

## **STUDENT LOAN REPAYMENT PROGRAM- NEW ARTICLE**

### **Section 1**

The Employer will establish a Student Loan Repayment Program in accordance with 5 C.F.R. § 537 and other applicable rules and regulations, and subject to the availability of funds. The Program's purpose is to attract or retain highly qualified professional, technical, and administrative individuals by assisting them in repaying their outstanding federally insured student loans. The Employer will tailor the Program to facilitate its recruitment and retention objectives.

There is no entitlement to participation in the Program. Repayment of student loans by the Employer is subject to budgetary considerations and is at the Employer's discretion. Nevertheless, when selecting employees to receive loan repayment benefits, the Employer will adhere to merit system principles and take 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. All OPDIVS will participate.

The Parties will create a joint HHS-NTEU committee that will meet at least annually to review the operations of the Agency's program, and to make recommendations to the Employer regarding how the program might be improved. NTEU will be afforded the same number of appointees as the Agency and will make its own appointments.

### **Section 2**

At least twenty (20) percent of the funds allocated to this program in any given fiscal year will be reserved for the grant of student loan benefits to eligible employees in non-professional job series positions.

All nominations made pursuant to this Section must be supported by written justification, which shall refer to the relevant criteria. An employee's supervisor may nominate a particular employee for the Program, otherwise employees may nominate themselves for selection in the Program.

Employees, who meet the eligibility requirements in Section 5, may be selected who meet one or more of the following additional eligibility criteria:

- Contribution to the Agency's Mission - unusually high or unique qualifications contributing to the Agency's mission to protect investors and maintain the integrity of the securities markets;
- Customer Service - providing unusually high or unique quality service to internal and external customers;
- Leadership - unusually high or unique influence or guidance of others in achieving or surpassing the Agency's goals; or
- Teamwork - unusually high or unique efforts to advance team goals towards the Agency's mission, supporting the team and individual team members or supporting organizational units.

### **Section 3**

Each year, the Employer will consider whether it needs to address recruitment and retention issues in a particular job series and/or particular Division/Office/Regional Office(s) through the student loan program. As applicable, the Employer will notify the Union of its intent to offer student loan benefits to all employees within the target group(s), and the reasons therefor.

The Employer will offer a student loan benefit to an employee from the target group(s) who meets the eligibility requirements in Section 5.

### **Section 4**

In addition, and depending on budgetary considerations, the Employer may grant a student loan benefit to any other employee who meets the eligibility requirements in Section 5 as well as one or more of the following eligibility criteria:

- Contribution to the Agency's Mission - unusually high or unique qualifications contributing to the Agency's mission to protect investors and maintain the integrity of the securities markets;
- Customer Service - providing unusually high or unique quality service to internal and external customers;
- Leadership - unusually high or unique influence or guidance of others in achieving or surpassing Agency goals; or
- Teamwork - unusually high or unique efforts to advance team goals towards the Agency's mission, supporting the team and individual team members, or supporting organizational units.

All nominations made pursuant to this Section must be supported by written justification, which shall refer to the relevant criteria. An employee's supervisor may nominate a particular employee for the Program, otherwise employees may nominate themselves for selection in the Program.

### **Section 5**

To be eligible for participation in the Student Loan Repayment Program, an employee must have completed one year of service with the Employer, maintained an acceptable level of performance, and signed a service agreement, in which he/she agrees to:

1. complete three years of service with the Employer which will commence on the date of the first repayment;
2. complete one additional year of service with the Employer for each additional year of repayment received if the loan repayments continue beyond the first twelve months; and

3. reimburse the Employer for loan repayments under such circumstances as set forth in Section 3 below, 5 C.F.R. § 537.109, and other applicable laws, rules and regulations.

## **Section 6**

An employee who receives loan repayments and fails to complete the required service as set forth in Section 2 above because he/she is separated involuntarily for misconduct or unacceptable performance or leaves the Employer voluntarily, will be indebted to the Federal Government and must reimburse the Employer for the total amount of any student loan repayments he/she received, except that:

1. An employee who fails to complete the period of employment established under a service agreement because he/she leaves the Employer voluntarily to enter into the service of another federal agency will not be required to reimburse the Employer for the amount of any student loan repayment benefits he/she received.
2. A right of recovery of an employee's debt may be waived, in whole or in part, if an employee demonstrates to the Employer that recovery would be against equity and good conscience or against the public interest.
3. An employee who fails to complete the period of employment because he/she is involuntarily separated for reasons other than misconduct or performance will not be required to reimburse the Employer.

## **Section 7**

Subject to budgetary considerations, the amount of loan repayment paid by the Employer on behalf of an employee participating in the Program will be up to the maximum yearly limit provided by 5 C.F.R. §537.106(c) per employee, (less taxes due). Within these limits, the Employer may repay more than one eligible loan for a recipient.

With the exception of the twenty (20) percent of the student loan program budget allocated to employees in non-professional job positions, the Employer will determine how much of the program's budget will be allocated between the classes of eligible employees described in Sections 3 and 4.

If insufficient funds are allocated to the Program for all selected employees to receive the maximum yearly limit or the maximum amount they are eligible for, they will receive all repayment amounts allocated to the Program (including any funds reimbursed to the Employer under Section 6, any undistributed funds from the amount allocated pursuant to Section 2 or 3, or funds made available due to the withdrawal of a participant) on a pro rata basis.

## **Section 8**

An employee participating in the Program will be responsible for making loan repayments on the portion of the loan(s) that continues to be the employee's responsibility. Loan repayments by the Employer will not exempt an employee from

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his/her responsibility or liability for any of his/her loans. Student loan repayments made on behalf of an employee are taxable.

The Employer will strive to honor any request made by an employee regarding the form and timing of any tax withholdings, however, the Employer does not have the discretion to make tax payments outside IRS regulations.

### **Section 9**

The Employer will make loan repayments under the Program by direct payment to the holder of the loan on behalf of the employee.