

HANDBOOK TO NAO 202-957
NOAA STUDENT LOAN REPAYMENT PROGRAM

SECTION 1. PURPOSE.

.01 This Handbook provides guidance and procedures for managers, employees, and servicing Workforce Management Offices (WFMO) regarding the student loan repayment program (SLRP).

.02 This Handbook supplements NOAA Administrative Order (NAO) 202-957 and is subject to revision consistent with law, rule or regulation.

SECTION 2. DEFINITIONS.

The following definitions are applicable for the purpose of this Handbook:

- a. "Student Loan" means a loan made, insured, or guaranteed under parts B, D, or E of Title IV of the Higher Education Act of 1965, as amended, covering major federal student financial programs. An exhaustive list of eligible loans can be found on the OPM website www.opm.gov/oca/pay/studentloan/.
- b. "Service Agreement" means a written agreement between the Line Office/Staff Office (LO/SO) and an employee under which the employee agrees to a specified period of employment within DOC of not less than 3 years but no more than 15 years, depending upon the amount of the reimbursement by the LO/SO, in return for payments toward a student loan previously taken out by the employee. The service agreement period begins on the effective date of the personnel action initiating the SLRP benefit. (See Exhibit 1 to this Handbook.)

SECTION 3. CRITERIA FOR ELIGIBILITY.

The criteria for authorizing repayments of loans are presented in the following table:

Recruitment	Retention
1. The candidate does not work for a Federal Agency;	1. The recipient is an employee of the Line or Staff Office;
2. The candidate possess unusually high or unique qualifications that will aid in fulfilling the mission of the organization;	2. The employee possesses unusually high or unique qualifications that will aid in fulfilling the mission of the organization;
3. The organization would encounter difficulty in filling the position with a highly qualified candidate if the SLRP incentive is not offered (i.e., the lack of success of recent recruitment efforts or the lack of availability of candidates in the labor market who can perform the same	3. In the absence of the SLRP benefit, the employee would leave for employment outside the Federal Government;
	4. The departure of the employee would affect NOAA's ability to carry out an activity or function deemed essential to the

<p>duties and responsibilities with minimal training or disruption of service to the public);</p> <p>4. The candidate would not accept the position without receiving the SLRP incentive;</p> <p>5. The candidate is not in default on repayment of the student loan; and</p> <p>6. The student loan was used to pay tuition and related expenses for coursework taken by the applicant.</p>	<p>organization's mission;</p> <p>5. The employee has no performance or conduct actions pending;</p> <p>6. The employee's most recent performance rating of record is equivalent to the "Fully Successful" level;</p> <p>7. The employee is not in default on repayment of the student loan; and</p> <p>8. The student loan was used to pay tuition and related expenses for coursework taken by the employee.</p>
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SECTION 4. CRITERIA FOR AMOUNT OF LOAN REIMBURSEMENT.

The following factors shall be considered in determining the amount of the loan reimbursement payments and the timing of the payments:

- a. the special skills the individual brings to NOAA and how these skills enhance the ability of NOAA to meet mission requirements;
- b. the individual's current or potential value to the organization based on unusually high or unique qualifications;
- c. budgetary constraints; and
- d. if payment extends beyond the current fiscal year, whether or not sufficient funds will be available in subsequent fiscal years.

SECTION 5. APPLICATION AND SELECTION PROCEDURES.

.01 All candidates eligible to receive SLRP benefits who meet the eligibility criteria outlined in Section 3. of this Handbook and have completed a course of study from an accredited institution will be equally considered for the SLRP.

.02 Each potential or current employee must give NOAA authorization to verify his/her student loan information with the lending institution(s). (See Exhibit 2 to this Handbook.)

.03 Written requests for approval must be submitted from the supervisor through the LO/SO to the servicing WFMO for initial approval or disapproval. The request must include a written justification as outlined in Section 7. of this Handbook addressing each of the criteria for eligibility outlined in Section 3. of this Handbook, and state the amount to be reimbursed. Repayment requests for new hires must be submitted and received by the servicing WFMO before the candidate actually enters on duty. The servicing WFMO will forward the request to the Director, WFMO for final approval. No commitment on a repayment may be made to an employee or new hire until final approval is received.

.04 Decisions on whether or not to offer the repayment and the amount to be repaid are discretionary and made on a case-by-case basis. Budgetary constraints may have an impact on the approval of requests under this program. Selections for repayment will be made on the basis of an organization's need, not on the basis of an employee's desire to qualify for the program.

SECTION 6. STUDENT LOAN REPAYMENT PROGRAM SERVICE AGREEMENT.

.01 The current or newly-appointed employee must sign a service agreement before NOAA initiates repayment of a student loan. There is a minimum three year service requirement if the repayment is \$20,000 or less. An employee must serve one additional year for each full or partial \$10,000 increment NOAA reimburses. Refer to the Service Requirement Table outlined in Section 10. of DAO 202-957 for the application of the service agreement formula.

.02 The additional service requirement is only applied when the reimbursement dollar threshold shown in the Service Requirement Table is exceeded. The LO/SO is not authorized to prorate the service requirement to correspond with amounts that do not meet the next higher \$10,000 increment.

.03 The service agreement period begins on the effective date of the personnel action initiating the first payment to the lending institution and ends when the service requirement is completed.

SECTION 7. JUSTIFICATION FOR STUDENT LOAN REPAYMENT PROGRAM PAYMENT.

.01 Requests for approval of a SLRP incentive must include a written justification addressing the criteria eligibility in Section 3. of this Handbook and state the amount to be paid. The request must also identify other compensation options that have been considered and the reasons for their use or rejection. A checklist has been developed to assist managers when submitting written justifications. (See Exhibit 3 of this Handbook.) The Director, WFMO must approve requests for new hires before the candidate enters on duty. No commitment on a repayment may be made until final approval is received. Repayment requests must be:

- a. initiated by the selecting official or current supervisor, through all appropriate LO/SO personnel;
- b. submitted to the servicing WFMO for a recommendation to approve or disapprove; then
- c. forwarded to the Director, WFMO for final approval.

.02 A copy of the justification and service agreement must be filed on the left side of the employee's Official Personnel Folder. If the amount of the reimbursement by the LO/SO is increased from the original agreement, the agreement must be extended consistent with the Service Requirement Table outlined in Section 10, DAO 202-957. In addition, the service agreement must be modified to reflect the increased benefit and be resubmitted for approval through the servicing WFMO to the Director, WFMO.

SECTION 8. PROCEDURES FOR PAYMENT.

The National Finance Center (NFC) will pay a SLRP benefit as a lump-sum payment directly to the educational or lending institution. Payments are not authorized as reimbursements to an employee for payments made by the employee prior to entering into a SLRP Service Agreement. The loan repayments will be treated as "supplemental wages" for payroll purposes and all applicable tax amounts will be withheld resulting in a "net" repayment amount. The repayment amount will be reflected on the employee's Leave and Earnings Statement. Neither NOAA nor the NFC is responsible for late fees assessed by the holder of an employee's student loan. NOAA will, to the extent possible, ensure that the timing of payments to the lender coincides with the date the loan payment is due.

SECTION 9. ANNUAL RECONSIDERATION OF PAYMENT AMOUNT.

The LO/SO must review individual employee payment amounts before the anniversary of the effective date of the action to determine whether the payment is still warranted and if budgetary considerations and funds availability allow continuance of payments. A request to continue the SLRP benefit must be submitted by the employee's supervisor, through the servicing WFMO, for final approval by the Director, WFMO. If applicable, the employee must provide the servicing WFMO with official documentation from the lending institution that shows the outstanding loan balance, current within the previous 30 days. The documentation must be submitted at least 30 days prior to the anniversary date. (See Exhibit 4 of this Handbook.)

SECTION 10. SEPARATION OF AN EMPLOYEE RECEIVING A STUDENT LOAN REPAYMENT PROGRAM BENEFIT.

The LO/SO must notify the servicing WFMO of the impending separation date of an employee receiving the SLRP benefit and whether the employee has fulfilled the terms of the service agreement. If the employee has not fulfilled the terms of the agreement, the LO/SO must indicate whether or not it will seek a waiver of reimbursement.

SECTION 11. WAIVER OF EMPLOYEE INDEBTEDNESS.

The Director, WFMO may waive, in whole or in part, the right to recover an employee's debt incurred for failure to meet a requirement of the service agreement if it is determined recovery would be against equity and good conscience or against the public interest.

- a. If the employee requests a waiver, the LO/SO must notify the servicing WFMO immediately. If the LO/SO recommends approval of the employee's waiver request, it is forwarded to the servicing WFMO for approval or disapproval with final approval by the Director, WFMO. The servicing WFMO will receive notification of the Director's decision and will then notify the LO/SO and the employee and take appropriate action.
- b. The LO/SO may initiate a waiver on the employee's behalf in cases of death of the employee or a Reduction-In-Force separation. Granting a waiver upon the death of an employee is for the sole intent to alleviate the financial burden on the deceased's estate. The request must be

submitted through the servicing WFMO to the Director, WFMO and will include the amount to be waived and a brief statement indicating why requiring reimbursement would be against equity and good conscience or against the public interest. The Director, WFMO has final approval.

SECTION 12. WAIVER OF APPLICATION PROCESS.

An employee or former employee who fails to meet the terms of the Repayment Service Agreement (Exhibit 1) may request a waiver of the debt. Individuals who are no longer employed should submit a written waiver request directly to the Director, WFMO for approval. The request shall contain a copy of the Repayment Service Agreement, the bill presented by the agency to the current employee or former employee or verification of the exact amount of debt where a bill has not been generated, and a narrative explaining why recovery by the agency would be against equity and good conscience or against the public interest. Collection of the debt will be suspended upon receipt of the written request and pending the decision of the waiver request.

SECTION 13. RECORDS AND DOUCMENTATION REQUIREMENTS.

The Service Agreement and all other documentation must be maintained on the left side of the Official Personnel Folder of each employee receiving the repayment benefit for a period of three years after the date of the final payment to the educational or lending institution. If an employee leaves the organization within the period of the SLRP service agreement, the retention period is extended indefinitely pending collection of any outstanding debt.

SECTION 14. REPORTING REQUIREMENTS.

The WFMO must submit a written report annually to the DOC, Office of Human Resources Management including the following information:

- a. the number of employees selected to receive the benefit;
- b. the job classifications of the employees selected to receive benefits; and
- c. the cost to the LO/SO of providing the benefit.

SECTION 15. PROGRAM OVERSIGHT.

The Director, WFMO, or designee, will regularly monitor and review the use of the SLRP to ensure that the amount of payments and the accompanying justifications meet the criteria established in DAO 202-957, NAO 202-957, and this Handbook. DOC will conduct additional oversight as necessary to ensure conformance to Departmental policy.