

<b>Policies &amp; Procedures</b>		<b>Current Effective Date</b>	<u>11/1/20</u>
		<b>Last Review Date</b>	<u>10/31/20</u>
<b>Title:</b>	Student Loan Repayment (HRM.676)	<b>Supersedes:</b>  N/A	
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<b>Owner:</b>	Chief Human Resources Officer		

**Scope:**

Renown Health and its affiliated entities, including Renown Regional Medical Center, Renown South Meadows Medical Center, and Rehabilitation Hospital, adopt the following policy and procedure.

**Policy Statement:**

Renown Health provides student loan repayment assistance to employees who have already completed milestones in their education.

**Definitions:**

1. Qualified higher education expenses: the cost of attendance (as defined in section 472 of the Higher Education Act of 1965, 20 U.S.C. 1087II) at an eligible educational institution.

**Procedure:**

1. Eligibility

The following eligibility criteria apply to employees who wish to participate in the program:

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- a. Loan Repayment is available immediately upon hire.
- b. Employee must be in an active, benefits-eligible full-time position. Part-time and Per Diem employees are not eligible. ([See Renown.HRM.250, Types of Employment](#))
- c. Loans must be for a degree that has been earned at an accredited institution.
- d. Education Loans eligible for Student Loan Repayment must be:
  - i. Qualified U.S. based education loans;
  - ii. Loans borrowed by the employee, which are:
    - (1) Incurred on behalf of the employee by the employee
    - (2) Attributable to education furnished during a period the recipient was an eligible student.
- e. U.S. based Education Loans eligible for Student Loan Repayment include
  - i. Federal Perkins Loans
  - ii. Private Student Loans
  - iii. Subsidized Stafford Loans (FFELP/Direct)
  - iv. Unsubsidized Stafford Loans (FFELP/Direct)
  - v. Health Professional Loans
  - vi. Grad PLUS Loans (FFELP/Direct)
  - vii. Student Consolidation Loans
  - viii. Student Refinance Loans
  - ix. State Loans
- f. Expenses that are NOT eligible for Student Loan Repayment include:
  - i. Late fees
  - ii. Installment plan/deferred payment fees
  - iii. Direct Parent PLUS loans
  - iv. Loans not in employee name
  - v. Other methods of refinance: Example: Home Equity Lines used to repay Education
  - vi. Other methods of repayment: Funds from 403(b)/401(k) or other

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Retirement account

- g. Participants may be enrolled in Student Loan Repayment and Tuition and Certification Reimbursement program concurrently; however, any payments toward student loans will be deducted from the annual cap limit for Tuition and Certification Reimbursement.

2. Student Loan Repayment Benefit Amount and Payments

- a. Student Loan Payments will be made directly to the Loan Servicer(s) as identified by the employee; in the amount of \$200 per month.
- b. Payments will begin from the date of participation in the program – retroactive payments will not be made.
- c. Payments will be applied to accounts as identified by the participating employee according to loan servicer policies.
- d. Participating employees are required to make regular, required monthly payment toward their loan(s) as required by the terms of loan(s).
- e. Employer contributions are intended to be in excess of the employee's required monthly payment. Any late fees or penalties incurred due to employee missed or late payments are the sole responsibility of the employee.
- f. Inquiries about total loan balances, payments received, etc. should be directed to the associated loan servicer(s).
- g. Changes to payment distributions should be made directly to loan servicer(s).

3. Student Loan Repayment Application Process

- a. Applications must be submitted online using the vendor website.
- b. Participating employees must submit designated documentation such as proof of graduation, proof of loan, or proof of loan payment.
- c. The employee will be notified via email of approval or denial of

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his/her request.

4. Expert Education Loan Repayment Guidance

- a. One-on-one guidance sessions from the student loan repayment vendor are available to all participating employees at no cost as an added benefit.
- b. Participants receive an individualized assessment of their current loan situation, and an analysis and review of options to reduce debt, correct current/past issues and incorporate employer contributions most effectively.

5. Changes in Status and Termination

- a. Participants must remain employed with Renown Health for at least 12 months following the last Student Loan Repayment that is made to an associated loan servicer on the employee's behalf.
- b. If for any reason the employee does not remain employed by Renown for the full twelve (12) months, regardless of whether the cessation of employment is voluntary or involuntary, employee must reimburse Renown for any reimbursement processed up to 12 months preceding the cessation of employment. Reimbursement is on a prorated basis with 1/12 of the amount reimbursed being forgiven for each complete month of service rendered. For the purpose of this policy, a month is defined as 30 calendar days. Any monies owed for reimbursement may be withheld from final paycheck or pursued through collections.
- c. If an employee transfers to a part-time or per diem status, the employee forfeits any reimbursement.

6. Income Tax Implications

- a. The Internal Revenue Code ("IRC") contains provisions that impact the taxability of student loan payments made on behalf on an employee. Student loan payments are currently deemed as taxable income to the participating employee.
- b. All associated payments will be included in participating employees'

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W-2 for the plan year in which payments are received.

- c. All associated taxes are the responsibility of the participating employee.

7. Right to Amend

- a. Renown Health reserves the right to amend this policy at any time for any reason and without advance notice.

**References/Regulations:**

[IRS Publication 970](#)

IRS Tax Code, section 127