NATIONAL NUCLEAR SECURITY ADMINISTRATION

BOP-002.02a

Dated: 12/27/05

NNSA Student Loan Repayment Program

1. PURPOSE. To establish and implement a uniform, corporate NNSA process for repaying student loans under the provisions of 5 U.S.C. 5379, 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), and 5 CFR 537.

2. APPLICABILITY. This policy applies to all NNSA organizations.

3. POLICY. It is NNSA's policy to judiciously utilize the flexibility to repay all or part of any outstanding federally insured student loan or loans previously taken out by candidates to whom an offer of employment has been made, or current NNSA employees, in order to recruit or retain highly qualified personnel, consistent with the overall NNSA staffing plan and budgetary considerations.

4. REQUIREMENTS.

   a. Definitions.

      1) Eligible Employees.

         a) Current full-time NNSA employees serving under (1) career or career-conditional appointments, (2) appointments without time limit in the excepted service, (3) term appointments with at least three years remaining, or (4) appointments with non-competitive conversion to term, career, or career-conditional (i.e., Career Intern, Presidential Management Intern, etc.); and

         b) Candidates who have been selected for full-time (1) career or career-conditional appointments, (2) appointments without time limit in the excepted service, (3) term appointments of at least three years duration, or (4) appointments with non-competitive conversion to term, career, or career-conditional (i.e., Career Intern, Presidential Management Intern, etc.).

         c) Employees and candidates as described in a) and b) above who have defaulted on their student loans are not precluded from eligibility.

INITIATED BY:
Office of Human Resources

2) Excluded employees.

   a) Current NNSA employees serving under (1) less than full time appointments, (2) Schedule C appointments, (3) temporary or time limited (less than three years) appointments, or (4) term appointments with less than three years remaining; and

   b) Candidates who have been selected for (1) less than full time appointments, (2) Schedule C appointments, (3) temporary appointments or time limited appointments (less than three years) in the excepted service, or (4) term appointments of less than three years duration.

3) Qualifying Degree/Major.

   a) Any degree or major provided the loan is a Qualifying Student Loan (as defined below). A degree, diploma, or certificate need not have been earned or awarded.

4) Qualifying Student Loan.

   a) Outstanding loans made, insured, or guaranteed under parts B, D or E of title IV of the Higher Education Act of 1965; or

   b) 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.

   c) Examples of Qualifying Student Loans include the following: Subsidized, unsubsidized, Direct subsidized, and Direct unsubsidized Federal Stafford loans; Supplemental Loans; Federal and Direct Federal Plus Loans; Direct subsidized, Direct unsubsidized, and Federal Consolidation Loans; Defense Loans; National Direct Student Loans; Perkins Loans; Nursing Student Loan Program loans; Health Profession Student Loan Program loans; and Health Education Assistance Loan Program loans.

   d) Outstanding PLUS loans held by eligible employees for their children.

5) Non-qualifying Student Loan.

   a) Loans not made, insured, or guaranteed under parts B, D or E of title IV of the Higher Education Act of 1965.

   b) 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.

c) Previously repaid student loans.

d) Future student loans accrued by an employee (i.e., any otherwise qualifying student loan the eligible employee obtains subsequent to the service agreement or memorandum of understanding is executed).

e) Outstanding PLUS loans held by the parent(s) of an otherwise eligible employee.

b. Procedures.

1) Applicability of Merit Principles.

a) When selecting eligible employees for student loan repayment benefits and when determining the amount to be paid, requesting and approving officials must adhere to merit system principles and must consider the need to maintain a balanced workforce in which women and members of ethnic minority groups are appropriately represented.

2) Determining and Documenting Appropriateness of Student Loan Repayment Benefits.

a) For candidates who have been selected, requesting officials (i.e., selecting manager or supervisor) must:

(1) Submit a written determination demonstrating that absent student loan repayment, NNSA would encounter difficulty filling the position with a highly qualified candidate (difficulty filling the position with a highly qualified candidate may be demonstrated through offer acceptance rates, recent turnover in similar positions, proportion of positions filled, length of time that was required to fill the position, labor-market factors that affect recruitment, and any special qualifications the employee possesses); and

(2) Also consider the practicality of using the superior qualifications appointment authority and/or offering a recruitment bonus alone or in combination with student loan repayment benefits.

b) For current NNSA employees, requesting officials (i.e., selecting manager or supervisor) must:

(1) Submit a written determination demonstrating that absent student loan repayment, the employee is likely to leave Federal Service, the

employee's leaving would adversely affect the organization's ability to conduct essential activities or functions, and the organization would encounter difficulty replacing the employee (consideration should be given to the employee's unusually high or unique qualifications or a special need of NNSA for the employee's services, making it essential for NNSA to retain the employee, the success or failure of recent recruitment efforts, the availability of qualified candidates in the labor market, the employee's demonstrated proficiency in performing the duties and tasks required by the subject position, the employee's grade point average if attending school, and the cost of training already given the employee compared to what would be needed by a new employee if he/she did not possess the skills needed); and

(2) Also consider the practicality of offering a retention allowance alone or in combination with student loan repayment benefits.

c) This authority is not appropriate for recruiting current Federal employees from other agencies.

3) Amount of Student Loan Repayment Benefits.

a) Maximum benefits:

(1) $10,000.00 per year (pre-tax).

(2) $60,000.00 lifetime (pre-tax).

b) In determining amount to be paid, requesting officials shall take into consideration the eligible employee's value to NNSA, availability of funds, and how far in advance funds can be committed.

c) Equitable differences in size of loan payments among eligible employees may be based on consideration of the eligible employee's *relative* value to NNSA, availability of funds, and how far in advance funds can be committed.

d) If an organization or a requesting official decides to award a greater student loan repayment benefit to one eligible employee than another, the head of the organization or the requesting official must submit a written determination demonstrating that such difference in treatment is fair and equitable.

(1) Factors that may be used to support a determination that such difference in treatment is fair and equitable may include, but are not necessarily

limited to, relatedness of the course of study for which student loan repayment benefits are being requested to the duties of the position, grade point average, performance appraisals, whether or not the position has been identified as critical in the NNSA staffing and/or diversity plan, and similar.

e) If after using a value determination standard, a requesting official or an organization determines all eligible employees are of equal value to NNSA, student loan repayment benefits must be distributed equally. For example:

(1) Pay same percentage (i.e., 50%, 75%, etc.) of each eligible employee's total obligation not to exceed maximum allowable annual and lifetime amounts.

(2) Pay same dollar amount (i.e., $1,000.00, $2,000.00, etc.) of each eligible employee's total obligation not to exceed maximum allowable annual and lifetime amounts.

(3) Pay same percentage (i.e., 50%, 75%, etc.) of each eligible employee's monthly payment not to exceed maximum allowable annual and lifetime amounts.

f) When an eligible employee has outstanding loans for multiple degrees, the following guidelines shall apply:

(1) Benefits will be limited to the principal job-related degree. Example - candidate with B.S. in Physics and subsequent B.A. or M.A. in Education selected for Physicist position. Benefits may be authorized for B.S. in Physics, but not for subsequent B.A. or M.A. in Education.

(2) Benefits will be limited to the first professional level degree. Example - candidate with B.S., M.S., and PhD in Physics selected for Physicist position. Benefits may be authorized for M.S. in Physics, but not for either B.S. or PhD in Physics.

4) Payment of Benefits.

a) Student loan repayment benefits are paid directly to the lender(s)/note holder(s) as either an annual lump sum net payment or bi-weekly gross payments, subject to the lender's/note holders' agreement.

(1) Annual Lump Sum Net Payment - From the gross annual student loan

repayment amount (which is considered "supplemental wages"), the total amount of taxes (i.e., Federal/State income tax withholding, social security, and Medicare) is first deducted, and a net payment is made to the lender/note holder (i.e., if gross annual student loan repayment amount = $9,000.00 and taxes = $3,000.00, then NNSA makes net payment of $6,000.00 to lender/note holder).

(2) Bi-weekly Gross Payments - The gross annual student loan repayment amount is divided by 26 and the quotient is paid to the lender/note holder bi-weekly, corresponding to regular bi-weekly pay periods. The amount of the bi-weekly loan payment is added to the employee's gross salary amount to increase the total salary for that pay period. The total amount of taxes (i.e., Federal/State income tax withholding, social security, and Medicare) is calculated and withheld based on the total salary (i.e., if gross annual student loan repayment amount = $5,200.00, NNSA makes a bi-weekly payment of $200 to the lender/note holder; the employee's bi-weekly gross pay is increased by $200 and taxes withheld based on salary + $200).

(a) CAUTION: With bi-weekly gross payments, the total payment amounts may vary from year to year because each calendar year does not always have 26 pay periods. The total amount will probably be less the first calendar year, and is dependent on the employee's entry on duty date. Thus, the bi-weekly amount may need to be adjusted each year so that the maximum allowable per calendar year is not exceeded.

b) If the payment covers only a part of the recipient's repayment obligation(s) under the subject student loan(s), recipients are personally responsible for making up any "shortfall" in order to avoid being in arrears or default (i.e., if recipient's gross annual student loan repayment obligation = $9,000.00 and NNSA makes net payment of $6,000.00 to the lender/note holder, recipient is personally responsible to the lender/note holder for the $3,000.00 balance due).

c) For consistency and to avoid confusion, if multiple loans are being repaid on behalf of a single employee, if possible, each lender/note holder should be paid in the same manner (i.e., all lump sum annual net or all bi-weekly gross).

d) If multiple loans are being repaid on behalf of a single employee, the payroll office will be informed of the amount to be paid for each loan and the manner of payment.

5) Annual Recertification.

   a) Requesting officials must provide an annual statement certifying that funds are available for the entire upcoming year and that they have reviewed each loan to ascertain whether or not it is in arrears or default. If the loan(s) is in arrears or default, requesting officials must determine an appropriate course of action and inform the servicing Human Resources Consultant (HRC). If the amount of benefits will be reduced from the prior year or terminated, the employee, payroll office, and lender/note holder must be informed.

6) Service Agreements.

   a) Recipients of an initial award must execute a written agreement to remain in the service of NNSA for three years from the first day of the first pay period in which the first student loan repayment benefit payment is made, regardless of the amount or expected duration of student loan repayment.

      (1) New employees - service agreement must be fully executed before the employee enters on duty in the position for which he/she was recruited.

      (2) Current employees - service agreement must be fully executed before any student loan repayment benefits may be paid.

   b) Recipients who have already fulfilled the initial three-year service agreement and whose annual student loan repayment amount will be paid to the lender/note holder as an annual lump sum net payment must execute a new written agreement to remain in the service of NNSA for one year from the first day of the first pay period in which that year's student loan repayment benefit payment is made annually, regardless of the amount.

      (1) Service agreement must be fully executed before student loan repayment benefits may be continued.

   c) Recipients who have already fulfilled the initial three-year service agreement and whose annual student loan repayment amount will be paid to the lender/note holder as bi-weekly gross payments must execute a Memorandum of Understanding, but are exempt from any written agreement to remain in the service of NNSA for any period of time.

      (1) Memorandum of Understanding must be fully executed before student loan repayment benefits may be continued.

7) Repayment of Benefits Received.

   a) An employee who fails to complete the initial three-year service agreement must repay the gross amount of all student loan repayment benefits received.

   b) After completion of the initial three-year service agreement, an employee whose annual student loan repayment amount will be paid to the lender/note holder as an annual lump sum net payment, who fails to complete the annual one-year service agreement must repay the gross amount of all student loan repayment benefits received for that year.

   c) Repayment may be wholly or partially waived if 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 will be taken into account. Examples of situations that would normally support a decision to waive repayment include, but are not necessarily limited to the following:

      (1) Recipient is involuntary separated for reasons other than misconduct, delinquency, or performance (i.e., reduction-in-force).

      (2) Recipient is separated because of death or disability retirement, or is unable to continue working because of disability evidenced by acceptable medical documentation.

8) Reduction in Program Funding.

   a) If NNSA's funding situation requires a reduction in support for this program, existing student loan repayment commitments will be supported before new ones.

   b) If the total amount for existing student loan repayment commitments cannot be supported in a calendar year, the available funding will be awarded, as follows:

      (1) Equitably, based upon a relative value determination as specified in b. 3) c) and b. 3) d), above;

      (2) Equally, as specified in b. 3) e), above; or

      (3) Proportionally, based on percentage (i.e., if a current student loan repayment amount is equal to 10% of current year funding, the new student loan repayment amount will also be equal to 10% of the new year's funding).

9) Records and Reports

a) A record of each determination to award student loan repayment benefits must be maintained for three years or until the U.S. Office of Personnel Management (USOPM) formally evaluates the program (whichever comes first).

b) A report must be submitted to USOPM prior to January 1 of each year stating when student loan repayments were made on behalf of an employee during the previous fiscal year. The report must include the following:

(1) The number of employees selected to receive benefits;

(2) The job classifications of the employees selected to receive benefits; and

(3) The cost to the Federal government for providing these benefits.

c. Process.

1) Requesting official contacts the servicing HRC for procedural guidance and/or data to support the justification.

2) Requesting official ensures funds are available.

3) Requesting official advises appropriate approving official of the proposed request and obtains tentative approval.

4) Requesting official, in consultation and collaboration with HRC, verifies the status of each loan, including any obligation that the employee (or selectee) may have, discusses the terms and amount of the outstanding obligation(s) with each lender/note holder, develops written justification, and submits justification in writing to the servicing HRC.

5) The servicing HRC reviews the request for regulatory compliance and completeness and forwards the request (through any intervening levels, if applicable) to the Human Resources Department Manager in the Service Center (or equivalent Human Resources official at Headquarters).

6) The Human Resources Department Manager in the Service Center (or equivalent Human Resources official at Headquarters) conducts a final review of the request for regulatory compliance and completeness and certifies that the request meets all requirements for approval.

7) Requests that are complete and meet all requirements for approval are forwarded to the approving official for final approval or disapproval.

8) Requests that are incomplete or do not meet all requirements for approval are returned to the requesting official through the servicing HRC for additional justification, further discussion, etc., as necessary.

5. RESPONSIBILITIES.

a. Administrator.

1) Exercises the unique management and personnel authorities granted in Title 32 of the National Defense Authorization Act for Fiscal Year 2000, Public Law 106-65 (*NNSA Act*).

2) Ensures that the provisions of 5 CFR Part 537 are administered within NNSA and that NNSA employees are informed of relevant provisions.

3) Approves or disapproves requests for waivers of repayment of student loan repayment benefits received.

b. NNSA Director of Human Resources.

1) Develops policies and procedures for the implementation of the provisions of 5 CFR Part 537.

2) Recommends approval or disapproval of requests for waivers of repayment of student loan repayment benefits received.

c. Human Resources Department Manager in the Service Center and equivalent Human Resources official at Headquarters.

1) Provide technical advice and assistance to supervisors and management officials in the implementation, benefits, requirements, mechanics, and operation of the NNSA Student Loan Repayment Program.

2) Conduct a final review of all requests for repayment of student loans for regulatory and policy compliance for employees within their servicing area.

3) Forward approvable requests for repayment of student loans to appropriate approving official or return requests that are not approvable to the appropriate HRC.

4) Ensure necessary records are maintained and required reports are prepares in accordance with b. 9) a) and b. 9) b).

d. Human Resources Consultants (HRCs).

1) Provide technical advice and assistance to supervisors and management officials on all aspects of the NNSA Student Loan Repayment Program.

2) Verify the status of each loan, including any obligation that the employee may have, and discuss the terms and amount of the outstanding obligation(s) with each lender/note holder in consultation and collaboration with the requesting official.

3) Review requests for repayment of student loans for regulatory and policy compliance for employees within their servicing area.

4) Forward approvable requests for repayment of student loans to Human Resources Department Manager in the Service Center (and equivalent Human Resources official at Headquarters) for final regulatory compliance review or return requests that are not approvable to the requesting official for additional justification, further discussion, etc., as necessary.

5) Maintain necessary records and prepare required reports in accordance with b. 9) a) and b. 9) b).

e. Site Office Managers, Service Center Associate Directors, and Heads of NNSA Headquarters First-Tier Elements (Approving Officials).

1) Approve or disapprove requests for student loan repayment benefits that have been forwarded to them from the Human Resources Department Manager in the Service Center and equivalent Human Resources official at Headquarters.

2) The determination to pay student loan repayment benefits, including the amount and duration, must be reviewed and approved by an official at a higher level than the official who made the request.

f. Supervisors and Managers (Requesting Officials).

1) Discuss proposed requests for repayment of student loans with the servicing HRC.

2) Obtain approval from budget official and tentative approval from approving official prior to submitting requests to the servicing HRC.

3) Verify the status of each loan, including any obligation that the employee may have,

and discuss the terms and amount of the outstanding obligation(s) with each lender/note holder in consultation and collaboration with the servicing HRC.

4) Prepare and submit completed requests for repayment of student loans to the servicing HRC.

6. 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/)

7. POINT OF CONTACT.

a. Human Resources Department in the Service Center

b. Office of Human Resources at Headquarters

Approved:

Michael C. Kane
Associate Administrator
For Management and Administration

Attachments:
1. Student Loan Repayment Request Form
2. Student Loan Repayment Checklist - New Employee
3. Student Loan Repayment Checklist - Current Employee
4. Student Loan Repayment Checklist - Recertification
5. Student Loan Repayment Program Service Agreement
6. Student Loan Repayment Program Memorandum of Understanding

Distribution:
Deputy Administrators
Associate Administrators
Site Office Managers
Service Center Managers

Student Loan Repayment Request Form 14

Type of Request: Initial Request Annual Recertification

Name of Eligible Employee: _____

Position Title/Series/Grade: _____

Position Location: _____

Justification Attached: Yes No Service Agreement Attached: Yes No

Requesting Official's Name and Title: _____

_____
Signature Date

Budget Official: Funds Are OR Are not available.

_____
Signature Date

HR Consultant: Complies OR Does not comply with all applicable regulations, policies, etc.

_____
Signature Date

HR Branch Chief: (If applicable) Complies OR Does not comply with all applicable regulations, policies, etc.

_____
Signature Date

HR Department Head: (Or HQ equivalent) Complies OR Does not comply with all applicable regulations, policies, etc.

_____
Signature Date

Approving Official: Approve Disapprove

_____
Signature Date

Student Loan Repayment Checklist – New Employee

1. Name of Selectee: _____
2. Position Title: _____
3. Pay Plan-Series-Grade/Step (Salary): _____
4. Gross annual amount of student loan repayment benefits: _____
5. Duration of student loan repayment benefits: _____
6. Will the selectee be serving under a Schedule C appointment? Yes No
7. 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
8. Does the written determination consider one or more of the following factors?
   a. 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
   b. Recent turnover in similar positions. Yes No
   c. Labor market factors that may affect NNSA's ability to recruit candidates for similar positions now or in the future. Yes No
   d. Special qualifications needed for the position. Yes No
   e. The practicality of using the superior qualifications appointment authority and/or a recruitment bonus alone or in combination with student loan repayment benefits. Yes No
   f. Other (Specify if Yes). Yes No
9. Does the written determination include an explanation of how the amount of student loan repayment benefits was derived? Yes No

_____ _____

Human Resources Consultant Signature Date

Student Loan Repayment Checklist – Current Employee

1. Name of Employee: _____

2. Position Title: _____

3. Pay Plan-Series-Grade/Step (Salary): _____

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

5. Duration of student loan repayment benefits: _____

6. Is the employee serving under a Schedule C appointment? Yes No

7. Does the written determination address either of the following criteria?

a. The employee's unusually high or unique qualifications makes it essential for NNSA to retain the employee's services. Yes No

b. A special need for the employee's services makes it essential for NNSA to retain the employee. Yes No

8. Does the written determination support the conclusion that in the absence of student loan repayment benefits, the employee would likely leave the Federal service for employment outside the executive, legislative, or judicial branch of the Federal government? Yes No

9. Does the written determination include a description of the extent to which the employee's departure would affect the organization's ability to carry out an activity or perform a function that is deemed vital to NNSA's mission? Yes No

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

c. Difficulty encountered in recent efforts to recruit candidates and retain employees with qualifications similar to those possessed by the employee for positions similar to the position held by the employee. Yes No

d. The availability in the labor market of candidates for employment who, with minimal training or disruption of service to the public, could perform the full range of duties and responsibilities assigned to the position held by the employee. Yes No

c. Other (Specify if Yes) Yes No

11. Does the written determination consider the practicality of using a

retention allowance alone or in combination with student loan repayment benefits? Yes No

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

Human Resources Consultant Signature Date

Student Loan Repayment Checklist – Recertification **18**

1. Name of Employee: _____
2. Position Title: _____
3. 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. Has the employee maintained a 3.0 GPA (applicable if student loan repayment benefits are for courses employee is taking while employed at NNSA)? Yes No
13. 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 Signature Date

Student Loan Repayment Program
Service Agreement **19**

1. Introduction

This Student Loan Repayment Program Service Agreement is an employment agreement between the Department of Energy (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 DOE's National Nuclear Security Administration (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 (3 years for initial awards; 1 year for subsequent annual awards after the initial 3-year service agreement has been fulfilled if the subsequent awards are made as lump sum annual net payments), beginning (date, i.e., either the first day of the applicable pay period for which the initial loan payment is to be disbursed by the Payroll Office following signing of the service agreement; the date that the employee enters on duty (EOD); the date the employee returns to duty from school; or at any time after EOD) and ending (date).

3. Loan Payments

a. The amount of the applicable outstanding student loan balance(s) as of (date) is $ (amount) The amount of student loan payments that DOE will make on your behalf under this service agreement is $ (maximum $10,000) per calendar year, and a total amount of $ (maximum $60,000) over (3 years for initial awards; 1 year for subsequent annual awards after the initial 3-year service agreement has been fulfilled) years subject to annual reviews and re-certification by the NNSA to ensure that funds are available and to determine the status of the subject student loan(s).

b. Payments by DOE under this service agreement do not exempt you from your responsibility and/or liability for any loan(s) for which you are obligated, as DOE 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 DOE, and any late fees associated with the timing of the DOE 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 DOE hereunder will be made through the payroll disbursement process directly to the lender/note holder. Payments will be made approximately 25 days after the period of service begins (12 days after the end of the pay period). The loan payments made on your behalf are treated as wages that are subject to income, social security, and Medicare taxes being withheld. The amount of the loan payments to each lender may be reduced by mandatory and voluntary deductions, including tax levies and garnishments.

d. DOE's payments will be made as a lump sum payment of $ (amount) , paid annually for ____ years; taxes related to each payment will be deducted from that amount and a net payment made.

4. Conditions

a. During the term of this agreement, you agree that the 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 DOE with the 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. If DOE's payments hereunder cover only a part of your repayment obligation(s) under the subject student loan(s), and if you are in arrears or default on your own loan repayment obligation(s), then DOE will determine the appropriate course of action at that time. DOE will consider such remedies as paying the amount in arrears or default and extending the period of service if appropriate, renegotiating the terms of the loan repayment schedule, and terminating future DOE payments. If payments are terminated under this paragraph, the minimum period of service, 3 years, must be completed or you will be obligated to reimburse DOE, under DOE's debt collection procedures, for the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement; if 3 years of service under this service agreement have already been completed, then any remaining service obligation under this paragraph will be terminated.

c. DOE reserves the right to terminate this agreement early in the event that funding is no longer available after the first fiscal year. If payments are terminated under this paragraph, the minimum period of service, 3 years, must nevertheless be completed or you will be obligated to reimburse DOE, under DOE's debt collection procedures, the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement; if 3 years of service have already been completed under this service agreement, then any remaining service obligation will be terminated at the end of the fiscal year in which the funding will expire. You will be notified at least 90 days prior to termination to allow you time to make other arrangements.

d. You are required to maintain at least a fully successful or equivalent performance rating and applicable security clearance (access authorization) for the duration of this service agreement. If your performance rating falls below that level, or if your security clearance is revoked, or if you are separated involuntarily on account of misconduct, then the loan payments will be terminated immediately and you will be obligated to reimburse DOE, under DOE's debt collection procedures, the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement.

e. If you fail to complete the period of service hereunder because you voluntarily separate from DOE for any reason, the loan payments will be terminated immediately; and, further, you will be obligated to reimburse DOE, under DOE's debt collection procedures, the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement. However, if you separate from DOE in order to accept employment in another agency and that agency agrees to reimburse DOE for the loan payments it made on your behalf, or if you are separated involuntarily for reasons other than those set out in the

immediately preceding paragraph, you will no longer be considered indebted to DOE. If you complete the period of service hereunder and then voluntarily separate from DOE, you will be ineligible for continued loan payments and DOE will immediately terminate any remaining loan payments, but you will have no reimbursement obligation to DOE.

f. If you apply and are selected for a position in a DOE Element other than the Departmental element that entered into this agreement, DOE's policy is that the gaining Departmental element is not required to assume the loan repayment obligation hereunder, but you must complete any remaining period of service to satisfy the minimum 3-year period required by law to avoid being obligated to reimburse DOE, under DOE's debt collection procedures, the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement. Accordingly, your right to placement as a surplus and/or displaced employee under the Career Transition and Assistance Program does not grant you loan repayment by the gaining Departmental element. However, if you are reassigned to another Departmental element as a management directed action, the gaining Departmental element will assume full responsibility for this agreement.

g. If this service agreement pertains to a student loan for courses that you are taking while employed at DOE, then you must maintain a grade point average (GPA) of (no.) at all times during this service agreement. In the event that the GPA drops below (no.) , DOE will determine whether future payments should be terminated. If payments are terminated under this paragraph, the minimum period of service, 3 years, must be completed or you will be obligated to reimburse DOE, under DOE's debt collection procedures, the full amount of the loan payments that DOE has paid on your behalf pursuant to this agreement; if 3 years of service under this service agreement have already been completed, then any remaining service obligation will be terminated. So long as this service agreement is in effect, following each term of the school you are attending you are to provide your Departmental element with a copy of your course grades from that school so that DOE can verify your continued eligibility for loan payment benefits under this paragraph.

h. If you are determined to be indebted to DOE, you have the right to file a request for a waiver of any indebtedness that you may have to DOE under this service agreement based on a demonstration by you that DOE's recovery of such indebtedness, in whole or in part, would be against equity and good conscience or against the public interest. The filing of such a waiver request shall not stay the operation of DOE's debt collection procedures. The request must be filed with the Chief Financial Officer of your current or former Departmental element that was making the loan payments.

i. This agreement in no way constitutes a right, promise, or entitlement for continued employment and/or noncompetitive conversion to the competitive service, if applicable.

j. In the event that applicable laws or regulations change that would result in a change(s) 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 minimum-length-of-service requirement, and if existing agreements are potentially affected, DOE agrees to renegotiate the period of service section of this agreement if it deems it appropriate to do so. Any changes other than those required by applicable laws or regulations must be mutually agreed to in writing by the parties hereto.

5. 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 DOE will make payments.

_____ _____
Selected Applicant/Employee Date

Pursuant to OPM regulations, 5 CFR 537.105, 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 (name of position) with a highly-qualified candidate (or retaining a highly-qualified employee in the position of (name of position)), 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. When selecting the above-named employee 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. To my knowledge, approval of this agreement does not create any inequitable treatment of candidates and employees and has been exercised consistent with the diversity goals and needs of this Departmental element.

The source of funding for this agreement is (accounting information: fund-type, B&R, if other than employee's salary accounting information).

_____ _____
Recommending Official Date

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

Distribution:
Original - OPF
Copies - Employee, payroll office, 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, however, affect your being appointed to a position offered by the Department of Energy. 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 additional uses that may be made of 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.

Student Loan Repayment Program Memorandum of Understanding

1. Introduction

This Student Loan Repayment Program Memorandum of Understanding (MOU) is an agreement between the National Nuclear Security Administration (hereinafter referred to as NNSA) and ____*(employee's name)*____ (hereinafter referred to as you or your) for the purpose of specifying conditions under which NNSA will continue to repay part or all of your outstanding student loan(s) through loan payments to the lender(s). This MOU will continue in effect until such time as payments are terminated.

2. Loan Payments

a. The amount of the applicable outstanding student loan balance(s) as of *(date)* is $ *(amount)*. The gross (pre-tax) amount of student loan payments that NNSA will make on your behalf under this MOU is $ *(maximum* $10,000) per calendar year, and a total amount of $ *(maximum less than $60,000)* over *(no.)* years, subject to annual reviews and re-certification by NNSA to ensure that funds are available and to determine the status of the subject student loan(s).

b. Payments by NNSA under this MOU 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 MOU.

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 income, social security, and Medicare taxes being withheld. The amount of the loan payments to each lender may be reduced by mandatory and voluntary deductions, including tax levies and garnishments.

d. NNSA's payments will be made as a biweekly gross payment of $*(amount)*, which will be the amount sent to your lender(s)/note holder(s); taxes related to such payments will be withheld from your salary.

3. Conditions

a. 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 the 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 benefits, which are the subject of this MOU, will apply only to your student loan indebtedness outstanding as of the date that this MOU is executed by you and NNSA.

b. If NNSA's payments hereunder cover only a part of your repayment obligation(s) under the subject student loan(s), you are personally responsible for making payments on the balance in accordance with the lenders' policies and schedule. If you are in arrears or default on your personal loan repayment obligation(s), NNSA may terminate its payments under this MOU.

c. NNSA reserves the right to terminate its payments under this MOU early in the event that funding is no longer available. You will be notified at least 90 days prior to termination to allow you time to make other arrangements.

d. You are required to maintain at least a fully successful, pass, or equivalent performance rating and applicable security clearance (access authorization) for the duration of this MOU. If your performance rating falls below that level, or if your security clearance is revoked, or if you are separated involuntarily on account of performance or misconduct, then the loan payments will be terminated immediately.

e. If you separate from NNSA for any reason, the loan payments will be terminated immediately.

f. If you apply and are selected for a position within NNSA or within the Department of Energy (DOE) but outside of NNSA, the gaining organization is not required to assume the loan repayment obligation hereunder. Additionally, your right to placement as a surplus and/or displaced employee under the Career Transition and Assistance Program (if applicable) does not grant you loan repayment by the gaining organization. However, if you are reassigned to an organization within NNSA, as a management directed action, the gaining organization will assume full responsibility for this MOU. If you are reassigned to an organization within DOE but outside of NNSA, the gaining organization is not required to assume the loan repayment obligation hereunder.

g. If this MOU pertains to a student loan for courses that you are taking while employed at NNSA, then you must maintain a grade point average (GPA) of 3.0 at all times during this MOU. In the event that the GPA drops below 3.0, NNSA may terminate any and all future payments. So long as this MOU is in effect, following each term of the school you are attending, you are to provide NNSA with a copy of your course grades from that school so that NNSA can verify your continued eligibility for loan payment benefits under this paragraph.

h. This MOU in no way constitutes a right, promise, or entitlement for continued employment and/or noncompetitive conversion to the competitive service, if applicable.

i. In the event that applicable laws or regulations change that would result in required change(s) in the terms and conditions of this MOU, the parties hereto mutually agree that this MOU will be subject to them. Any changes other than those required by applicable laws or regulations must be mutually agreed to in writing by the parties hereto.

5. Certifications

I hereby certify that I have read and understand the terms and conditions of this MOU and have attached

the necessary information on each loan for which NNSA will make payments.

_____ _____
Employee Date

Pursuant to OPM regulations, 5 CFR 537.105, I hereby certify that:

1. In the absence of student loan repayment benefits contemplated in this MOU, NNSA would encounter difficulty retaining a highly qualified employee in the position of *(title of position)* ___, 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. When selecting the above-named employee to continue receiving student 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. To my knowledge, approval of this MOU does not create any inequitable treatment of employees and has been exercised consistent with NNSA'S diversity goals and needs.

4. The source of funding for this MOU is *(accounting information: fund-type , B&R, if other than employee's salary accounting information)*.

_____ _____
Recommending Official Date

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

Distribution:
Original - OPF
Copies - Employee, payroll office, supervisor, finance staff, etc.

Privacy Act Statement

Part 537 of Title 5 of the Code of Federal Regulations requires documentation 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, however, affect your continued employment in the National Nuclear Security Administration. The use of the information involved with this MOU 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 additional uses that may be made of the information collected.

The official copy of this agreement is maintained in your Official Personnel File, 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 employing organization, such as by your supervisor and finance office, which is appropriate under the OPM/GOVT-1 records system.