

NIH POLICY MANUAL

2300-537-1 – NIH Student Loan Repayment Program

Issuing Office: OD/OHR/Compensation and Senior/Scientific
Employment Division (301) 496-0377

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1. Explanation of Material Transmitted: This chapter outlines NIH policy for use of the Student Loan Repayment Program (SLRP). It differs from the previous manual chapter by deleting purely procedural items and expanding upon policy-related material.
2. Filing Instructions:

Remove: NIH Manual Chapter 2300-537-1 dated 1/29/07

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- Content of this chapter, contact the issuing office listed above
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A. Purpose:

The NIH Student Loan Repayment Program (SLRP) is established as a management tool to facilitate the recruitment and retention of “highly qualified” candidates and employees. The SLRP authorizes the repayment of all or part of an outstanding federally-insured student loan obligation already incurred by a current employee or a candidate to whom an offer of employment has been made. The decision to offer student loan repayment is an individual compensation determination that is made on a case-by-case basis based on organizational need, specific case justification, and budgetary limitations without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or

disabilities. The SLRP is not an entitlement and is to be used only to the extent that is necessary for effective recruitment and retention purposes.

Note: for the purpose of this manual chapter, the term “employee” will be used to cover both employees and candidates with a valid offer of employment except when discussing aspects of the program related specifically to recruitment or retention.

B. Legal Authority/References:

1. [5 United States Code 5379](#)
2. [5 Code of Federal Regulations, Part 537](#)
3. [OPM SLRP Information](#)
4. [HHS Instruction 537-1, Student Loan Repayment Program Policy](#)
5. NIH Manual 1130, Delegations of Authority, [Program: HR: Pay # 19](#)
6. [NIH Manual 2300-595-1](#), Physicians Comparability Allowance
7. [NIH Manual Chapter 1743](#), “Keeping and Destroying Records, Appendix 1, NIH Records Control Schedule”

C. Program Description:

It is the NIH policy to use the SLRP authority as cited in 5 U.S.C. 5379 to recruit highly qualified non-Federal candidates and to retain highly qualified NIH personnel likely to leave for employment outside the Federal service.

There is no restriction on the type or level of degree the individual was/is pursuing for which a loan was previously generated. Restrictions apply only to the type of loan taken out – the loan must be federally-made, insured or guaranteed and the loan must have been disbursed prior to the signing of a service agreement and approval of a SLRP payment.

Eligible employees may be considered for student loan repayment assistance up to \$10,000 per calendar year, with a \$60,000 lifetime maximum for any individual. Individual student loan repayments are made as a lump sum to the lending institution (not the employee) and more than one federally insured loan may be repaid as long as the combined repayments do not exceed the annual and lifetime limits. The loan repayment approved is a gross amount, and it is the gross amount that is applied to annual limits. The lending institution, however, receives a net amount after the Defense Finance and Accounting Service deducts 25 percent for

Federal income tax as well as FICA and Medicare withholdings, and any state or local income tax that may be applicable. The loan repayment gross amount approved may not be more than the current loan balance. Federal student loan repayments are not subject to the Title 5 aggregate compensation limitation (Executive Level I) under 5 U.S.C. 5307.

The program is funded through the individual IC. If an employee transfers from one IC to another, the IC that the employee transfers to is obligated to honor the commitment made by the first IC because the service agreement is with HHS, not NIH or a specific IC. ICs are not responsible for employees who are not directly assigned to them (e.g., NIH Presidential Management Fellows).

The SLRP is administered centrally by the Office of Human Resources (OHR). The SLRP is not to be confused with NIH Loan Repayment Programs administered by the NIH Office of Extramural Research (OER), Division of Loan Repayment (DLR). For information about the DLR programs go to <http://www.lrp.nih.gov/>. The OER, DLR does provide assistance to OHR with loan verification and to ensure employees are not receiving benefits from both programs.

D. Coverage:

The following full-time or part-time employees are eligible for the NIH SLRP program:

- a. Permanent employees (including Title 42 employees serving on indefinite appointments);
- b. Employees serving on term or excepted appointments with at least 3 years remaining on their appointments;
- c. Employees serving on excepted appointments that can lead to non-competitive conversion to term, career, or career-conditional appointments [e.g., Veterans Readjustment Appointments, Presidential Management Fellows]; or
- d. Temporary employees under 5 C.F.R. 315.704 who are serving on appointments leading to conversion to term or permanent appointments.

Employees receiving recruitment, relocation, or retention incentives under 5 C.F.R. Part 575 may be considered for the SLRP. Employees receiving a Physicians' Comparability Allowance (PCA) may also be considered for student loan repayments. However, 5 C.F.R. 595.105(e) requires a reduction of the PCA by an

amount equal to the loan repayment received under this program.

The following employees are ineligible for the SLRP:

- a. Employees who have been awarded loan repayment through any of the NIH Loan Repayment Programs administered by the NIH OER, Division of Loan Repayment;
- b. Individuals whose student loans are past due, delinquent, or defaulted;
- c. Current employees with performance ratings lower than “fully successful;”
- d. Employees serving on term or excepted appointments with less than 3 years remaining on their appointments;
- e. Employees serving on temporary or excepted appointments that cannot lead to non-competitive conversion to term or permanent appointments;
- f. Commissioned Corps Officers; and
- g. Individuals appointed to positions of a confidential, policy determining, policymaking, or policy advocating nature (e.g., under Schedule C of 5 C.F.R. 213.3301).

E. Loans Qualifying Under this Authority:

Qualifying student loans are ones that are made, insured, or guaranteed under parts B, D, or E of Title IV of the Higher Education Act of 1965, or that are 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. The loan may be for the employee’s own educational expenses or for the educational expenses of the employee’s child as long as the loan is under the employee’s name. Generally, an employee’s consolidated loan is qualifying. However, loans that have been consolidated with loans of another individual, such as a spouse or child, are not qualifying.

F. Criteria for Justifying Student Loan Repayment:

1. **Recruitment:**

The following three conditions must be met to justify the payment of an SLRP benefit based on recruitment needs. This determination must be made before the individual enters on duty.

- a. The candidate must be highly qualified and eligible for the program.

- b. In the absence of an SLRP incentive, the candidate would be unwilling to accept the position.
- c. The NIH would have difficulty filling the position if the candidate declines the position.

The justification memorandum for the SLRP benefit must address each of these conditions. To show that the position would be difficult to fill the following information may be used.

- a. Offer acceptance rates;
- b. Proportion of positions filled versus vacant positions;
- c. Length of time required to fill same or similar positions;
- d. Recent turnover rates in equivalent positions;
- e. Labor market factors that affect the ability to recruit for like positions;
- f. Highly specialized skills or qualifications needed for the position.

The following factors may be used to justify the specific amount of the student loan repayment (not the benefit itself). This information must be documented in the justification memorandum along with the justification for using the SLRP as a recruitment incentive as discussed in the first paragraph of this section.

- a. Salary levels reported in published salary surveys for comparable non-Federal positions;
- b. An appropriate salary survey benchmarked to Federal positions;
- c. The current non-Federal salary of the candidate;
- d. Salary documented by a non-Federal competing job offer, if available;
- e. The disparity in cost of living between the candidate's current residence and the proposed duty station;
- f. The severity of the recruiting problem;
- g. The importance/criticality of the position to be filled and the effect on the agency if it is not filled or if there is a delay in filling it;
- h. The projected cost of further recruitment efforts if the candidate does not accept the position; and,

- i. The extent of the individual's past training and experience that serves to make him/her an exceptional candidate.

2. **Retention:**

The following two conditions must be met to justify an SLRP payment based on retention needs. (Must be addressed in the justification memorandum.)

- a. The unique or high qualifications of the employee or the special need for the employee's services make it essential to retain him/her.
- b. The employee is likely to leave for employment *outside the Federal service* if he/she does not receive student loan repayment benefits. This likelihood must be demonstrated by direct employee-supervisor communication about job offers, job interviews, or other compelling information. The SLRP cannot be used for an employee who is likely to leave for another position in the Federal Government.

The justification memorandum must address these conditions. In addition, the supervisor must take into consideration the extent to which the employee's departure would affect the IC's ability to carry out an activity or perform a function that is deemed essential to the IC's mission.

The information listed below is used to determine the specific amount of student loan repayment needed to retain a particular employee. The rationale for the amount must be documented in writing along with the two conditions justifying the use of the SLRP benefit as a retention incentive as discussed above.

- a. Salary levels reported in published salary surveys for comparable non-Federal positions;
- b. Salary documented by a competing non-Federal job offer;
- c. The importance/criticality of the position and the effect on the NIH if the employee were to leave;
- d. The severity of any recruitment/retention problems associated with the employee's position;
- e. The projected cost of recruitment and training associated with replacement of the employee;
- f. Employee's tenure with the NIH; and

g. Availability of funds.

Note: Selection of Presidential Management Fellows for the SLRP is the responsibility of the NIH Administrative Training Committee (ATC).

G. Service Agreements:

A 3-year service agreement is required for initial participation in the SLRP. The service period begins on the effective date of the SF-50, "Notification of Personnel Action," which authorizes the payment. Additional loan repayments can be requested on an annual basis during the 3-year service agreement without the service period being extended. Although a second or third year loan repayment may be requested, a new justification must be written each year and there is no guarantee that another student loan repayment will be approved.

After completion of the initial 3-year service agreement, an employee may be considered for additional loans on an annual basis thereafter. Loan repayments made after the initial 3-year agreement has been completed (e.g., 4th year, 5th year, 6th year) will require a one year service agreement for each additional payment made.

Periods of leave without pay, or other periods during which the employee is not in a pay status, do not count toward completion of the required service period. The service completion date must be extended by the total amount of time spent in non-pay status. However, as provided by 5 CFR 353.107, absence because of uniformed service or compensable injury is considered creditable toward the required service period upon reemployment.

The service agreement in no way constitutes a right, promise, or entitlement for continued employment or noncompetitive conversion to the competitive service, nor does it limit management's right to take appropriate corrective or disciplinary actions.

H. Termination of Benefits:

An employee receiving student loan repayment benefits will be ineligible for additional student loan repayments for any of the following reasons:

1. Failure to maintain at least a "fully successful" level of performance;
2. Separation from the NIH for any reason before completion of the service agreement;

3. Violation of any of the conditions imposed by the service agreement.

I. Failure to Complete a Service Agreement:

An SLRP participant who voluntarily or involuntarily because of performance or misconduct fails to complete the initial 3-year service agreement must refund the full amount of student loan repayments received during the 3 years (5 C.F.R. 537.109).

Employees who fail to complete the period of service under an additional 1-year service agreement (made after the initial 3-year service agreement has been fulfilled, e.g., 4th year, 5th year) must refund the loan repayment amount made in the extension year only.

If an employee fails to complete a service agreement and does not voluntarily reimburse the NIH, the debt will be recovered from the employee under established debt collection procedures.

J. Waiver of Indebtedness:

Repayment may be wholly or partially waived by the Director, Office of Human Resources, Office of Management, NIH, who determines if recovery would be against equity and good conscience or not in the public interest. In making this determination, consistency, fairness, and the cost to the taxpayer of recovering the debt must be considered.

The employee may request a waiver in writing using the Waiver of Student Loan Indebtedness, [Form NIH 2851-4](#), for consideration by the Director, OHR, through the IC Student Loan Repayment Review Committee (optional), the IC Director (or designee), the appropriate Operations Branch in the Client Services Division, OHR, and the NIH SLRP Coordinator. The request should include the reason the waiver is being requested, a copy of the employee's Service Agreement, and verification of the exact amount of debt to be waived.

When an employee is separated by death or disability retirement, or is unable to continue working because of a disability evidenced by acceptable medical documentation, repayment is automatically waived.

K. Records Retention and Disposal:

All records (e-mail and non-e-mail) pertaining to this chapter must be retained and disposed of under the authority of [NIH Manual Chapter 1743](#), "Keeping and

Destroying Records, Appendix 1, "NIH Records and Control Schedule," Section 2300, Item 450-5.

NIH e-mail messages, including attachments that are created on NIH computer systems or transmitted over NIH networks that are evidence of the activities of the agency or have informational value are considered Federal records. These records must be maintained in accordance with current NIH Records Management guidelines. Contact your IC Records Liaison for additional information.

All e-mail messages are considered Government property, and, if requested for a legitimate Government purpose, must be provided to the requester. Employees' supervisors, NIH staff conducting official reviews or investigations, and the Office of Inspector General may request access to or copies of the e-mail messages. E-mail messages must also be provided to Congressional oversight committees, if requested, and are subject to Freedom of Information Act requests. Back-up files are subject to the same requests as the original messages.

L. Internal Controls:

The purpose of this manual issuance is to outline NIH policy and procedure for use of the SLRP.

1. **Office Responsible for Reviewing Internal Controls Relative to this Chapter:** Office of Human Resources
2. **Frequency of Review:** In addition to an annual report on the use of the student loan repayment authority, the program will periodically be evaluated to ensure NIH-wide effectiveness and regulatory compliance.
3. **Method of Review:** There will be the following methods of review: (a) NIH annual report will be prepared for the HHS Assistant Secretary for Administration to submit to OPM on (1) the number of employees receiving benefits under this authority, (2) their job classifications, and (3) the total amount of the NIH benefits paid; and (b) the program will periodically be evaluated to ensure NIH-wide effectiveness and regulatory compliance.
4. **Review Reports are to be sent to:** (a) The NIH annual report will be prepared for the HHS Assistant Secretary for Administration to submit to OPM; and (b) A copy of the periodic evaluation to ensure the NIH-wide effectiveness and regulatory compliance will be sent to the Deputy Director for Management, NIH, and the Director, Office of Management Assessment. Reports should indicate that controls are in place and working well or include

any internal control issues that should be brought to the attention of the report recipients.

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