

Public Service Loan Forgiveness

June 30, 2022

Public Service Loan Forgiveness (PSLF) is a hot topic in the news lately, especially with the [recent, limited-time changes that the U.S. Department of Education made](#) as a result of the COVID-19 pandemic. **If you or someone you know works in public service, it's worth reading on to see if you or your friends and family could benefit from this program.**

What is it?

PSLF is a student education loan forgiveness program targeted to borrowers who work in specific types of public service positions. Due to some changes announced recently in the program, some borrowers – who have been in repayment for a number of years – are qualifying for forgiveness as soon as they apply!

Who is this program for?

If you are employed by a U.S. federal (including U.S. military service), state, local or tribal government or not-for-profit organization, you may qualify for PSLF for your federal education loans. Private education loans are not eligible for this program.

Does Your Employer Qualify?

To see if your employer qualifies, use your existing Federal Student Aid (FSA) ID and log in to the [PSLF Help Tool](#). You will need your employer's Federal Employer Identification Number, which you can find on your IRS Form W-2. If you don't already have an FSA ID, use the link to the registration site in the Resources list below.

How does the program work?

The PSLF program forgives the remaining balance on your federal education loans after you have made 120 qualifying payments under a qualifying repayment plan* while working full time for a qualifying employer.

* For a limited time, the qualifying repayment plan requirement has been waived and borrowers may receive credit for past periods of repayment that typically would not qualify for PSLF. But you must act before October 31, 2022, to get credit for these payments. Periods of repayment on parent PLUS loans are not eligible under the PSLF waiver. (A parent PLUS loan is a federal loan to parents of dependent undergraduate students to help pay for college or career school.) Please visit the [StudentAid.gov/PSLFWaiver page](https://studentaid.gov/PSLFWaiver) for more information.

Amounts forgiven through the PSLF program are not considered income by the Internal Revenue Service, which means you will not have to pay federal income tax on the amount forgiven.

Why you should act before October 31, 2022

On October 6, 2021, the U.S. Department of Education announced a limited PSLF waiver during which borrowers can receive credit for payments that previously did not qualify for PSLF. To get credit for these payments, you must:

- 1) [Consolidate your federal student loans into a Direct Loan](#) (if your federal loans are not already with Direct Loans) AND
- 2) Submit a PSLF form through the [PSLF Help Tool](#) by October 31, 2022.

For more information on the Public Service Loan Forgiveness Limited Waiver Opportunity and the October 31, 2022 deadline, visit the Department of Education's website at [StudentAid.gov/PSLFWaiver](https://studentaid.gov/PSLFWaiver).

Need a little more help? You can call Vermont Student Assistance Corporation (VSAC) and we can help, even if you do not currently have loans with us! You can reach us Monday

through Friday from 8:00 a.m. to 4:30 p.m. at 1-877-253-6485. Remember that you never need to pay to pursue federal student loan forgiveness! If someone is asking you to pay for help, it's a scam!

Additional Resources:

- [StudentAid.gov/pslf](https://studentaid.gov/pslf) – This is the landing page for the PSLF Help Tool, where you can submit a PSLF form and see if the Department of Education has determined whether your employer qualifies for PSLF. (You will need your employer's Federal Employer Identification Number, which you can find on your IRS Form W-2.)
- [StudentAid.gov/publicservice](https://studentaid.gov/publicservice) – Find more information about PSLF here.
- [StudentAid.gov/fsa-id/create-account](https://studentaid.gov/fsa-id/create-account) – Go here to get an FSA ID, which will allow you to use the PSLF Help Tool and consolidate your loans (if your federal loans are not already with Direct Loans).
- [StudentAid.gov/aid-summary](https://studentaid.gov/aid-summary) – You can log in to your account, using your FSA ID, to see how many or what types of loans you have taken out. Once you have logged in, scroll down to the Loan Breakdown section to see a list of each loan you have taken out. If you expand View Loans, then click the View Loan Details arrow next to a loan, you will see a more detailed name for that loan.
- [StudentAid.gov/consolidation](https://studentaid.gov/consolidation) – The landing page for the consolidation application.
- [ED Press Release](#) and [Fact Sheet](#) ?

Vermont Student Assistance Corporation (VSAC) helps Vermont students of all ages save, plan, and pay for college or career training. VSAC offers information and counseling services as well as financial aid in the form of grants, scholarships, and loans for Vermonters interested in pursuing education and training beyond high school.