



DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY  
ACQUISITION LOGISTICS AND TECHNOLOGY  
103 ARMY PENTAGON  
WASHINGTON DC 20310-0103

14 JUL 2004

SFAE-HR

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Delegation of Authority for the Repayment of Student Loans

I delegate to you the authority to approve the Repayment of Student Loans for personnel assigned to your organization. This authority may be redelegated to the lowest practicable level.

The Federal Student Loan Repayment Program permits agencies to repay federally-ensured student loans as a recruitment or retention incentive for candidates or current employees of the agency. Additional information on this topic can be found at <http://www.opm.gov/oca/pay/StudentLoan/> and at Tab A.

The Acquisition Support Center point of contact on this subject is Garet McKimmie, (703) 805-1015, DSN 655-1015, or e-mail: [garet.mckimmie@us.army.mil](mailto:garet.mckimmie@us.army.mil).

  
Claude M. Bolton, Jr.  
Army Acquisition Executive

Enclosure

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## Office of Personnel Management

The Federal Government's Human Resources Agency

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## Federal Student Loan Repayment Program

### Description

The Federal student loan repayment program permits agencies to repay Federally insured student loans as a recruitment or retention incentive for candidates or current employees of the agency. The program implements 5 U.S.C. 5379, which authorizes agencies to set up their own student loan repayment programs to attract or retain highly qualified employees.

### Employee Coverage

Any employee (as defined in 5 U.S.C. 2105) is eligible, except those occupying a position excepted from the competitive civil service because of their confidential, policy-determining, policy-making, or policy-advocating nature (e.g., Schedule C appointees).

### Loans Eligible for Payment

Loans eligible for payment are those made, insured, or guaranteed under parts B, D, or E of title IV of the Higher Education Act of 1965 or 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. (See Q&A 17 for examples of the types of student loans that are eligible for repayment.)

### Limitations

Although the student loan is not forgiven, agencies may make payments to the loan holder of up to a maximum of \$10,000 for an employee in a calendar year and a total of not more than \$60,000 for any one employee.

### Discretionary Authority

As with any incentive, this authority is used at the discretion of the agency. Each agency must develop a plan to describe how the program will be implemented.

### Service Agreement

An employee receiving this benefit must sign a service agreement to remain in the service of the paying agency for a period of at least 3 years. An employee must reimburse the paying agency for all benefits received if he or she is separated voluntarily or separated involuntarily for cause or poor performance. In addition, an employee must maintain an acceptable level of performance in order to continue to receive repayment benefits.

### Annual Reporting

Agencies are required to report annually to the Office of Personnel Management (OPM) on the use of the student loan

repayment authority. Before January 1 of each year, agencies must submit their reports for the previous fiscal year. The reports must contain--

1. The number of employees selected to receive this benefit;
2. The job classifications of the recipients; and
3. The cost to the Federal Government of providing the loan repayment.

OPM will include this information in its annual report to Congress on agencies' use of the student loan repayment program.

### References

- [5 U.S.C. 5379](#)
- [5 CFR Part 537](#)
- [5 U.S.C. 2105](#)
- [Questions and Answers](#)
- [Questions and Answers on Tax Liability](#)
- [Sample Agency Plan 1](#)
- [Sample Agency Plan 2](#)
- [Report to Congress](#)
- [Report to Congress \(PDF\)](#)



- [Compensation Administration Home Page](#)

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