

EMPLOYMENT VERIFICATION for

Public Service Loan Forgiveness (PSLF)



The public service loan forgiveness program, or PSLF, is an extraordinary program enabling nonprofit employers to hire high quality professionals while reducing student debt for employees. i2Verify understands the importance and time consuming requirements of the program.

**ENABLE EMPLOYEES WITH A MEANS TO HELP MAINTAIN
FORGIVENESS ELIGIBILITY AND OBTAIN PROPER
EMPLOYMENT VERIFICATION
AND YOU'LL RETAIN HAPPY EMPLOYEES!**



Employment Verification Simplified

Welcome to Your Public Service Loan Forgiveness Guide

Welcome and Introduction

The Public Service Loan Forgiveness program, or PSLF, is an extraordinary program from Federal Student Aid, or FSA, an Office of the U.S. Department of Education.



With proper eligibility and verification, PSLF forgives the remaining balance on employee Federal Direct Student Loans after they have made 120 qualifying on-time, monthly payments under a qualifying repayment plan while working full-time for a qualifying employer.

The goal of this program is to enable non-profit employers to attract, hire and retain high-quality professionals, while holding out the promise of reduced student debt for their employees. Many graduates struggle with student loan repayments for ten to thirty years after graduation, depending on their repayment plan. For many it affects their ability to lead an independent financial life, obtain a mortgage or automobile loan, and even save for their own children's education. Knowing that there is the possibility of having a portion of those loans forgiven can be a powerful incentive for devoting employment time to worthwhile non-profit organizations.

Despite the good intentions of the program, the technicalities of qualifying for loan forgiveness can be a burden for employers and employees alike. If certain technical guidelines are not followed exactly, the loan forgiveness may be endangered, resulting in a frustrated and unhappy employee. This hurdle can be so challenging that every year more than 30% of those who file an Employment Certification Form to confirm their public service loan forgiveness status are denied, according to the Department of Education.

Some employees nearing what they believe to be their ten year timeframe for anticipated forgiveness are indeed shocked to find out that none of the payments they labored so hard to make have counted toward loan forgiveness. In fact, certification problems are so common that the [Consumer Financial Protection Bureau](#) issued a report on the widespread failure of the student loan industry to properly inform borrowers about forgiveness requirements and rights.

There is a solution to manage PSLF eligibility challenges while also reducing the administrative burdens associated with employment verification. i2Verify understands the importance and time-consuming requirements of the program, and has created this guide to help you better work within the guidelines of the PSLF program so more employees can benefit.



What Is the Public Service Loan Forgiveness Program?

The PSLF program is a government-based program signed into law in 2007 by President George W. Bush as a way to encourage graduating college students and professionals to choose working full-time in public service in exchange for partial loan forgiveness on some of their federal student loans.

How Does the PSLF Program Work?

The PSLF forgives the remaining balance on certain federal student loans after eligible employees complete 120 qualifying monthly, on-time payments under a qualifying repayment plan while working full-time for a qualifying employer.

How Do Employees Qualify for the PSLF Program?

To qualify for the program, there are several requirements that must be met:

- 1. Qualifying Employer:** First and foremost, employees must be employed by one of the following types of organizations:
 - Government organization (federal, state, local, or tribal)
 - Not-for-profit organization that is tax-exempt under Section 501(c)(3) of the Internal Revenue Code
 - Other types of not-for-profit organizations that are not tax-exempt under Section 501(c)(3) of the Internal Revenue Code, if their primary purpose is to provide certain types of qualifying public services
 - Serving as a full time AmeriCorps or Peace Corps volunteer
- 2. Qualifying Hours:** To qualify for PSLF, employees must work full-time for qualifying employers. Employers have different definitions for the number of hours which must be worked to be considered full-time. Employees must work for the number of hours required by their employer to be considered full time or at least 30 hours per week, whichever is greater. It is also possible for forgiveness applicants to work part-time for two qualifying employers, as long as they work more than 30 hours per week in total.
- 3. Qualifying Student Loans:** Only non-defaulted federal student loans received under the William D. Ford Federal Direct Loan Program qualify for possible forgiveness. Direct loans include direct subsidized and unsubsidized loans, direct PLUS loans, and direct consolidation loans. Borrowers with other loan types besides Direct Loans may still become eligible for PSLF if they consolidate them into a Direct Consolidation Loan; however, private student loans

cannot be consolidated into this plan. Borrowers should be aware that qualifying payments made before consolidation may not be counted towards their new eligibility, but it is possible to leave certain loans outside of the consolidation process.

4. Qualifying Monthly Payments: PSLF eligibility requires that qualifying payments are completed within the following criteria:

- Made after October 1, 2007
- Made under a qualifying, income-based repayment plan
- Made for the full amount due as shown on the borrower's bill
- Paid no later than 15 days after the due date
- Paid while the borrower is employed full-time by a qualifying employer

The 120 qualifying monthly payments do not need to be consecutive. A period of employment with a non-qualifying employer, for example, will not cause the employee to lose credit for prior qualifying payments, but loan payments still need to be made during the time of non-qualifying employment. The qualifying monthly payments, however, can only be made during periods when the loans are not in deferral due to an in-school status or other reason, the grace period after graduation, or a forbearance.

5. Qualifying Repayment Plans: Eligibility for PSLF requires that employees enter into an [income-driven repayment plan](#) for their federal student loans. These are plans where the monthly payment is based on the employee's monthly income. Employees that are using a non-income driven repayment plan are advised to analyze whether it makes sense to switch to an income-driven repayment plan to be considered for PSLF eligibility.





Frequently Asked Questions About PSLF

How Does an Employee Apply for PSLF?

Because employees have to make 120 qualifying monthly payments, it will be at least 10 years after making the first qualifying payment before they can apply for PSLF. It is strongly advised, however, that employees working towards loan forgiveness should complete and submit an [Employment Certification for Public Service Loan Forgiveness Form](#) every year or when they change employers, to ensure continuing eligibility. FSA uses the information provided to let applicants know if they are indeed making qualifying PSLF payments, and how many have been counted toward their 120



payment goal, so they can determine if they are on the right track as early as possible. Employees can also find out how many qualifying payments they have made by logging into their account at [FedLoan Servicing](#) and viewing their loan details, or by looking on their most recent billing statement.

Although it is not required to complete this form every year, it is a good idea to do so. Not only does completing this task annually provide a form of assurance, it also makes life easier when employees actually do apply for loan forgiveness. At that time, they will be required to submit an Employment Certification form for each employer where they worked while making the required 120 qualifying monthly payments, which could be a paperwork nightmare.

What Do Employees Do After Making 120 Qualifying Payments?

Once employees complete 120 qualifying monthly payments, they need to submit the [Public Service Application For Forgiveness](#) to receive loan forgiveness. At the time of the application submittal, and when the remaining balance is forgiven, employees must still be working for a qualifying employer.

How Do Employees Determine Their Loan Type?

Loan types may be reviewed by logging into the [My Federal Student Aid](#) site. As a general rule, loan types that have the word “Direct” in the name are most likely eligible for the PSLF program, but employees should verify this information directly with their loan provider.

Who Do Employees Contact With Further Questions?

Employees can review the student aid PSLF [Questions and Answers](#) page, or contact FedLoan Servicing directly at 1-855-265-4038. For more program details, please visit this [Student Aid](#) site.

How Do Employers Certify Employment?

Employment can be certified by an official who has access to employment or service records, and is authorized by the employer to certify employment or service as an AmeriCorps or Peace Corps volunteer. This will often be someone in the human resources department, though in some cases a direct supervisor or another individual may be authorized to certify employment.

For many employers, this can cause an additional paperwork nightmare, depending on the number of employees seeking to have their employment certified. Instead of taking valuable administrative personnel time or risking non-eligibility for the employee due to not understanding the program or not providing the proper information, it is highly advisable to outsource these requirements to an employment verification company such as i2Verify. i2Verify enables employees to generate pre-populated, automated loan forgiveness forms, on-demand, from their employee portal, so employees always know where they stand.



As a professional employment and income verification company we provide instant access to employment data to authorized verifiers, such as banks and government agencies, on behalf of our employer clients. We automate the processing of employment and wage verification requests by instantly and securely delivering employment information that requestors like banks and government agencies rely on to make credit granting or benefit entitlement decisions.

i2Verify is free for employers, and reduces your HR team's administrative burden, allowing more time to focus on core competencies, reducing the risk for error, and eliminating possibility for fraud.

i2Verify helps employers and employees with all their employment and wage verification needs. Included with our secure, state-of-the-art system is assistance with the completion of many time-consuming forms, including Public Service Loan Forgiveness, supporting documentation for H-1B petitions/extensions and employer-based custom forms.

Loan Forgiveness Eligibility Wizard



i2Verify automatically evaluates employee qualification for the employer certification form based on predetermined criteria.



Through our secure employee portal, i2Verify enables qualifying employees on demand access 24/7 to retrieve their automatically populated Public Service Loan Forgiveness or Federal Perkins Loan Deferment forms.



i2Verify can include other forms in its secure employee portal based on employer requests.



LOVED BY EMPLOYEES

Unlike most vendors, i2Verify does not delay our response to requestors in order to get paid for data. We also don't limit employee access / visibility into the verification process. With i2Verify your employees can finally take ownership of this important employee benefit.

Call Us 888-458-6319

www.i2Verify.com

Contact i2Verify today to find out how employment verification can help your HR department increase PSLF eligibility for your employees!

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