



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

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PERSONNEL BULLETIN NO. 24-04

SUBJECT: Student Loan Repayment Benefit Program Policy

- 1. Purpose.** This Personnel Bulletin updates the Department of the Interior's (Department, Interior) policy for the repayment of federally insured student loans when necessary to recruit or retain highly qualified employees. This Bulletin supersedes Personnel Bulletin 14-02, March 14, 2014.
- 2. Scope.** This policy applies to all bureaus and equivalent offices with the Department.
- 3. Authority.** Title 5, United States Code (U.S.C.) section 5379 and Title 5, Code of Federal Regulations (CFR) Part 537.
- 4. Introduction.** Public Law 108-136 (National Defense Authorization Act for Fiscal Year 2004) amended Title 5 U.S.C. by adding section 5379 which established the statutory authority for repayment of student loans. This policy implements the provisions of 5 U.S.C. 5379. Upon issuance, the Interior bureaus and equivalent offices will use this policy as authority for approving the repayment of student loans. The benefit is limited to outstanding federally insured or guaranteed loans, as defined in 5 CFR § 531.102, made by higher education institutions or banks and other private lenders as authorized by the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.; 20 U.S.C. 1087a et seq.; 1087aa et seq.) and the Public Health Service Act (42 U.S.C. 292 et seq.; 42 U.S.C. 297a et seq.).
- 5. Policy.** A bureau or equivalent office may offer a student loan repayment benefit to facilitate the recruitment or retention of highly qualified employees who meet the eligibility criteria established in 5 CFR § 537.104. Employee has the meaning given in 5 U.S.C. 2105, with the exception of employees serving under Schedule C appointments, who are not covered by this policy. Employees who have defaulted on student loans are not eligible for the incentive until the loan is removed from default. The amount paid by the bureau or office is subject to a maximum limit of \$10,000 per employee, per calendar year or 12-month period, and a lifetime total of \$60,000 per employee.

a. Approving Officials.

The heads of bureaus, equivalent offices, or their designee are granted authority to approve a student loan repayment as a recruitment or retention incentive for highly qualified candidates that meet the special needs of the bureau or equivalent office. This authority may be further delegated at the discretion of the head of the bureau or equivalent office to the level that best serves the interest of the organization. An authorized approving official within the bureau or equivalent office must be at least one level higher than the supervisor of the employee receiving a student loan repayment. The authorized approving official, in coordination with the servicing human resources office for the requesting supervisor, will determine whether an employee meets all the statutory requirements and will ensure the documentation in support of their determination is maintained. Decisions to approve or disapprove the use of student loan repayments for employees in the Immediate Office of the Secretary will be made by the Deputy Assistant Secretaries within Policy, Management, and Budget (PMB) with the concurrence of the Director of the Servicing Human Resources Office. For employees within the Office of Policy, Management and Budget, approval has been further delegated to the Deputy Assistant Secretaries. The Assistant Secretary – PMB (ASPMB) will retain the authority for ASPMB Hallway direct reports.

b. Employee Eligibility.

- (1) The bureau or equivalent office approval official may approve student loan repayment benefits to recruit a highly qualified job candidate or retain a highly qualified employee who, during the service period established under a service agreement consistent with 5 CFR §537.107, will be serving under:
 - (a) An appointment other than a time-limited appointment; or
 - (b) A time-limited appointment if:
 - (i) The employee or job candidate will have at least three years remaining under the appointment after the beginning of the service period established a service agreement; or
 - (ii) The time-limited appointment authority leads to another appointment of sufficient duration so that their employment with the bureau or equivalent office is projected to last for a least three additional years after the beginning of the service period established under a service agreement.
- (2) An employee occupying a position that is excepted from the competitive service because of its confidential, policy-determining, policy-making, or

policy-advocating character is ineligible for student loan repayment benefits (e.g., Schedule C appointees).

- (3) An employee becomes ineligible for student loan repayment benefits under the conditions described below in 5(d)(3)(a).

c. Criteria for Payment. The following criteria must be met or considered in authorizing a student loan repayment benefit.

- (1) Recruitment. A student loan repayment benefit may be paid provided there is a written determination by the approving official that, in the absence of such a benefit, the bureau would encounter difficulty in filling the position with a highly qualified candidate.

(a) Evidence of need may be based on:

- (i) The success of recent efforts to recruit suitable candidates for similar positions, including such indicators as offer acceptance rates, the proportion of positions filled, and the length of time to fill positions;
 - (ii) Recent turnover in the same or similar positions;
 - (iii) Labor market factors that affect the ability to recruit for similar positions; and/or
 - (iv) Highly specialized skills or qualifications required for the position.
- (b) This determination must be in writing and must document criteria used to determine the amount of loan repayment benefits. Bureaus or equivalent offices may consider the following criteria in deciding the amount:
- (i) The severity of the recruiting problem;
 - (ii) Salary levels reported in published salary surveys for comparable non-Federal positions;
 - (iii) The importance/criticality of the position to be filled and the effect on the bureau or equivalent office if it is not filled or if there is a delay in filling it;
 - (iv) The disparity in cost of living between the candidate's current residence and the proposed duty station;
 - (v) The projected cost of further recruitment effort if the candidate does not accept the position;

- (vi) The extent of the individual's past training and experience that serves to qualify him/her for the position; and/or;
 - (vii) Budget availability.
 - (c) Determinations for recruitment purposes must be made before the employee enters on duty in the position for which they were recruited. A bureau or equivalent office may not authorize student loan repayment benefits to recruit an individual from outside the Department who is currently employed in the Federal service.
- (2) Retention.
- (a) A loan repayment may be authorized upon determination that, in the absence of the loan repayment benefits, the bureau or equivalent office would have difficulty retaining a highly qualified employee. Evidence of need may be based on:
 - (i) The unique or high qualifications of the employee or the special need for the employee's services that makes it essential to retain the employee;
 - (ii) The likelihood the employee would leave for employment outside the Federal service if they do not receive loan payment benefits; and/or
 - (iii) The extent to which the employee's departure would affect the agency's ability to carry out an activity or perform a function that is deemed essential to the bureau or equivalent office.
 - (b) The loan repayment determination must be in writing and must document the criteria used to determine the amount of the loan repayment benefit. Managers may consider the following criteria in deciding the amount:
 - (i) Salary levels reported in published salary surveys for comparable non-Federal positions;
 - (ii) The importance/criticality of the position and the effect on the agency if the employee were to leave;
 - (iii) The projected cost of recruitment and training associated with replacement of the employee;
 - (iv) The length of service of the employee with the bureau or equivalent office; and/or;

(v) Budget availability.

- (3) Selecting Employees. When selecting employees, or job candidates, to receive student loan repayment benefits, agencies must ensure that benefits are awarded without regard to race, color, religion, sex (including pregnancy or gender identity), national origin, age (as defined by the Age Discrimination in Employment Act of 1967, as amended), disability, genetic information (including family medical history), marital status, political affiliation, sexual orientation, labor affiliation or non-affiliation, status as a parent, or any other non-merit based factor, unless specifically designated by statute as a factor that must be taken into consideration when awarding such benefits, or retaliation for exercising rights with respect to categories enumerated above, where retaliation rights are available.

d. Service Agreement. A student loan repaid under 5 CFR § 537.106 will be in accordance with the terms, limitations, and conditions of a written service agreement between the bureau or equivalent office and employee. The benefit paid will be in addition to basic pay and any other form of compensation payable to the employee. A sample agreement is at Appendix A.

- (1) The minimum period for continued service under 5. U.S.C. 5379 is three years. Where appropriate, an approving official may seek agreements requiring a period of service beyond three years. The service requirement begins when the bureau makes the first payment to the holder of the loan and should be at the beginning of a pay period. Individuals must reimburse the bureau for the gross amount of the student loan repayment benefit paid under the agreement if their employment with Department terminates before completing the period of employment specified in the service agreement because:

- (a) They are separated involuntarily on account of misconduct or performance; or
- (b) They leave the Department voluntarily except in the cases where they leave to accept employment in another federal agency and the service agreement does not stipulate that repayment is required in such cases (see paragraph d(4) below).

- (2) Prior to authorizing loan repayments, bureaus must first verify with the holder of the loan that the employee has an outstanding loan that qualifies for repayment under this policy. The remaining balance will be verified to ensure the loans are not overpaid. Further, since it is the Department's policy to pay the net amount to the loan holder, the entire loan schedule must be determined using the loan balance at the time of the initial, and not the loan balances existing in subsequent years, in order to avoid an overpayment. The schedule of payments must be determined from the loan balance at the time

of the initial loan repayment authorizations and not from subsequent year balances. This verification and a schedule of payments will be included in the service agreement. Bureaus or equivalent offices may repay more than one loan as long as the payments will be included in the service agreement and as long as the payments do not exceed the legally prescribed limits.

- (3) An employee receiving loan repayment benefits will be ineligible for continued benefits if the employee:
 - (a) Separates from the Department;
 - (b) Does not maintain an acceptable level of performance, as determined under the standards and procedures prescribed for Interior; or
 - (c) Violates any of the conditions of the service agreement.
- (4) If an employee leaves Interior voluntarily to enter the service of another federal agency before completing the service requirement, the employee will not be required to repay the loan repayments made on the employee's behalf unless such repayment is otherwise specified in the service agreement. If the service agreement does not require repayment, the losing bureau will contact the gaining federal agency and inform that agency of the employee's continued service requirement and coordinate repayment procedures with the gaining agency if that employee leaves Federal service before completing the remaining service.
- (5) Employees receiving loan repayment benefits must agree to make loan repayments on the portion of the loan(s) that continues to be their responsibility. The service agreement must state that failure to make their loan repayments terminated eligibility for further loan repayment benefits.
- (6) Loan payments made for periods of service that are not completed in accordance with individuals service agreements are subject to the Department's debt collection process. Collection will be accomplished in accordance with the Department's regulations for collections by offset from an indebted Government employee under 5 U.S.C. 5514 and 5 CFR 550 Subpart K. The repayment may be waived, in whole or in part, by Assistant Secretaries, or officials they have authorized to waive debt recovery, when recovery would be against equity and good conscience or against the public interest.
- (7) Employing bureaus are responsible for monitoring employee's periods of service requirements and taking action to recoup the amount of the loan repayments in the event an employee leaves the Interior before fulfilling their service requirement. If an employee's student loan repayment benefits are terminated because they move within the Department to another bureau

before completing the period of service agreement, the losing bureau will inform the gaining bureau of the employee's remaining service requirement. The gaining bureau will monitor the employee's service requirement and take action to recoup the amount of the loan repayment if the employee terminates their employment with the Department prior to completing the service requirement. Money recouped by the employing bureau will be transferred to the bureau that disbursed the student loan repayments.

e. Payment Procedures. Each bureau or equivalent office SHRO will be responsible for submitting the action in FPPS utilizing NOAC 817. The bureau or office should also initiate the service agreement with the employee in accordance with terms, limitations, and conditions outlined in 5 CFR Part 537.

f. Documentation and Records. Each designated approving official is responsible for ensuring that the basis for any student loan repayment benefit is documented in accordance with 5 CFR, Part 537 and this policy. Documentation shall be available for review and submission upon request. In addition, as prescribed by the U.S. Office of Personnel Management, each bureau shall compile and report annually through the OHR policy, the following information:

- (1) The number of employees selected to receive this benefit;
- (2) The cost to the federal government for providing benefits under this plan;
and
- (3) The job classifications of the employees selected to receive loan repayment benefits.

g. Program Oversight and Evaluation. Heads of bureaus or equivalent offices will review the use and effectiveness of the student loan repayment authority at least annually. The results of such reviews will be made available upon request. A copy of any implementing guidance established by a bureau will be forwarded to the Office of Human Capital at DOI_Office_of_Human_Resources@ios.doi.gov.

6. Labor-Management Obligations. Bureaus or equivalent offices are reminded to fulfill their labor-management obligations, as appropriate, in implementing the requirements set forth in this PB.

7. Inquiries. Any employee or employee representative seeking further information concerning this policy may contact their respective servicing human resources office (SHRO). SHROs should confer with their human capital policy offices for clarity on this policy. The Office of Human Capital serves as principal liaison to the U.S. Office of Personnel Management. Bureau human capital offices may contact the Office of Human Capital at DOI_Office_of_Human_Resources@ios.doi.gov.

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Attachments:

- Attachment 1: Sample Student Loan Repayment Agreement
- Attachment 2: Sample Form for Outstanding Loan Information
- Attachment 3: Sample Form for Request for Student Loan Repayment Benefit
- Attachment 4: Types of Student Loans Covered Under the Higher Education and the Public Health Service Act