

## STUDENT LOAN REPAYMENT BENEFIT SERVICE AGREEMENT

1. Introduction - This Student Loan Repayment Benefit Service Agreement is an employment agreement between the CALIFORNIA NATIONAL GUARD and \_\_\_\_\_ (employee's name) (hereinafter referred to as "you" or "your") for the purpose of specifying conditions under which you agree to work as a Federal civil service employee for the CALIFORNIA NATIONAL GUARD in return for the CALIFORNIA NATIONAL GUARD repaying part or all of your qualifying outstanding student loan(s) through loan payments to the lender(s). This agreement will continue in effect until the terms and conditions have been satisfied or funding is no longer available. The CALIFORNIA NATIONAL GUARD retains the right to terminate this agreement at anytime.

2. Period of Service - You are required to serve \_\_\_\_\_ (number of years; minimum of 3 years), beginning \_\_\_\_\_ (date, i.e., either the first day of the applicable pay period for which the initial loan payment is to be disbursed by the Payroll Office following signing of the service agreement; the date that the employee enters on duty (EOD); the date the employee returns to duty from school; or at any time after EOD) and ending on \_\_\_\_\_ (date).

3. Loan Payments - The amount of the applicable outstanding student loan balance(s) as of \_\_\_\_\_ (date) is \$ \_\_\_\_\_ (amount). The amount of student loan payments that CALIFORNIA NATIONAL GUARD will make on your behalf under this service agreement is \$ \_\_\_\_\_ (amount) per calendar year, and a total amount of \$ \_\_\_\_\_ (amount) over \_\_\_\_\_ (number) years subject to annual reviews and recertification by the CALIFORNIA NATIONAL GUARD to ensure that funds are available and to determine the status of the subject student loan(s).

- Payments by CALIFORNIA NATIONAL GUARD under this service agreement do not exempt you from your responsibility and/or liability for any loan(s) for which you are obligated, as CALIFORNIA NATIONAL GUARD is not obligated to the lender/note holder for its commitment to you. You are still responsible for the entire loan balance(s), including any amount not paid by CALIFORNIA NATIONAL GUARD, and any late fees associated with the timing of the CALIFORNIA NATIONAL GUARD loan payments. Further, you will also be responsible for any tax obligations resulting from the loan payment benefits made pursuant to this agreement.

- Loan payments by CALIFORNIA NATIONAL GUARD hereunder will be made through the payroll disbursement process directly to the lender/note holder. Payments will be made approximately 25 days after the period of service begins (12 days after the end of the pay period). The loan payments made on your behalf are treated as wages that are subject to income, social security, and Medicare taxes being withheld. The amount of the loan payments to each lender may be reduced by mandatory and voluntary deductions, including tax levies and garnishments.

- California National Guard's payments will be made as: (mark the elected option; lender/note holder agreement also required)

\_\_\_\_\_ a biweekly payment of \$ \_\_\_\_\_ (amount), which will be the amount sent to your lender(s)/note holder(s); taxes related to such payments will be withheld from your salary.

\_\_\_\_\_ a lump-sum payment of \$ \_\_\_\_\_ (amount), paid annually for \_\_\_\_\_ years; taxes related to each payment will be deducted from that amount and a net payment made.

4. Conditions - During the term of this agreement, you agree that the CALIFORNIA NATIONAL GUARD is authorized to verify the status of each loan, including any obligation that you have, and to discuss the terms and amount of the outstanding obligation(s) with each lender/note holder. You agree to provide CALIFORNIA NATIONAL GUARD with the information about each loan, such as the lender/note holder's name, address, phone number, and bank routing number, your identifying information, including social security number, and your payment obligation, i.e., the amount due and the time period that the loan is to be paid. You hereby represent that the payment benefits which are the subject of this service agreement will apply only to your student loan indebtedness outstanding as of the date that this service agreement is executed by you and CALIFORNIA NATIONAL GUARD.

- If California National Guard's payments hereunder cover only a part of your repayment obligation(s) under the subject student loan(s), and if you are in arrears or default on your own loan repayment obligation(s), then the CALIFORNIA NATIONAL GUARD will determine the appropriate course of action at that time. The CALIFORNIA NATIONAL GUARD will consider such remedies as paying the amount in arrears or default and extending the period of service if appropriate, renegotiating the terms of the loan repayment schedule, and terminating future CALIFORNIA NATIONAL GUARD payments. If payments are terminated under this paragraph, the minimum period of service - 3 years - must be completed or you will be obligated to reimburse CALIFORNIA NATIONAL GUARD, under the Department of Defense's debt collection procedures, for the full amount of the loan payments that CALIFORNIA NATIONAL GUARD has paid on your behalf pursuant to this agreement; if 3 years of service under this service agreement have already been completed, then any remaining service obligation under this paragraph will be terminated.

- CALIFORNIA NATIONAL GUARD reserves the right to terminate this agreement early in the event that funding is no longer available after the first fiscal year. If payments are terminated under this paragraph, the minimum period of service - 3 years - must nevertheless be completed or you will be obligated to reimburse CALIFORNIA NATIONAL GUARD, under the Department of Defense's debt collection procedures, for the full amount of the loan payments that CALIFORNIA NATIONAL GUARD has paid on your behalf pursuant to this agreement; if 3 years of service have already been completed under this service agreement, then any remaining service obligation will be terminated at the end of the fiscal year in which the funding will expire. You will be notified in writing at least 30 days prior to termination to allow you time to make other arrangements.

- You are required to maintain at least a fully successful or equivalent performance rating and applicable security clearance for the duration of this service agreement. If your performance rating falls below that level, or if your security clearance is revoked, or if you are separated involuntarily on account of misconduct, then the loan payments will be terminated immediately and you will be obligated to reimburse CALIFORNIA NATIONAL GUARD, under the Department of Defense's debt collection procedures, for the full amount of the loan payments that CALIFORNIA NATIONAL GUARD has paid on your behalf pursuant to this agreement.

- If you fail to complete the period of service hereunder because you voluntarily separate from CALIFORNIA NATIONAL GUARD for any reason, the loan payments will be terminated immediately; and, further, you will be obligated to reimburse CALIFORNIA NATIONAL GUARD, under Department of Defense's debt collection procedures, for the full amount of the loan payments that CALIFORNIA NATIONAL GUARD has paid on your behalf pursuant to this agreement. However, if you separate from CALIFORNIA NATIONAL GUARD in order to accept employment by another non-federal federal agency and that non-federal agency agrees to reimburse CALIFORNIA NATIONAL GUARD for the loan payments it made on your behalf, or if you are separated involuntarily for reasons other than those set out in the immediately preceding paragraph, you will no longer be considered indebted to CALIFORNIA NATIONAL GUARD. If you complete the period of service hereunder and then voluntarily separate from CALIFORNIA NATIONAL GUARD, you will be ineligible for continued loan payments and CALIFORNIA NATIONAL GUARD will immediately terminate any remaining loan payments, but you will have no reimbursement obligation to CALIFORNIA NATIONAL GUARD.

- If you apply and are selected for a position in another federal agency other than the CALIFORNIA NATIONAL GUARD that entered into this agreement, California National Guard's policy is that the gaining federal agency is not required to assume the loan repayment obligation hereunder, but you must complete any remaining period of service to satisfy the minimum 3-year period required by law to avoid being obligated to reimburse CALIFORNIA NATIONAL GUARD, under the Department of Defense's debt collection procedures, for the full amount of the loan payments that CALIFORNIA NATIONAL GUARD has paid on your behalf pursuant to this agreement.

- If you are determined to be indebted to CALIFORNIA NATIONAL GUARD, you have the right to file a request for a waiver of any indebtedness that you may have to CALIFORNIA NATIONAL GUARD under this service agreement based on a demonstration by you that Department of Defense's recovery of such indebtedness, in whole or in part, would be against equity and good conscience or against the public interest. The filing of such a waiver request does not stay the operation of Department of Defense's debt collection procedures. The request must be filed IAW Department of Defense regulations.

- This agreement in no way constitutes a right, promise, or entitlement for continued employment and/or noncompetitive conversion to the competitive service, if applicable.

- In the event that applicable laws or regulations change that would result in a change(s) in the terms and conditions of this agreement, the parties hereto mutually agree that this agreement will be subject to them. If such a change reduces the minimum length-of-service requirement, and if existing agreements are potentially affected, CALIFORNIA NATIONAL GUARD agrees to renegotiate the period of service section of this agreement if it deems it appropriate to do so. Any changes other than those required by applicable laws or regulations must be mutually agreed to in writing by the parties hereto.

5. Certifications

- I hereby certify that I have read and understand the terms and conditions of this agreement and have attached the necessary information on each loan for which CALIFORNIA NATIONAL GUARD will make payments.

\_\_\_\_\_  
(Selected Applicant/Employee)

\_\_\_\_\_  
(Date)

- Pursuant to OPM regulations, 5 CFR § 537.105, I hereby certify that: In the absence of the loan repayment benefits contemplated in this agreement, CALIFORNIA NATIONAL GUARD would encounter difficulty in filling the position of with a highly-qualified candidate (or retaining a highly-qualified employee in the position), and I have stated my detailed reasons for this conclusion in my written determination that is part of the official file pertaining to this matter.

When selecting the above-named employee to receive loan repayment benefits, I have adhered to merit system principles and have taken into consideration the need to maintain a balanced workforce in which women and members of racial and ethnic minority groups are appropriately represented in Government service.

To my knowledge, approval of this agreement does not create any inequitable treatment of candidates and employees and has been exercised consistent with the diversity goals and needs of the CALIFORNIA NATIONAL GUARD.

\_\_\_\_\_  
(Authorizing Management Official)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Authorizing Financial Official)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Director/Deputy Director for Human Resources)

\_\_\_\_\_  
(Date)

Attachment(s): Information on each loan and lender/note holder

Distribution:

Original - OPF

Copies - Employee, payroll office, supervisor, finance staff, etc.

6. Privacy Act Statement

Part 537 of title 5, Code of Federal Regulations, requires the use of a service agreement to support employer repayments of student loans. Providing information and signing this agreement is voluntary, but failure to provide the requested information on your loan(s) or to sign this agreement will preclude the authorization of such payments on your behalf.. The use of the information involved with this agreement is by applicable management officials and supporting administrative staffs, payroll and accounting staffs, human resource staffs, and equal employment opportunity staffs to verify the status of your loan(s), make the payments to the appropriate note holder(s), and ensure equitable treatment. There are no additional uses that may be made of the information collected.