

Reclamation Manual

Directives and Standards

TEMPORARY RELEASE

(Expires 01/28/2013)

Subject:	Student Loan Repayment Benefit Program
Purpose:	This Directive and Standard (D&S) provides Bureau of Reclamation requirements for determining payment of student loan repayment benefits (SLRBs) for recruitment and retention purposes. The intent of this D&S is to ensure judicious and consistent use of these benefits.
Authority:	5 USC 2105; 5 USC 5379, Student Loan Repayments; 5 CFR 537, Repayment of Student Loans; and Department of the Interior Personnel Bulletin Nos. 02-4 (537) and 04-08 (537).
Approving Official:	Director, Policy and Administration
Contact:	Reclamation Program Group, Human Resources Division, 84-58100

- 1. Introduction.** The Federal student loan repayment program permits agencies to repay federally insured student loans as a recruitment incentive to attract highly qualified candidates or as a retention incentive to encourage current employees who are highly qualified, to remain with the agency. The decision to offer student loan repayment is an individual compensation decision that is made on a case-by-case basis based on organizational need, specific case justification, and budgetary limitations. SLRB are not an entitlement, and the amount of the repayment must be the minimum needed to either recruit a candidate for employment or retain a specific employee.
- 2. Applicability.** This D&S applies to all Reclamation managers, supervisors, and hiring officials.
- 3. Definitions.**
 - A. Student Loan.** A student loan is eligible if it is made, insured, or guaranteed under parts B, D, or E of title IV of the Higher Education Act of 1965 or is a health education assistance loan made or insured under part A of title VII or part E of title VIII of the Public Health Service Act.
 - B. SLRB Service Agreement (Service Agreement).** A written agreement between Reclamation and the employee that explains the terms, limitations, and conditions, that must be signed and adhered to for the individual to receive a SLRB. (See Appendix A for a sample Service Agreement.)

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4. Responsibilities.

- A. **Director, Policy and Administration.** The Director, Policy and Administration is responsible for:
- (1) ensuring consistency and equity, taking into consideration the need to maintain a balanced workforce and budget constraints, in offering a SLRB;
 - (2) approving or denying requests to pay a SLRB that exceeds \$20,000 total for recruitment purposes; and
 - (3) approving or denying all requests to pay a SLRB regardless of the amount for retention purposes.
- B. **Regional and Office Directorates and Chief of Staff.** Regional and Senior Executive Service (SES) level office directorates and the Chief of Staff for Washington, D.C. based employees review requests received to offer SLRB within their region/directorate and are responsible for:
- (1) ensuring SLRB requests are justified and appropriate, taking into consideration the need to maintain a balanced workforce as well as attract and retain highly skilled qualified employees to Reclamation;
 - (2) approving or denying requests to pay a SLRB for recruitment purposes for up to and including \$20,000;
 - (3) recommending approval or denial of requests to pay a SLRB for recruitment purposes over \$20,000 and all requests regardless of the amount to pay a SLRB for retention purposes; and
 - (4) forwarding those requests he/she recommends to the Director, Policy and Administration through established channels for further review and ultimate approval/denial.
- C. **Hiring Officials, Managers, and Supervisors.** Hiring officials, managers, and supervisors are responsible for:
- (1) ensuring equity and consistency in his/her decisions to offer the benefit;
 - (2) verifying funding is available for the benefit (budgetary constraints may have a negative impact on Reclamation's ability to offer a SLRB);

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- (3) determining the amount of the SLRB benefit to be offered;
- (4) consulting and working with his/her regional human resources office to obtain guidance on the legal use of SLRB (Appendix B provides a Justification Template for hiring officials to use to ensure each request they submit for a SLRB contains all the information and documents required before an official decision will be made);
- (5) preparing a SLRB request packet that includes all required supporting documentation;
- (6) forwarding the request packet through established channels for review and approval; and
- (7) monitoring Service Agreements for individuals for which he/she has received approval to offer a SLRB.

D. Human Resources Division Manager in Denver. The Human Resources Division Manager in Denver is responsible for:

- (1) receiving and reviewing all SLRB request packets recommended for approval from regional directors to be sent to the Director, Policy and Administration for decision;
- (2) ensuring all applicable rules, regulations, and guidelines for receiving or awarding a SLRB are met; and
- (3) forwarding the request packets that are complete and meet the criteria as stated in 5 CFR 537.106(b) to the Director, Policy and Administration for review and approval/disapproval.

E. Regional and Servicing Human Resources Officers and their Staff. Regional and servicing human resources officers and their staff are responsible for:

- (1) providing guidance to selecting officials and employees on the provisions of the SLRB program;
- (2) reviewing each request package to ensure it contains all required information;
- (3) forwarding complete documented packets to their regional director for his/her review and recommendation of approval/denial;

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- (4) receiving packets from the regional director after his/her review, and sending those recommended for approval that require higher level approval authority to the Human Resources Division, Program Management Branch in Denver, Colorado, which will be sent through channels to the Director, Policy and Administration;
- (5) sending packets received from the regional director that are not recommended for approval back to the initiating selecting official; and
- (6) compiling and maintaining reports based on organization/regional records as required by the Office of Personnel Management (OPM) and the Department of the Interior.

F. **Human Resources Division, Program Management Branch.** A specialist in the Human Resources Division, Program Management Branch in Denver, Colorado, is responsible for:

- (1) reviewing each request to offer/approve a SLRB;
- (2) ensuring conformance to statutory, regulatory, and policy requirements;
- (3) confirming the amount of the SLRB recommended;
- (4) verifying the amount(s) of the individual's outstanding student loan(s) to avoid overpayments; and
- (5) ensuring that the loan is federally insured or guaranteed, and qualifies for repayment before sending it through the Human Resources Division Manager to the Director, Policy and Administration for approval/denial.

G. **Employees and/or Potential Employees.** Employees/potential employees are responsible for:

- (1) providing documentation (at least yearly) from his/her lending institution that certifies the current (within the previous 30 days) outstanding loan balance and shows the loan was/is authorized by the Higher Education Act of 1965 or the Public Health Service Act;
- (2) signing and adhering to a Service Agreement;
- (3) continuing to make loan repayments on the portion of the loan that continues to be their responsibility; and

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- (4) providing appropriate documentation to his/her supervisor for each subsequent payment after the initial one if the SLRB is scheduled to cover more than payment.
5. **Use of the Benefit.** Reclamation may offer a SLRB to eligible potential employees for recruitment purposes or eligible current employees for retention purposes.
- A. **Recruitment.** A SLRB may be offered to recruit potential employees from outside the Federal service, when in the absence of the benefit, Reclamation would have difficulty in filling the position with a highly qualified candidate. In addition:
- (1) potential candidates must possess superior qualifications that meet an important need or are critical to Reclamation's mission;
 - (2) the education the student loan funded must be directly related to or required for the position the individual has been selected to fill;
 - (3) the individual must have graduated with a least a Bachelor's Degree from an accredited college or university;
 - (4) he/she must have indicated that in the absence of the benefit, he/she would not accept the position offer; and
 - (5) he/she cannot be currently employed in the Federal service.
- B. **Retention.** A SLRB may be offered to a current Reclamation employee when management has determined that the high or unique qualifications of the employee or Reclamation's special need for the employee's services make it necessary to retain him/her. Management must determine that:
- (1) without repayment of the student loan(s), the individual would most likely leave Federal service;
 - (2) the employee's departure would affect Reclamation's ability to carry out an important mission-related activity;
 - (3) the education the student loan funded must be directly related to or required for performance in the employee's current position;
 - (4) the individual has no performance or conduct actions pending or currently in force against them;

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- (5) the employee's most recent performance appraisal rating of record using the Department's performance appraisal system established under part 430, subpart B of Title 5, is at least level four, "Superior" on a five-level system for a full year or "Meets or Exceeds Expectations" under a two-level system for at least a full year; and
- (6) the employee serves in a position that makes them eligible to receive a SLRB.

C. Payment.

- (1) A SLRB must be no more than \$10,000 per year or a maximum of \$60,000 for any individual.
- (2) Decisions to offer a SLRB and the amount of the repayment are discretionary.
- (3) The SLRB will be made in one payment annually. Payments in more frequent intervals are not authorized.
- (4) The SLRB annual payment will be paid to the lending institution that holds the loan. Payments will not be paid to the employee/potential employee.

6. Eligibility.

A. Eligible Employees or Potential Employees. A SLRB may be authorized for current employees or potential employees who are/will be:

- (1) permanent, full-time employees; or
- (2) temporary, full-time temporary employees in the excepted service, serving under appointments intended for conversion to career or career conditional appointments.

B. Ineligible Employees or Potential Employees. A SLRB cannot be authorized for employees or potential employees who:

- (1) are or will occupy positions excepted from the competitive service because of their confidential, policy making, policy determining, or policy advocating nature (i.e., Schedule C appointees);
- (2) are occupying or will occupy a position that is considered to be purely temporary; and/or

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- (3) are in default on a student loan. These individuals may be considered eligible when their loan(s) is/are removed from default.

7. **Service Agreement.**

A. **Service Agreement Requirement.** Individuals who receive a SLRB must sign a Service Agreement and agree to complete a minimum of 3 total years of service with the Department. Management may also require a period of service beyond 3 years. The period of time required under a SLRB Service Agreement may run concurrently with other Service Agreements, such as for retention, relocation, or recruitment incentives. The employee/potential employee, his/her manager or supervisor, and a representative of the servicing human resources office must all sign the Service Agreement before a SLRB is actually paid to the lender. Appendix B contains a sample Service Agreement. At a minimum, each Service Agreement must identify:

- (1) conditions of loan repayment including for example, length of service required, official documents the individual must provide, and performance requirements;
- (2) total amount approved for the repayment benefit;
- (3) number of years the repayment will be made;
- (4) amount of repayment to be made each calendar year;
- (5) continuing employee responsibilities;
- (6) how and when a SLRB may be terminated; and
- (7) conditions for reimbursement of loan benefits.

B. **Termination of a Service Agreement.** The termination of a Service Agreement cannot be grieved or appealed.

8. **Appendices.**

- A. Appendix A. Request for Student Loan Repayment Benefit Checklist.
- B. Appendix B. Sample Service Agreement.