

Public Service Loan Forgiveness

What is it?

There's no doubt that student loan debt has become a huge burden for people of all ages, **but it's a problem that affects people in education and healthcare in particular.**

Based on self-reported student debt information from individuals using Fidelity's Student Debt Tool. As of December 31, 2020



If this is you, you might be able to benefit from **Public Service Loan Forgiveness (PSLF)**, designed to reward those who choose jobs in public service.

What's on offer? The unique opportunity to **have your federal loan balances forgiven tax-free.**

How do I qualify?

You need to meet five key eligibility criteria in order to qualify:

1

Work for a qualifying employer

That means tax exempt groups classified as a non-profit by the IRS.

- Governmental agencies**
- Public schools & universities**
- The military**
- Non-profit hospitals**
- Charities (e.g., 501(c)(3) organizations)**

2

Work full-time

You can have any role, but it must be **full-time**. Here's how you determine that:

How your employer defines your role **30+ hours per week**

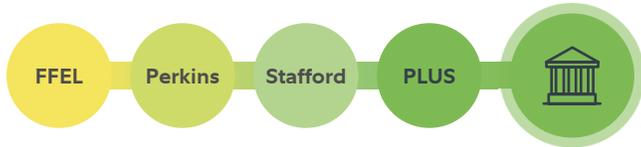


Note that public service employees who work for Labor Unions and partisan political organizations do not qualify.

3

Have a federal direct loan

If you don't, you can consolidate other types of federal loans such as:



5

Make 120 total loan payments with a qualifying employer

This might be over multiple qualifying employers, or multiple time periods with breaks in between.

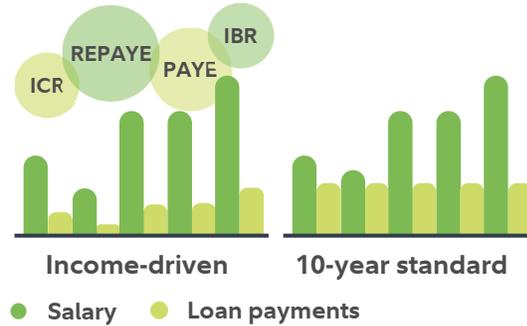


Remember, you should apply every year, while you are on your way to making 120 payments. And be sure to stay up to date as only **on-time payments** for the **full monthly amount** qualify.

4

Be enrolled in a qualifying repayment plan

Keep in mind that an income-driven payment program will leave the most balance for forgiveness – which is what you want – compared to a 10-year standard plan.



How do I apply?

Annual certification

Check in annually with the Department of Education to ensure that your employer and payments qualify – you'll need:

- ✓ Student loan login details
- ✓ Federal Employer Identification Number
- ✓ Eligibility information
- ✓ Contact in your HR department

Final forgiveness

After completing your 120 qualified payments, you are ready to apply for final forgiveness.

Use the automated, expert solution at fidelity.com/forgiveness to complete this final step, or do it yourself by going to the Federal student aid site, studentaid.gov

And that's it, your remaining loan balance and interest forgiven, leaving you plenty to spend on the other things in life you care about!



For help from an expert to determine your eligibility or support filling in your forms, visit Fidelity.com/forgiveness

This is intended to be educational.

Public Service Loan Forgiveness is a Department of Education sponsored program and is therefore subject to changes made by the government entity. It is not guaranteed.

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