amount of any NNSA payments made during that annual extension period.
- (8) Reimbursement to NNSA may be wholly or partially waived when it is determined that recovery would not be in the public interest, or would be against equity and good conscience. In making this determination, consistency, fairness, and the cost to the taxpayer of recovering monies owed to the Government are taken into account. Examples include, but are not necessarily limited to, when a recipient is separated because of death, or disability retirement, or is unable to continue working because of disability (evidenced by acceptable medical documentation).

- h. Reduction in Funding:
 - (1) Whenever NNSA's funding situation requires a reduction in the budget allocation for the applicable organization's Recruitment Pay Pool, preexisting student loan repayment arrangements will be supported before new ones are authorized.
 - (2) When the total amount for existing student loan repayment commitments cannot be supported in a given fiscal year for a given pay pool, available funding will be awarded proportionally, based upon the percentage each repayment benefit represented relative to the pay pool's original funding level.
- i. Records and Reports:
 - (1) A record of each student loan repayment determination must be maintained for review upon request by OPM. The records may be destroyed 3 years after the end of the required service obligation.
 - (2) To implement 5 CFR 537.110 by March 31 of each year, NNSA must submit the following information to the DOE Office of Human Capital Management:
 - (a) The number of employees who received benefits;
 - (b) The job series and title of employees who received benefits; and
 - (c) The annual cost to NNSA of those benefits for all recipients.

8. RESPONSIBILITIES.

- a. NNSA Administrator.
 - (1) Exercises authority granted under Title 32 of the National Defense Authorization Act for Fiscal Year 2000, Public Law 106-65 (*NNSA Act*) as subsequently amended.
 - (2) Ensures that the provisions of 5 USC 5379 and 5 CFR Part 537 are properly administered within NNSA, and that NNSA job candidates, selectees, and appointees are informed of relevant provisions.
 - (3) Approves student loan repayment requests for eligible SES, SL, ST, EK, EJ, and EN candidates with a basic rate of pay above GS-15, Step 10, equivalency, consistent with recommendations of applicable Executive Resources Board(s).

- b. NNSA Associate Administrator for Management and Administration (NA-60).
Approves or disapproves requests to use the student loan repayment incentive in conjunction with other incentives, such as a recruitment incentive or retention incentive.

- c. Director of Office of Human Capital Management Programs (NA-64).
 - (1) Develops policies and procedures for the implementation of the provisions of 5 USC 5379 and 5 CFR Part 537.
 - (2) When a repayment waiver is determined appropriate, prepares a memorandum to the NNSA Chief Financial Officer (CFO) requesting that the Federal debt not be collected under the provisions of 5 USC 5379(c)(3) and 5 CFR 537.109(e).

- d. Director of Office of Human Capital Management Services (OCHMS)/Director of Management and Administration in NA-30/Director of Executive Resources and Office of the Administrator Services Division (NA-642).
 - (1) Reviews for adequacy and completeness, as well as for statutory, regulatory and policy compliance, student loan repayment incentive requests and signs Attachment 1.
 - (2) Forwards requests for approval to respective Pay Pool Managers, or to NA-60 when called for.
 - (3) Maintains copies of all requests, signed approvals and concurrences, and all other associated documentation.

- e. Human Resources Consultants.
 - (1) Provides technical advice and assistance to the requesting official.
 - (2) Verifies the status of each loan, including any obligation the employee may have, and discusses the terms and amount of the outstanding obligation(s) with the requesting official.
 - (3) Reviews for completeness, as well as for statutory, regulatory, and policy compliance, student loan repayment incentive requests and signs the SF-52, Request for Personnel Action, and Attachment 1.
 - (4) Forwards approvable requests to the Director of OHCMS, the Director of Management and Administration in NA-30, or the Director of Executive

Resources and Office of the Administrator Services Division, as appropriate.

- (5) Processes respective student loan repayment actions with the appropriate 817 nature of action code for OPM tracking purposes.
- (6) Verifies the DOE Payroll Office has the documents required to effectuate the payments to the loan/note holder and to ensure proper gross wage compensation, payroll taxes, and income tax withholding.

f. Requesting Officials.

- (1) Discuss possible use of the student loan repayment authority with servicing HRCs.
- (2) Complete and forward to HRCs student loan repayment request forms with written justifications and SF-52s, including concurrence signatures.
- (3) Works with the servicing HRC to verify that sufficient information is obtained from the applicant necessary to verify the status of each loan and the amount of the financial obligation.

g. Pay Pool Manager (i.e., Site Office Manager, Laboratory Field Office Manager for Naval Reactors, Headquarters Component Head, and the Service Center Director). Approves or disapproves given student loan repayment requests.

NOTE: Site Office Managers who function as Pay Pool Managers must be receive concurrence from the head of NA-17; the Laboratory Field Office Manager for Naval Reactors must receive concurrence from the head of NA-30, or designee.

9. ADMINISTRATIVE PROCEDURES AND PROCESS WORKFLOW.

- a. The requesting official and the servicing HRC determine whether a student loan repayment incentive would be appropriate for the recruitment situation.
- b. When a student loan repayment incentive is determined appropriate, the requesting official prepares a student loan repayment request form (Attachment 1), a written justification, and an SF-52, *Request for Personnel Action*. The requesting official signs the SF-52, obtaining concurrence signatures from the next higher-level manager, and the designated Pay Administrator for the applicable pay pool, signifying that funds are available.

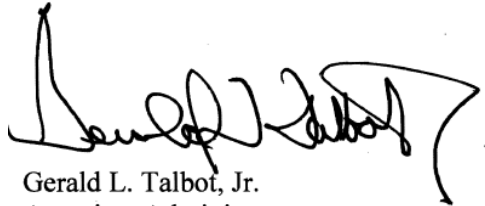
- c. The HRC obtains information from the candidate sufficient to verify the status of each qualifying loan, repayment terms, due dates, balance amounts, and loan expiration dates.
- d. The servicing HRC reviews the package for compliance and completeness, signs it, and then forwards it for review by the Director of OHCMS, the Director of Management and Administration in NA-30, or the Director of Executive Resources and Office of the Administrator Services Division (NA-642), as appropriate.
- e. Upon satisfactory review, the Director of OHCMS, the Director of Management and Administration in NA-30, or the NA-642 Director, as appropriate, signs both the request form, signifying their approval recommendation; the respective NNSA/DOE ERB recommends approval in the case of an ERB-subject action.
- f. The respective Pay Pool Manager approves or denies the given request for the student loan repayment benefit in the case of an NNSA pay-banded position, or an excepted service position not subject to ERB action.
- g. Student loan repayments requests for eligible SES, SL, ST, EK, EJ, and EN with a basic rate above GS-15, Step 10 must follow the approval procedures described in the appropriate Executive Resources Board charter, which generally requires approval of the respective NNSA or DOE ERB, and the NNSA Administrator.
- h. When the intention of the requesting official is to give a job applicant for a position not subject to an ERB both a student loan repayment benefit and a recruitment incentive, final approve must be given by NA-60.

10. REFERENCES.

- a. 5 USC 5379, as amended by Public Law 106-398 and Public law 108-123
- b. 5 CFR Part 537
- c. DOE Order 332.1B (Pay and Leave Administration and Hours of Duty), Chapter 1 (Student Loan Repayment Plan)
- d. OPM Federal Student Loan Repayment Program Fact Sheet web page (including linked references) (<http://www.opm.gov/oca/pay/StudentLoan/>)

11. POINT OF CONTACT, Director, Office of Human Capital Management Programs (NA-64).

BY ORDER OF THE ADMINISTRATOR:



Gerald L. Talbot, Jr.
Associate Administrator
for Management and Administration

Attachments:

1. Student Loan Repayment Request Form (Non-ERB Action)
2. Student Loan Repayment Checklist - New Employee
3. Student Loan Repayment Checklist - Recertification
4. Student Loan Repayment Program Service Agreement

ATTACHMENT 1

Student Loan Repayment Request Form (Non-ERB Action)

Type of Request: Initial Request Annual Recertification

Name of Eligible Candidate/Selectee: _____

Position Title/Series/Grade (Career Path/Pay Band): _____

Position Location: _____

Justification Attached: Yes No SF-52 Attached: Yes No

Service Agreement Attached: Yes No

Requesting Official (Name and Title)

Signature Date

Requesting Official's Supervisor (Name and Title)

Signature Date

Funds are available

Funds are not available

Pay Administrator Date

Complies with regulation/policy; is complete

Does not comply with regulation/policy; is not complete

Is a shortage-category position

Servicing Human Resources Consultant Date

Complies with regulation/policy; is complete
Does not comply with regulation/policy; is not complete

Directors OHCMS, NA-30 M&A, or NA-642 Date

Request Approved
 Request Disapproved

Pay Pool Manager Date

- or -

Candidate approved for an additional recruitment incentive

Request Approved
 Request Disapproved

Associate Administrator for Management and Administration Date

ATTACHMENT 2

Student Loan Repayment Request Checklist

Name of Selectee/Appointee: _____

1. Position Title: _____

2. Career Path-Series-Pay Band (Salary)/Pay Plan-Series-Grade/Step (Salary): _____

3. Gross annual amount of student loan repayment benefits: _____

4. Duration of student loan repayment benefits: _____

5. Will the selectee be serving under a Schedule C appointment? Yes No

6. Does the written determination support the conclusion that in the absence of student loan repayment benefits, NNSA would encounter difficulty in filling the position? Yes No

a. Does the written determination consider one or more of the following factors?

(1) Success of recent efforts to recruit candidates for similar positions, as indicated by offer acceptance rates, proportion of positions filled, and length of time required to fill similar positions. Yes No

(2) Recent turnover in similar positions. Yes No

(3) Labor market factors that may affect NNSA's ability to recruit candidates for similar positions now or in the future. Yes No

(4) Special qualifications needed for the position. Yes No

(5) Other (Specify if Yes). Yes No

b. Does the written determination include an explanation of how the student loan repayment benefit amount was derived? Yes No

Human Resources Consultant (Print)

Signature

Date

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ATTACHMENT 3
Student Loan Repayment Request Checklist
Annual Recertification

1. Name of Employee: _____
2. Position Title: _____
3. Career Path-Series-Pay Band (Salary)/Pay Plan-Series-Grade/Step (Salary): _____
4. Gross annual amount of student loan repayment benefits: _____
Change from previous (if applicable): _____
5. Duration of student loan repayment benefits remaining: _____
6. Are funds available to ensure payment of the total amount specified in #4 for the next year? Yes
 No
7. Has/have the loan balance(s) been verified? Yes No
8. Is the loan balance (or sum of loan balances) equal to or greater than the gross annual amount of student loan repayment benefits specified in #4? Yes No
9. Has/have the status of the loan(s) been verified (i.e., in good standing, in arrears, etc.)? Yes No
10. Has the employee maintained at least a fully successful, pass, or equivalent performance rating? Yes No
11. Has the employee maintained the appropriate security clearance? Yes No
12. If the amount or percentage of student loan repayment benefits is less than the previous one, does the written determination address the reason for the difference? Yes No

Human Resources Consultant (Print)

Signature

Date

Concurrence:

Pay Administrator

Date

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ATTACHMENT 4
NNSA
Student Loan Repayment Program
Service Agreement

1. Introduction

This Student Loan Repayment Program Service Agreement is an employment agreement between the National Nuclear Security Administration (hereinafter referred to as “NNSA”), a separately organized agency within the Department of Energy (hereinafter referred to as “DOE”), and (employee's name) (hereinafter referred to as “you” or “your”) for the purpose of specifying conditions under which you agree to work as a Federal employee at NNSA in return for NNSA repaying part or all of your outstanding student loan(s) through loan payments to the lender(s). This agreement will continue in effect until the terms and conditions have been satisfied, or funding is no longer available.

2. Period of Service

You are required to serve three (3) years of Federal service beginning _____, the first day of your entrance on duty, and ending (date) _____. Periods of leave without pay, or other periods during which you are not in a pay status, do not count toward completion of the required service period (i.e., the ending date will be automatically extended by the total amount of time spent in a non-pay status). Absence due to duty in a uniformed service, or compensable injury, is considered creditable toward the required service period upon your restoration to duty or reemployment.

3. Loan Payments and Limitations on Repayment Amounts

- a. The amount of the applicable outstanding student loan balance(s) as of (date) is \$ (amount). The amount of student loan payments that NNSA will make on your behalf under this service agreement is \$ (maximum \$10,000) per calendar year, and a total amount of \$ (maximum \$30,000) over three (1) years. Be aware that availability of payments is subject to annual review and recertification by the selecting official to ensure budget availability and incentive payment eligibility.
- b. Payments by NNSA under this service agreement do not exempt you from your responsibility and/or liability for any loan(s) for which you are obligated, as NNSA is not obligated to the lender/note holder for its commitment to you. You are still responsible for the entire loan balance(s), including any amount not paid by NNSA, and any late fees associated with the timing of the NNSA loan payments. Further, you will also be responsible for any tax obligations resulting from the loan payment benefits made pursuant to this agreement.
- c. Loan payments by NNSA hereunder will be made through the payroll disbursement process directly to the lender/note holder. The loan payments made on your behalf are treated as wages that are subject to Federal and State taxation. The amount of the loan payments to each lender may be reduced by mandatory and voluntary deductions, including tax levies and garnishments.
- d. Please check your preferred mode of NNSA’s payment (only check one block):

_____1) a lump sum annual payment of \$ (gross amount), paid annually, for _____years (taxes related to each payment will be deducted from that amount and a net payment made).

_____2) bi-weekly gross payments of \$ (gross amount), paid over _____years (gross amount of the bi-weekly loan payments will be added to your gross salary amount to increase your total salary for that pay period and taxes related to the increased amount will be deducted).

4. Terms and Conditions

- a. During the term of this agreement, you agree that NNSA is authorized to verify the status of each loan, including any obligation that you have, and to discuss the terms and amount of the outstanding obligation(s) with each lender/note holder. You agree to provide NNSA with information about each loan, such as the lender/note holder's name, address, phone number, bank routing number, etc.; your identifying information, including social security number; and your payment obligation (i.e., the amount due and the time period that the loan is to be paid). You hereby represent that the payment of benefits, which are the subject of this service agreement, will apply only to your student loan indebtedness outstanding as of the date that this service agreement is executed by you and NNSA.
- b. Should NNSA's payments hereunder cover only a part of your repayment obligation(s) under the subject student loan(s), and should you be in arrears or default on your own loan repayment obligation(s), then NNSA will determine the appropriate course of action at that time. NNSA will consider such remedies as paying the amount in arrears or default, extending the period of service, renegotiating the terms of the loan repayment schedule, or terminating future NNSA payments. Should payments be terminated, your remaining service commitment must be fulfilled, or you will be obligated to reimburse NNSA through appropriate DOE debt-collection procedures for the full amount of the loan payments that NNSA has paid on your behalf pursuant to this agreement.
- c. You are required to maintain at least a Fully Meets Expectation, or equivalent, performance rating, and, as applicable, maintain your security clearance for the duration of this service agreement. If your performance rating falls below satisfactory, or if your security clearance is revoked, loan payments not yet made to the lender will be suspended until your performance improves to an acceptable level, or until your security clearance is restored. Should payments be suspended under these circumstances, your remaining service commitment must be completed to avoid a repayment obligation for the student loan repayments that NNSA has already paid to the lender. If you are separated involuntarily anytime prior to the ending date of this service agreement due to performance, misconduct, delinquency, or failure to maintain your security clearance, this agreement is considered breached; student loan payments not yet disbursed will be suspended, and you will be obligated to reimburse NNSA for the student loan repayments already disbursed to the lender.
- d. If you fail to complete the period of service hereunder because you voluntarily separate from Federal service, further loan payments will terminate immediately, and you will be obligated to reimburse NNSA for the full amount of the loan repayments that NNSA has already paid to the lender on your behalf under this agreement.
- e. If you fail to complete the period of service hereunder because you voluntarily separate from NNSA to accept employment in another DOE organizational element, or in another Federal agency, further loan payments will terminate immediately. You will not, however, be held liable to reimburse NNSA for student loan repayments already made to the lender.

- f. If you are separated involuntarily for reasons other than misconduct, delinquency, or performance (e.g., due to reduction in force (RIF), or for medical reasons), you will not be considered indebted to NNSA, or to the U.S. Government.
- g. Should you be reassigned to another NNSA position within the same commuting area at management's direction, or as a result of a RIF displacement action, or through the exercise of a career transition assistance plan (CTAP) placement, the existing service agreement will continue in force, and you will continue to have your student loan repayments made by NNSA, provided NNSA has adequate funds in the pay pool to support continuation of loan repayments. Similarly, if you are reassigned to another NNSA position in another geographic location at the direction of management, you will continue to have your loan repayments made by NNSA, the original service agreement remaining in force.
- h. Should you be reassigned or promoted to a non-NNSA position, or accept a lower-graded position, within DOE through voluntary selection, management's direction, or through CTAP or RIF, or be selected for appointment by transfer to another Federal agency, prior to the completion of your service commitment under this agreement, you will not be required to reimburse NNSA for student loan repayments already made to the lender.
- i. Should you change NNSA positions, through promotion, reassignment or reduction in grade, you will continue to receive scheduled student loan repayment benefits, provided the new organization has adequate funds in its pay pool to support continuation of loan repayments.
- j. Should you enter a period of leave without pay (LWOP), at your discretion, you may request that NNSA suspend payments scheduled to the lender during that time. Exercising this option serves to minimize your debt to NNSA in the event that you are not later able to return to work.
- k. If you are determined to be indebted to NNSA, or to the U.S. Government, your supervisor on your behalf can draft a waiver request. Waivers are issued by the Director of the Office of Human Capital Management Programs, in due considerations of equity and good conscience, or when debt collection would be against the public interest.
- l. In the event that applicable laws or regulations change that would result in changes in the terms and conditions of this agreement, the parties hereto mutually agree that this agreement will be subject to them. If such a change reduces the length-of-service requirement, and should it be deemed appropriate, NNSA agrees to modify the period of service section of this agreement.
- m. Any changes or modifications to this agreement, other than those required by applicable laws or regulations, must be mutually agreed to in writing by the parties.
- n. NNSA reserves the right to terminate or reduce payments in the event that funding is no longer available, or due to some other unforeseen management contingency. Were NNSA to decide to terminate or reduce benefits payments under this agreement, you will be notified at least 90 days before such a decision takes effect.

- o. Upon mutual agreement between the employee and the original NNSA selecting official, planned future loan payments to the lender may be cancelled. This provision allows the employee to lessen the amount owed as reimbursement to NNSA should the employee choose to leave Federal service, or if any other condition is triggered that would necessitate reimbursement to NNSA of student loan repayments already made to the lender.

5. Continuation of Annual Lump-Sum Student Loan Repayment Benefits Subsequent to Completing the Initial Three (3)-Year Service Obligation

- a. After completing your initial three (3)-year service obligation, should student loan repayment benefits be continued on an annual basis through a lump-sum payment to the lender, you agree to remain in Federal service for one (1) year, beginning on the first day of the pay period in which that year's student loan repayment benefit is paid, regardless of amount. When multiple loans are being repaid and any one will be paid as an annual lump-sum net payment, you likewise agree to remain in the Federal service for one (1) year from the first day of the first pay period in which that year's student loan repayment benefit is paid, regardless of the amount.
- b. All of the terms and conditions specified in Section 4 above remain in effect, except the length of service obligation (i.e., one (1) year instead of the initial three (3)-year service obligation). Reimbursement to NNSA of the loan payments made on your behalf for failure to complete this one (1)-year service obligation will be limited to no more than the gross value of the annual lump-sum payment made to the lender under this extension.

6. Continuation of Bi-weekly Student Loan Repayment Benefits Subsequent to Completing the Initial Three (3)-Year Service Obligation

- a. After completing your initial three (3)-year service obligation, if your student loan repayment benefits are continued on a bi-weekly basis, you are exempt from any obligation to remain in the Federal service for any period beyond the pay period in which benefits were paid to the lender on your behalf. This provision also applies if multiple loans are being repaid and all of them are being repaid on a bi-weekly basis.
- b. All of the terms and conditions specified in Section 4 above will remain in effect, except the length of service obligation.

7. Certifications

I hereby certify that I have read and understand the terms and conditions of this agreement and have attached the necessary information on each loan for which NNSA will make payments. I understand that this agreement between myself and NNSA does not constitute a right or entitlement to Federal appointment and promotion, nor is it a guarantee of continued employment, and further, that this agreement does not in and of itself confer competitive status, or as applicable, a right to noncompetitive conversion to the competitive service.

Selected Applicant/Appointee

Date

Under the principles contained in 5 USC 5379 and 5 CFR Part 537, I hereby certify that:

1. In the absence of the loan repayment benefits contemplated in this agreement, NNSA would encounter difficulty in filling the position of (title of position) with a highly qualified candidate, and I have stated my detailed reasons for this conclusion in my written determination that is part of the official file pertaining to this matter.
2. In selecting the above-named candidate to receive loan repayment benefits, I have adhered to merit system principles and have taken into consideration the need to maintain a balanced workforce in which women and members of racial and ethnic minority groups are appropriately represented in Government service.
3. The source of funding for this agreement is the Recruitment Pay Pool for (NNSA organization code).

Requesting Official

Date

Attachment(s):
Information on each loan and lender/note holder

Distribution:
Original - OPF
Copies - Employee, DOE Payroll, Supervisor, Finance Staff, etc.

Privacy Act Statement

Part 537 of Title 5 of the Code of Federal Regulations requires the use of a service agreement to support employer repayments of student loans. Providing information and signing this agreement is voluntary, but failure to provide the requested information on your loan(s) and, if applicable, course grades in order to determine your grade point average, or to sign this agreement will preclude the authorization of such payments on your behalf. It will not affect your ability to be appointed to a position offered by the National Nuclear Security Administration (NNSA). The use of the information involved with this agreement is by applicable management officials and supporting administrative staffs, payroll and accounting staffs, human resource staffs, and equal employment opportunity staffs to verify the status of your loan(s), make the payments to the appropriate note holder(s), and ensure equitable treatment. There are no other uses for the information collected.

The official copy of this agreement is maintained in your Official Personnel File (OPF), which is a category of record included in the OPM/GOVT-1 General Personnel Records system. One copy of the information that you provide, along with a copy of this agreement will be maintained in your payroll file, which is a category of record included in DOE-13, Payroll and Leave Records. Other copies may be maintained in your Departmental element, such as by your supervisor and finance office, which is appropriate under the OPM/GOVT-1 records system.