U.S. General Services Administration (GSA)

GSA Order: GSA Student Loan Repayment Plan
HRM 9537.1C
Office of Human Resources Management
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Purpose:

This Order contains the agency's Student Loan Repayment Plan. It proscribes the rules and procedures regarding how to use this authority to address difficult staffing challenges during recruitment or retention.

Background:

This Order helps to implement the statutory authority for Federal agencies found at 5 U.S.C. § 5379 and the regulations found at 5 CFR Part 537. Each agency must have an implementation plan in order to use this authority.

Applicability:

This Order applies to all GSA employees with the following exceptions:

1. The Office of Inspector General (OIG), given its independence under the Inspector General Reform Act of 2008 (5 U.S.C. §§ 401-424).

Cancellation:

1. This Order cancels the prior Order, version 9537.1B, *GSA Student Loan Repayment Plan*

Summary of Changes:

1. This Order includes certain Administration-provided policy language related to Excepted Service Schedule F (i.e. Schedule Policy/Career), authorized under Executive Order 14171 and the final rule, *Improving Performance, Accountability and Responsiveness in the Civil Service*, 91 FR 5580 (February 6, 2026).

2. This Order limits the agency to single-year approvals, which has been the agency's historical past operational practice; and

3. This Order provides the Chief Human Capital Officer with delegated authority to approve student loan repayment incentive requests. In the past, since 2012, such

packages had required the dual approval of the Chief Financial Officer and the Chief Human Capital Officer.

Roles and Responsibilities:

1. This authority is implemented via coordination between a line or staff office and the Office of Human Resources Management.

2. Student loan repayment approval involves the following individuals:

    a. The **Requesting Official**, who is either an existing employee's supervisor or a hiring official;

    b. The **Reviewing Official**, who is the Head of Staff or Service Office, or his or her designee; and

    c. The **Approving Official**, who is the Chief Human Capital Officer within the Office of Human Resources Management.

Signature

_/S/________________________ __8/31/26_____________
Arron E. Helm Date
Chief Human Capital Officer
Office of Human Resources Management

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1. Introduction

The General Services Administration (GSA) Student Loan Repayment Plan is authorized in accordance with 5 U.S.C. §§ 2105 and 5379, and 5 CFR Part 537. Under the GSA Student Loan Repayment (SLR) Plan, certain federally-insured student loans may be repaid (or partially repaid) by GSA through direct payments to the loan servicing provider for an employee or job candidate to recruit or retain highly-qualified personnel. SLR is not an entitlement, but is instead a recruitment or retention incentive that may be used when GSA would encounter difficulty recruiting, or it would not otherwise be possible to retain, a highly-qualified employee with qualifications critical to GSA's missions. In return for the SLR, the employee, or candidate upon employment, must sign a minimum of a three-year service agreement.

Student loan repayments cannot exceed $10,000 per calendar year or a total amount of $60,000 for any one individual over the course of his or her Federal career. An SLR may be made for a lump-sum amount of up to $10,000, and in turn require a three-year service agreement.

2. References

The following are resources for this authority and Order:

- 5 U.S.C. § 2105;
- 5 U.S.C. § 5307;
- 5 U.S.C. § 5379;
- 20 U.S.C. Ch. 28, §§ 1001 et. seq., *Higher Education Act of 1965*;
- 26 U.S.C. § 127;
- 38 U.S.C. § 4214;
- 42 U.S.C. §§ 292 - 292y, part A of title VII of the Public Health Service Act;
- 42 U.S.C. §§ 297a - 297o, part E of Title VIII of the Public Health Service Act;
- 5 CFR Part 530;
- 5 CFR Part 537;
- Executive Order 11521, *Authorizing Veterans Readjustment Appointments for Veterans of the Vietnam Era*, March 26, 1970;
- Executive Order 14171, *Restoring Accountability to Policy-Influencing Positions Within the Federal Workforce*, 90 FR 8625, January 31, 2025; and
- *Improving Performance, Accountability and Responsiveness in the Civil Service*, 91 FR 5580 (February 6, 2026).

3. Definitions

The following are definitions of terms used in this Order. These definitions are also those found within regulation at 5 CFR § 537.102.

3.1. Approving Official

The Approving Official is the Chief Human Capital Officer, from the Office of Human Resources Management. In his or her absence, or upon redelegation, approval authority is vested in the Deputy Chief Human Capital Officer.

3.2. Employee

An employee is defined as found within 5 U.S.C. § 2105.

3.3. Loan Payment

A financial disbursement made by an agency to the loan servicing provider.

3.4. Requesting Official

The selecting official or supervisor who is responsible for initiating a request to offer an SLR incentive.

3.5. Reviewing Official

The Head of Staff or Service Office (HSSO). This official is responsible for budgetary funds control within an organizational entity and is usually an official having authority for committing funds for the Requesting Official's organization.

3.6. Service Agreement

A contractual written commitment between an agency and an employee (or job candidate) under which the employee (or job candidate) agrees to a specified period of agency service in exchange for the provided student loan repayment benefits.

3.7. Student Loan

A loan made, insured, or guaranteed under parts B, D or E of title IV of the Higher Education Act of 1965, or, a health education assistance loan made or insured under part A of title VII of the Public Health Service Act or under part E of title VIII of that Act.

3.8. Student Loan Repayment Benefit

The financial benefit provided to an employee when an agency repays (by a direct payment to the loan servicing provider on behalf of the employee) a qualifying student loan as described in 5 CFR § 537.106(b) previously initiated by such employee. The dollar value of this benefit is the gross amount credited to the employee at the time of a loan payment to the holder of the student loan, before deducting any employee tax withholdings from that gross amount as described in 5 CFR § 537.106(a)(6)(iii). Because a student loan repayment benefit is not considered basic pay for any purpose, it is not part of the employee's retirement earnings record.

The amount of the loan payment, however, is considered taxable income to the employee and is reported as such on the IRS form W-2. There are sometimes special rules governing how employers must report these payments (e.g. 26 U.S.C. § 127). Employees should consult with their licensed accountant or tax preparer to anticipate the tax filing effects of the agency's payment to the loan servicing provider.

Because the agency's loan payment is directly to the loan servicing provider, it is not subject to the aggregate limitation on pay under 5 U.S.C. § 5307 and 5 CFR Part 530. (The aggregate limitation applies to awards and recruitment, retention and relocation incentives, under different statutes).

3.9. Time-Limited Appointment

This appointment type means means a non-permanent (i.e. non-career) appointment, and includes:

- A temporary appointment under 5 CFR Part 316, Subpart D, or similar authority;
- A term appointment under 5 CFR Part 316, Subpart C, or similar authority;
- An overseas limited appointment with a time limitation under 5 CFR Part 301, Subpart B;
- A limited term or limited emergency appointment in the Senior Executive Service, as defined in 5 U.S.C. § 3132(a), or an equivalent appointment made for similar purposes;

- A Veterans Recruitment Appointment (VRA) under 5 CFR Part 307;
- A Recent Graduates Program appointment (i.e., “Pathways”) under § 213.3402(b) of this chapter; and
- A Schedule A(r) appointment under the fellowship and similar programs authority at 5 CFR § 213.3102(r).

4. Policy Provision

4.1. Employee Eligibility

The student loan authority may be used to “recruit a highly-qualified job candidate or retain a highly qualified employee” (5 CFR § 537.104). This benefit may be paid to candidates or employees under an appointment without time limitation (such as a career-conditional appointment) or to a candidate or employee under a time-limited appointment under one of the following conditions:

- A time-limited appointment has at least 3 years remaining in the appointment (such as a non-career term appointment); or
- A time-limited appointment that leads to conversion to a non-time limited appointment, so that employment is expected to be at least 3 years with the agency (such as a Veterans’ Recruitment Appointment under 38 U.S.C. § 4214 and Executive Order 11521, March 26, 1970).

  Note: To use this authority at GSA for Pathways Schedule D, Recent Graduate appointments, it must be determined that the early career job candidate will remain at GSA and not transfer to a different agency following conversion to a career-conditional appointment following either a 1-year or 2-year training program.

Candidates or employees in Schedule C appointments (confidential policy-making roles) are ***not eligible*** for the SLR benefit.

Candidates or employees in Schedule F (i.e., Schedule Policy/Career) appointments are also ***not eligible*** for the SLR benefit, however:

- GSA may continue to provide student loan repayment benefits under the terms of an existing applicable service agreement to employees in positions moved to Schedule Policy/Career unless eligibility is lost under 5 C.F.R. § 537.108; and
- GSA may not approve a new student loan repayment benefit authorization nor establish a new service agreement for an

employee occupying a position that is excepted from the competitive service because of its confidential, policy-determining, policy-making, or policy-advocating character, including an employee appointed or moved to Schedule Policy/Career.

5. Standard for Approval

Candidates and employees considered for the SLR benefit must be: (a) eligible, (b) highly-qualified, and that either (c) the agency has historically had difficulty filling similar positions or (d) [for retention cases] the current employee is likely to leave GSA for employment outside the Federal service and it is essential to retain the employee based on the employee's high or unique qualifications or a special need of the agency.

In situations of retention, the Requesting Official must also determine that the employee's departure would adversely affect the agency's ability to carry out an activity or perform a function that is deemed essential to its mission.

6. Prohibitions

GSA may not use the SLR benefit to attract existing Federal employees from other agencies (i.e., status candidates via agency transfer).

The SLR benefit for recruitment must be approved before the job candidate is appointed. While GSA and the job candidate may sign the service agreement before that appointment, GSA may not make the payment to the loan servicing provider before the appointment and oath of office.

7. Tax Withholding

Payments made to the loan servicing provider are net of payroll taxes and income tax withholding. Payroll taxes and tax withholding typically include: Social Security and Medicare tax, Federal income tax, state income tax, and county or city income tax (if applicable for the jurisdiction).

8. Payment of Loans and Payment Limitations

GSA only pays loan servicing providers for existing loans that are already outstanding that have a principal balance. As part of the payment process, GSA verifies with the loan servicing provider the current loan balance(s). If there are multiple loans, the candidate or employee can specify which loan or loans should receive the agency’s payment.

Under the authority's law, gross payments are limited to $10,000 per calendar year and $60,000 total over the employee's civil service career.

9. Service Agreement

Before GSA makes a loan payment to the loan servicing provider, the employees must sign the service agreements, **GSA Form 3692**. The uniform period of required service is **3 years**. This period of service commerces on the date the employee is appointed or signs the agreement, whichever date is later. Typically, the service agreement is either signed as part of the pre-appointment hiring process or is signed on the first day of appointment as part of agency orientation (i.e., onboarding).

9.1. Leave Without Pay

Periods of leave without pay, or other periods during which the employee is not in a pay status, do not count toward completion of the required service agreement period. Thus, the service completion date must be extended by the total amount of time spent in non-pay status. However, as provided by 5 CFR § 353.107, absence due to uniformed service or compensable injury is considered creditable toward the required service period upon reemployment.

9.2. Loss of Continued Eligibility

At GSA, only a single loan payment is made by the agency to the loan servicing provider. There are therefore no circumstances when continued eligibility would be lost, as discussed in the civil service regulations at 5 CFR § 537.108. The provision in this section of the regulations pertains to agencies that make a series of payments over the course of one calendar year or over several calendar years.

9.3. Breach of Contract and Repayment Obligation

At GSA, if an employee voluntarily separates by resignation, retirement or agency transfer during the service agreement period, a breach of contract occurs and the employee must reimburse the agency the gross amount of the loan payment made to the loan servicing provider.

A breach of contract and a repayment obligation also occurs if the employee is involuntarily separated due to misconduct, unacceptable performance, or a negative suitability determination under 5 CFR Part 731.

If an employee fails to reimburse GSA for the amount owed, a sum equal to the amount outstanding is recoverable from the employee under the agency's regulations for collection by administrative offset from an indebted Government employee under 5 U.S.C. § 5514 and 5 CFR Part 550, Subpart K, or through the appropriate provisions governing Federal debt collection if the individual is no longer a Federal employee (i.e. 31 U.S.C. Chapter 37, and 31 CFR Part 285).

However, the Chief Financial Officer may waive debt collection when it would be against equity and good conscience or against the public interest. (See 5 U.S.C. § 5379(c)(3) and 5 CFR § 537.109).

Any amount reimbursed by, or recovered from, an employee under this section must be credited to the appropriation account from which the amount involved was originally paid. Any amount so credited must be merged with other sums in such an account and must be available for the same purposes and time period, and subject to the same limitations (if any), as the sums with which they were merged. (See 5 U.S.C. § 5379(c)(4).)

9.4. The SLR Benefit Consideration and Approval Process

At GSA, the SLR benefit consideration and approval process takes several administrative steps, as follows.

9.4.1. **Step 1**: Preparation of the Justification Memo

The first step is that the **Requesting Official** - either the hiring manager, for job candidates, or the employee’s supervisor - prepares a justification memorandum. To prepare this memo, the Requesting Official should coordinate with the appropriate human resources staffing specialist that provides service to that GSA component.

This memorandum states the case for using agency funds (revolving or appropriated) for the payment of an SLR benefit. The justification, 1 - 2 pages single spaced, on agency letterhead and in memorandum format, must include the following:

- A description of the GSA component and the missions and activities of that component;
- A description of the position, its major duties and responsibilities, and the competencies and general and/or technical knowledge needed in order to be successful in that position;

- For **job candidates**, a statement and narrative describing how the particular candidate is highly-qualified and that the agency would have trouble filling the position without the SLR benefit (see 5 CFR § 537.105(a);
- For **existing employees**, a statement and narrative describing how the employee, without an SLR benefit, is likely to leave the agency for employment outside the Federal service, and that it is essential to retain the employee based on the employee's high or unique qualifications or a special need of the agency (see 5 CFR § 537.105(a)). The Requesting Official must also describe 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 its mission (see 5 CFR § 537.105(b));
- A copy of the employee's resume for job candidates; and
- A copy of the position description.

9.4.2. **Step 2**: Determining the Amount of the Loan Repayment

When considering the amount of the loan repayment amount, the Requesting Official should first have a discussion with the candidate or employee and identify the general amount of loans currently in effect. In some cases, the payment may be tied to paying off a certain loan, or, it may be arranged to pay down principal on a loan having a higher interest rate. The Requesting Official should also consider the effect of this benefit on the division's budget, since payment on a loan may reduce the amount of training, travel and other discretionary funds available to the organization during that particular fiscal year.

9.4.3. **Step 3**: Candidate or Employee Provides Loan Information

The appointment candidate or employee must participate in the process by providing loan information. This entails the loan or account number, the current balance amount, and the date that the query was made to the loan servicing provider. This information is recorded by the candidate or employee on **GSA Form 3691**.

9.4.4. **Step 4**: Consideration by the Reviewing Official

The second step is that the justification memorandum (and attachments) must be reviewed by the Reviewing Official, who is the Head of the Staff or Service Office (HSSO). The Reviewing Official evaluates whether or not the case is well-justified and whether or not it would be appropriate to use agency financial resources for this purpose.

9.4.5. **Step 5**: Consideration by the Deputy Chief Human Capital Officer

If the Reviewing Official approves the justification package, it is forwarded to the office of the Deputy Chief Human Capital Officer. He will assign staff, typically both an operational branch chief and a staffing policy expert, to review the package. If there is internal concurrence that the package is well-justified and the candidate or employee is truly eligible for the SLR benefit, the Deputy Chief Human Capital Officer will supply the package to the Chief Human Capital Officer.

9.4.6. **Step 6**: Consideration by the Chief Human Capital Officer

The Chief Human Capital Offer considered the forwarded packages and will either approve or deny the SLR benefit request.

9.4.7. **Step 8**: Signing the Service Agreement

If the justification memo and package is approved, the candidate or employee must sign the service agreement, **GSA Form 3692**. The length of required agency service is 3 years from the date of signature or appointment, whichever is later.

9.4.8. **Step 7**: Personnel Action Processing

If approved, the staffing specialist directs a staff person to process the SF-50 personnel action. For the SLR benefit, this action is ***only*** for data reporting purposes and ***does not*** drive the actual payment by GSA to the loan servicing provider. The Nature of Action Code (NOAC) is 817 (for processing purposes). The “Award Amount” field should include the gross dollar amount of the award. No “authority code” or “remarks” are needed for processing this action.

9.4.9. **Step 8**: Payment by the Agency to the Lender

The staffing specialist **must** forward the package to the Accounts Payable unit within the Office of the Chief Financial Officer. This can be done by emailing the package to KC-Accts-Payable.Finance@gsa.gov with a brief narrative request asking for the payment to be made and providing a contact name and email from a representative of the Office of Human Resources Management (typically the staffing specialist).

9.4.10. **Step 9**: Scanning into the eOPF

As the next section describes, the justification package, and the service agreement, should be scanned into the candidate's or existing employee's eOPF folder, as an agency temporary document. The office of the Deputy Chief Human Capital Officer should also designate a shared cloud drive storage location for a duplicate copy of these materials.

9.4.11. **Step 10**: Update to the Candidate or Employee

As a final step, the staffing specialist should contact the employee or candidate and advise him or her that the payment request was approved by the agency and is scheduled for processing by the Accounts Payable unit.

9.5. Records and Reports

9.5.1. Records

The service agreement and the approved justification package are considered agency temporary documents and should be stored in the temporary documents folder within OPM's eOPF application. These documents should be retained for at least 3 years following the conclusion of the service agreement period. (Typically, temporary documents are stored for the duration that the individual is an employee of the agency.) If the SLR benefit is the subject of litigation, the Office of General Counsel may place a "litigation hold" on the document which prevents destruction. SLR benefits that become the subject of Article 1 or Article 3 court jurisdiction should be kept for a minimum of 6 years from the date that a dispute arose, if not held under a litigation hold. (See 5 CFR § 537.110).

9.5.2. Reports

The Office of Personnel Management in the spring of each calendar year performs a data collection activity from agencies, in order to prepare a master report to Congress. GSA must supply the information as directed by the OPM data collection activity. Historically, OPM has asked for: (a) the number of SLR benefit cases during the prior calendar year, (b) the job (i.e., occupational) series of those candidates or employees and (c) the total dollar amount of the SLR payments.

Attachment 1: Federal-Insured Student Loan Types

The loans that qualify for repayment are those that are Federally-insured. Federal-insured means that the U.S. Government is the guarantor of last resort in the event that the student defaults. Purely private loans from a bank or other loan servicing provider are not eligible for student loan repayment.

The official definition of a Federally-insured qualifying loan is one made, insured, or guaranteed under parts B, D, or E of Title IV of the Higher Education Act of 1965 or is a health education assistance loan made or insured under part A of title VII or part E of Title VIII of the Public Health Service Act.

Examples of loans that qualify under the student loan repayment program:

Loans made or insured under the Higher Education Act of 1965 include the following:

<u>Federal Family Education Loans (FFEL)</u>

- Subsidized Federal Stafford Loans
- Unsubsidized Federal Stafford Loans
- Federal PLUS Loans
- Federal Consolidation Loans

<u>William D. Ford Direct Loan Program (Direct Loans)</u>

- Direct Subsidized Stafford Loans
- Direct Unsubsidized Stafford Loans
- Direct PLUS Loans
- Direct Subsidized Consolidation Loans
- Direct Unsubsidized Consolidation Loans

<u>Federal Perkins Loan Program</u>

- National Defense Student Loans (made before July 1, 1972)
- National Direct Student Loans (made between July 1, 1972, and July 1, 1987)
- Perkins Loans (made after July 1, 1987)

Loans made or insured under the Public Health Service Act include the following:

- Loans for Disadvantaged Students (LDS)
- Primary Care Loans (PCL)
- Nursing Student Loans (NSL)
- Health Professions Student Loans (HPSL)
- Health Education Assistance Loans (HEAL)

Attachment 2: Frequently Asked Questions

Are employees entitled to a student loan repayment?

No. An agency has discretionary authority to repay certain types of Federally made, insured, or guaranteed student loans as a recruitment or retention incentive for highly qualified candidates or current employees.

How does a candidate or employee go about applying for a student loan repayment?

There is no application process within GSA. GSA's Student Loan Repayment Program requires that the selecting official or current supervisor initiate an administrative request to offer a student loan repayment incentive.

Are student loan repayment benefits subject to employment taxes?

Yes. Because a student loan payment owed by the employee is made by the Federal Government on behalf of the employee, the payment is includible in the employee's gross income and wages for Federal employment tax purposes even though it is made directly to the loan servicing provider.

Consequently, the agency must withhold and pay employment taxes from the employee's regular wages, the loan payment, or a separate payment made by the employee. The applicable employment taxes include Federal income taxes withheld from wages (and, where appropriate,State and local income taxes) and the employee's share of Social Security and Medicare taxes.

Tax withholdings must be deducted or applied at the time any loan payment is made. (See 5 CFR § 537.106(a)(6)).

Please note the implications of deducting taxes directly from a gross loan payment. For example, if the agency has approved a student loan repayment benefit of $10,000 and the employee's tax deductions are $3,000, then the agency will make a loan payment of $7,000. The full $10,000 counts toward the maximum statutory limitations.

Are agencies responsible for reporting their student loan payments to the Internal Revenue Service?

Yes. Agencies must report to the IRS the amount of student loan repayment benefits they have provided to an employee