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# STUDENT DEBT CLINIC RESOURCE GUIDE

After attending a Student Debt Clinic, we want to make sure you've got all the tools and information you need to take the next steps to start reducing how much you pay every month and get on a path towards a debt-free future!

In this packet you will find:

1. Descriptions of the income-driven repayment plans.
2. What you'd pay (based off your income and family size) in income-driven repayment plans.
3. Teacher Loan Forgiveness vs. Public Service Loan Forgiveness.
4. Description of Public Service Loan Forgiveness.
5. How to Register for a free AFT Member Benefits Account

## **Resource Websites:**

*U.S. Department of Education Federal Student Aid:* <https://www.studentaid.gov>

*Campaign to Cancel My Student Debt:* <https://www.cancelmystudentdebt.org>

*Consumer Financial Protection Bureau:* <https://www.consumerfinance.gov>

*AFT Summer Student Loan app:* <https://www.aft.org/benefits/Summer>

## **Online Applications:**

*Income-Driven Repayment Plan applications (new and renewals):* <https://www.studentaid.gov/idr>

*Public Service Loan Forgiveness Help Tool:* <https://www.studentaid.gov/pslf>

*One-time \$10/20K debt cancellation application:* <https://www.studentaid.gov/debt-relief/application>

*Direct Loan Consolidation application:* <https://studentaid.gov/loan-consolidation/>

*Applications are also available at the Summer Student Loan app*

## **Important Emails:**

*General questions about loan relief:* [debtclinic@aft.org](mailto:debtclinic@aft.org)

*Summer Borrower Support:* [hello@meetsummer.org](mailto:hello@meetsummer.org) -or- [support@meetsummer.org](mailto:support@meetsummer.org)

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The **American Federation of Teachers** is a union of professionals that champions fairness; democracy; economic opportunity; and high-quality public education, healthcare and public services for our students, their families and our communities. We are committed to advancing these principles through community engagement, organizing, collective bargaining and political activism, and especially through the work our members do.

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## Summary of Income-Driven Repayment Plans

**For all of these plans, monthly payments can be as low as \$0.** For Income-Based Repayment, Pay As You Earn, and Revised Pay As You Earn, discretionary income is defined as the amount of adjusted gross income (AGI) above 150% of the poverty level for the borrower's household size. For Income-Contingent Repayment, discretionary income is defined as the amount of AGI above 100% of the poverty level for the borrower's household size.

Repayment Plan	Monthly Payment	Eligibility	Discharge After
Income-Contingent Repayment	The lesser of: 20% of discretionary income or 12-yr repayment amount x income percentage factor	All Direct Loan borrowers (including Parent Plus Loans that have been consolidated into Direct consolidation Loans). No partial financial hardship (PFH) requirement.	25 years
Income-Based Repayment	15% of discretionary income, up to the fixed 10-year payment amount	All federal student loan borrowers (Direct or FFEL) with a PFH.	25 years
Pay As You Earn ("New IBR")	10% of discretionary income, up to the fixed 10-year payment amount	Direct student loan borrowers who took out their first loan after September 30, 2007 and at least one loan after September 30, 2011, and have a PFH.	20 years
REPAYE/SAVE	10% of discretionary income based on 225% FPG. Starting 7/1/2024: 5% of discretionary income for undergrad loans, weighted average of 5% for undergrad and 10% for grad loans	All Direct student loan borrowers. No PFH requirement.	Up to \$12,000 discharged after 10 years. Each additional \$1000 borrowed adds one year to discharge, up to 20 (undergrad) or 25 (grad) years

**These plans are only available for federal loans that are not in default.** For more information about these repayment plans, see U.S. Department of Education, "Income-Driven Plans," <http://StudentAid.gov/idr> or call your student loan servicer. To estimate your monthly payments and eligibility for these and other plans, visit the U.S. Department of Education's Repayment Estimator, <http://StudentAid.gov/repayment-estimator>. To apply for these plans online, go to <https://studentaid.gov>. Borrowers may be able to consolidate their FFEL and Perkins loans into a Direct Consolidation Loan to repay them in Pay As You Earn and Revised Pay As You Earn. Find out more about the pros and cons of consolidation at <http://StudentAid.gov/consolidation>.

## What would you pay in Income-Based Repayment or Pay As You Earn? Look below and find out!

These tables provide estimates on what you'd pay monthly in either Income-Based Repayment or Pay As You Earn. **Income-driven repayment plans don't have an income cap**; these are just examples to help give you a sense of what you might pay. Estimates reflect the 2023 Federal Poverty Guideline developed by Health and Human Services.

Pay As You Earn (10% discretionary income, 150% FPG)							
Income	Family Size						
	1	2	3	4	5	6	7
\$60,000	\$318	\$254	\$189	\$125	\$61	\$0	\$0
\$65,000	\$359	\$295	\$231	\$167	\$102	\$38	\$0
\$70,000	\$401	\$337	\$273	\$208	\$144	\$80	\$16
\$75,000	\$443	\$379	\$314	\$250	\$186	\$122	\$57
\$80,000	\$484	\$420	\$356	\$292	\$227	\$163	\$99
\$85,000	\$526	\$462	\$398	\$333	\$269	\$205	\$141
\$90,000	\$568	\$504	\$439	\$375	\$311	\$247	\$182
\$95,000	\$609	\$545	\$481	\$417	\$352	\$288	\$224
\$100,000	\$651	\$587	\$523	\$458	\$394	\$330	\$266
\$105,000	\$693	\$629	\$564	\$500	\$436	\$372	\$307
\$110,000	\$734	\$670	\$606	\$542	\$477	\$413	\$349
\$115,000	\$776	\$712	\$648	\$583	\$519	\$455	\$391
\$120,000	\$818	\$754	\$689	\$625	\$561	\$497	\$432
\$125,000	\$859	\$795	\$731	\$667	\$602	\$538	\$474

REPAYE/SAVE (7/2023-6/2024: 10% discretionary income, 225% FPG)							
Income	Family Size						
	1	2	3	4	5	6	7
\$60,000	\$227	\$130	\$34	\$0	\$0	\$0	\$0
\$65,000	\$268	\$172	\$76	\$0	\$0	\$0	\$0
\$70,000	\$310	\$214	\$117	\$21	\$0	\$0	\$0
\$75,000	\$352	\$255	\$159	\$63	\$0	\$0	\$0
\$80,000	\$393	\$297	\$201	\$104	\$8	\$0	\$0
\$85,000	\$435	\$339	\$242	\$146	\$49	\$0	\$0
\$90,000	\$477	\$380	\$284	\$188	\$91	\$0	\$0
\$95,000	\$518	\$422	\$326	\$229	\$133	\$36	\$0
\$100,000	\$560	\$464	\$367	\$271	\$174	\$78	\$0
\$105,000	\$602	\$505	\$409	\$313	\$216	\$120	\$23
\$110,000	\$643	\$547	\$451	\$354	\$258	\$161	\$65
\$115,000	\$685	\$589	\$492	\$396	\$299	\$203	\$107
\$120,000	\$727	\$630	\$534	\$438	\$341	\$245	\$148
\$125,000	\$768	\$672	\$576	\$479	\$383	\$286	\$190

The tables assume maximum payment under the PFH formula. If standard 10-year payment is less than amount shown, that is the maximum for income-driven repayment.



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## What’s better for me? Understanding the difference between Teacher Loan Forgiveness and Public Service Loan Forgiveness.

Below is a side-by-side comparison of two student loan forgiveness programs that many AFT members will find themselves eligible for. **If you are a teacher in a public or private, non-profit school, you qualify for Public Service Loan Forgiveness, and it may well be a better deal for you than Teacher Loan Forgiveness..**

Teacher Loan Forgiveness	Public Service Loan Forgiveness
<b>Forgives up to \$17,500 for certain fields and \$5,000 for other highly qualified eligible teachers.</b>	<b>Forgives the entire remaining balance of your federal student loans.</b>
You must have been employed as a full-time teacher at an eligible school. Highly qualified special education and secondary mathematics or science teachers are eligible to receive a higher forgiveness amount. (Any time you spent teaching to receive benefits through AmeriCorps cannot be counted toward your required five years of teaching for Teacher Loan Forgiveness.)	You must be employed full-time in the public service. Qualifying public service employers include any level of government—federal, state, county, municipality, or tribal—or any 501(c)3 non-profit.
You must complete five consecutive academic years, and at least one of those years must have been after the 1997–98 academic year.	You must make 120 total payments (10 years) while working in the public service. Your time in public service does <i>not</i> need to be consecutive.
Direct Subsidized or Unsubsidized Loans or Federal Stafford Loans are eligible. PLUS loans and Perkins loans are not eligible to be forgiven through this program.	You must have Direct Loans. If you have other types of federal loans, like Stafford or Perkins Loans, you must consolidate in order for those loans to qualify.
You must not be in default on your federal student loans in order to qualify for Teacher Loan Forgiveness.	You must be enrolled in an Income-Driven Repayment plan to get the benefits of Public Service Loan Forgiveness. Any payments made under a Standard 10-year Repayment plan will also count towards forgiveness.
Loan amounts forgiven under TLF and PSLF are <b>NOT</b> considered taxable income by the IRS.	

Teachers may only enroll into one of these forgiveness programs at a time! That means if you were to apply for Teacher Loan Forgiveness, you’d then have to make another 10 years of payments to have any remaining debt forgiven under Public Service Loan Forgiveness.

For teachers who have a relatively small student debt burden or are nearing retirement, Teacher Loan Forgiveness may be a better option for you. **If you owe more debt than what Teacher Loan Forgiveness cancels, you should investigate your eligibility for Public Service Loan Forgiveness.**

To find out what repayment plans you’re eligible for and what your monthly bill would be, visit [www.StudentLoans.gov](http://www.StudentLoans.gov) and use the Repayment Estimator! This tool will also show how much student debt you could expect to have forgiven under Public Service Loan Forgiveness.



# Public Service Loan Forgiveness

## What does it do? Who is eligible?

If you work in the public service, a program called “**Public Service Loan Forgiveness**” could allow you to have all of your direct federal student loans forgiven, tax-free. Public Service Loan Forgiveness (PSLF) isn’t a repayment plan, like Income-Based Repayment or Pay As You Earn; it’s a separate forgiveness program that incentivizes a career in the public service.

To qualify for the program, you need to make 10 years of qualifying on-time payments (120 in total) toward your federal student debt. You must be working in the public service at least 30 hours a week (you can combine multiple part-time jobs to meet this requirement) beginning after October 1, 2007. After you make your 120th on-time payment, the U.S. Department of Education forgives your remaining federal student loan debt.

### **Do You Work Full-Time in the Public Service?**

Eligibility depends on whether you work for a qualifying public service employer. To put it another way, *it doesn’t matter what you do, just who employs you*. Qualifying public service employers include:

- Government organizations
- Emergency services
- Public health
- Public education
- Legal services
- 501(c)(3) nonprofit organizations

### **Do You Work Enough Hours to Qualify?**

To qualify for Public Service Loan Forgiveness, you have to work at least 30 hours a week at least eight months of the year, or what your employer defines as full-time. You can combine hours from multiple employers that qualify as public service employers.

Any time spent participating in religious instruction, worship services, or any form of proselytizing does not count toward your 30 hours a week.

### **Does Your Loan Qualify?**

One of the biggest barriers to enrollment in Public Service Loan Forgiveness is not having the right type of loan. Only Direct Loans are eligible for Public Service Loan Forgiveness.

There are different types of federal student loans, but if the word “Direct” appears in the name of the loan you should be good:

- Direct Loan
- Direct Consolidation Loan

Through the end of 2023, borrowers with older FFEL or Parent Plus Loans can consolidate those loans into Direct Consolidation Loans and receive credit for payments made on the unconsolidated loans while working in public service.

### **Does Your Repayment Plan Qualify?**

It’s important that you pay back your student loans in an eligible repayment plan. Here are the repayment plans that are eligible for Public Service Loan Forgiveness:

- Standard 10-year repayment plan
- Income-Based repayment plan
- Pay As You Earn repayment plan
- Revised Pay As You Earn repayment plan
- Income-Contingent repayment plan

### **Do Your Payments Qualify?**

To have your loans forgiven, you must make 120 “qualifying” on-time payments. All that means is that once you receive your bill (which will say how much you owe and when you must pay it by), you pay that amount by the due date or up to 15 days after.

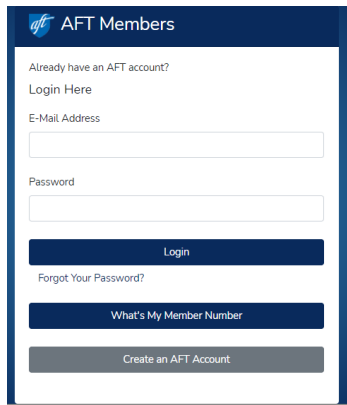
These payments do *not* need to be consecutive. If you were to make 100 qualifying payments and then missed a month, you wouldn’t need to start over; the next on-time payment would be counted as 101. It’s important to note that if you pay on your student loan early, it doesn’t count toward the 120 payments.

The good news is that this works retroactively, too! Any payments you’ve made on time, in a qualifying repayment plan, while working in the public service after October 1, 2007, will be counted toward your 120 total.

Through the end of 2023, borrowers who were in a forbearance or deferment for more than 12 months consecutively or 36 months cumulatively, or who were in deferment before 2013, will have those periods of forbearance or deferment counted towards the PSLF payment count and/or towards their IDR plan discharge count. Borrowers who have Direct Loans and have already applied for PSLF will have their count adjusted automatically. Borrowers with FFEL or Parent Plus Loans will need to consolidate into Direct Consolidation Loans to receive credit. If borrowers have not reached their 120 total payments for PSLF, they will still need to enroll in an IDR plan to receive credit when payments resume.

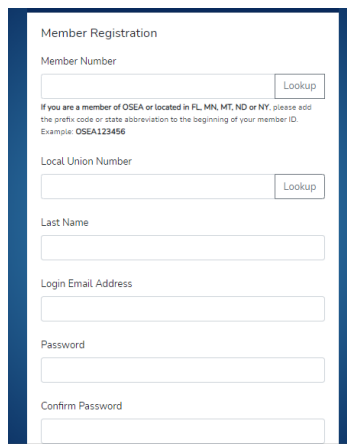
## Registering to access AFT Members Only Benefits

- 1) Go to the AFT web site:**  
<https://members.aft.org/members/login>



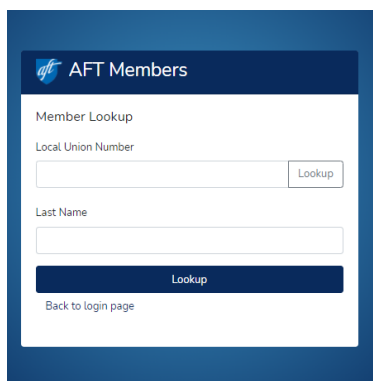
The screenshot shows the AFT Members login page. It features a dark blue header with the AFT logo and the text 'AFT Members'. Below the header, there is a section for existing members with the text 'Already have an AFT account? Login Here'. This is followed by input fields for 'E-Mail Address' and 'Password', and a 'Login' button. Below the login section, there are two buttons: 'Forgot Your Password?' and 'What's My Member Number'. At the bottom, there is a button labeled 'Create an AFT Account'.

- 2) If you know your AFT Member ID (On your AFT Membership Card), click on "Create an AFT Account" and complete the form. Go on to step 7.**



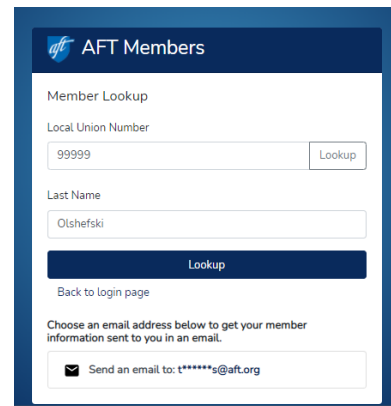
The screenshot shows the 'Member Registration' form. It has a dark blue header with the AFT logo and the text 'AFT Members'. The form contains several input fields: 'Member Number' with a 'Lookup' button, 'Local Union Number' with a 'Lookup' button, 'Last Name', 'Login Email Address', 'Password', and 'Confirm Password'. A note below the Member Number field reads: 'If you are a member of OSEA or located in FL, MN, MT, ND or NY, please add the prefix code or state abbreviation to the beginning of your member ID. Example: OSEA123456'.

- 3) If you don't know your member ID click on "What's My Member Number" and fill in your Local Union Number and Last Name.**



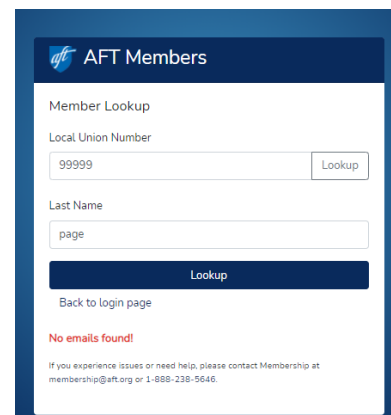
The screenshot shows the 'Member Lookup' form. It has a dark blue header with the AFT logo and the text 'AFT Members'. The form contains input fields for 'Local Union Number' and 'Last Name', each with a 'Lookup' button. Below the input fields, there is a 'Back to login page' link.

- 4) The system will present you with possible matches. If you see your email on the list, click on it and the system will send your Member ID.**



The screenshot shows the 'Member Lookup' results page. It has a dark blue header with the AFT logo and the text 'AFT Members'. The form contains input fields for 'Local Union Number' (with '99999' entered) and 'Last Name' (with 'Olshefski' entered), each with a 'Lookup' button. Below the input fields, there is a 'Back to login page' link and a section for email selection with the text 'Choose an email address below to get your member information sent to you in an email.' and a button labeled 'Send an email to: t\*\*\*\*\*@aft.org'.

- 5) If you do not see your email address on the list, send a message to [aftmembership@aft.org](mailto:aftmembership@aft.org) and request your member ID OR complete this online form <https://leadernet.aft.org/webform/aft-members-only-discounts>**



The screenshot shows the 'Member Lookup' results page. It has a dark blue header with the AFT logo and the text 'AFT Members'. The form contains input fields for 'Local Union Number' (with '99999' entered) and 'Last Name' (with 'page' entered), each with a 'Lookup' button. Below the input fields, there is a 'Back to login page' link and a red message that says 'No emails found!'. At the bottom, there is a small note: 'If you experience issues or need help, please contact Membership at membership@aft.org or 1-888-238-5646.'

- 6) Go back to the Registration to create your account (back to step 2). We recommend using your personal email to register.**
- 7) After registering, Login on the main page: <https://members.aft.org/members/login>**