

Frequently Asked Questions (FAQs)
about the
SmartWork Student Loan Repayment Plan

1. What is the SmartWork Student Loan Repayment Plan?

The Plan is a new initiative begun by the State of Maryland to financially assist eligible State employees with one of their biggest financial burdens – repaying their student loan debt. Governor Hogan issued an Executive Order in June 2018 directing the establishment of this program – administered by the Department of Budget and Management’s (DBM) Office of Personnel Services and Benefits – that offers assistance and enhances the State’s ability to hire and retain individuals in certain hard-to-hire and hard-to-retain job classifications within State government.

2. How do I determine if I am eligible to participate?

Not all State employees are eligible to participate. Only those who hold positions in chronic workforce shortage areas where the State has difficulty hiring and retaining employees will be invited to participate. A complete listing of eligible job classes is available on [DBM’s website](#).

3. How does the program work?

All eligible State employees start on a level playing field, with program benefits starting on **January 1, 2019**, which is considered the Start Date for the Plan. Employees do not receive credit for any time on the State payroll prior to January 1, 2019. Once an application has been approved, student loan repayments are paid to eligible employees as shown below. Eligible employees could be reimbursed up to \$20,000 in total if they are employed by the State over the next 10 years beginning January 1 2019. Obviously, the employee receives reimbursements only for the amount of loan payments made during the repayment interval, up to the maximum allowed amount for the repayment interval.

After one year:	\$2,000
After three years:	\$2,000
After five years:	\$4,000
After seven years:	\$6,000
After ten years:	<u>\$6,000</u>
Total	\$20,000

The Plan will officially roll out to all eligible employees on Monday, June 3, 2019, when applications and other documents will be available on the DBM website at <https://dbm.maryland.gov/employees/Pages/SmartWork.aspx>

4. What happens if I transfer to another agency?

For employees transferring to another State agency, it is the responsibility of the employee to consult with the new agency to determine whether the new agency will agree to continue the loan repayment plan.

5. Does the Plan cover both “old” student loan debt that has already been paid, or does it include only current debt?

Only current debt is included. Example: You have been paying down a student loan that had an original balance of \$15,000. As of January 1, 2019, you had a remaining balance of \$7,200. During calendar year 2019, you make 12 monthly payments of \$240.20 equaling \$2,882.40 for the year. Under the Plan, you would be reimbursed \$2,000 at the conclusion of Year One to reimburse you for the payments made towards your overall debt payments of \$2,882.40.

6. What kind of information do you need from employees who are interested in applying?

Required documents include a completed Application Form; proof that you attended the school(s) you list on your application – typically a college transcript; proof that you made payments to a lender including dates, account number(s); amount repaid, ; a signed one-page Loan Repayment Agreement; and a signed one-page Obligated Service Agreement. The Application Form will not ask for your Social Security number; we only need your employee “W” number. Every effort has been made to streamline the application and approval process. All information you provide to us will be held in strictest confidence.

7. Can employees claim the benefits if they are paying for a child’s student loan debt?

Yes, as long as the combined two loan repayment values don’t exceed \$2,000. Also, the child must be 25 years of age or younger to be eligible to have a parent pay on his/her behalf..

8. Can I receive reimbursement for non-traditional post-secondary educational payments, such as a trade school?

Yes, the benefits apply to both traditional schools like colleges and universities, as well as non-traditional post-secondary education, such as trade schools.

9. How long does it take to be approved once my application is received?

Depending on volume, we expect approvals would not take longer than a few days during a slower period, and during a busier period, we expect the process to take no longer than 2-3 weeks. It is helpful to those processing the applications for the applicant to have all the documents completed and submitted together. Employees will be notified by email. For employees who entered on duty into a participating classification by or before January 1, 2019, the reimbursement for repayment interval one (year one of service) will be made after January 1, 2020.

10. How will I receive my reimbursement, once approved?

Your reimbursement will be direct deposited into the financial institution that you designated for payroll purposes.

11. If I leave State service before my ten year service commitment is fulfilled, will I owe back the money?

In the event an employee leaves State service or becomes ineligible to continue participation in the SLRP, the State will not recapture prior SLRP payments made to the employee.

12. Can I receive a partial payment?

The State will make SLRP payments only upon full completion of a repayment interval;, there will be no prorated payments for partial completion of a repayment interval.

13. Are the Student Loan Repayment Funds taxable at the State and federal levels?

Yes.

14. How do I find more information?

Visit the Maryland Department of Budget and Management's website at <https://dbm.maryland.gov/employees/Pages/SmartWork.aspx> or call William Frank, Plan Administrator on 410-767-4549 or by E-mail: William.frank1@maryland.gov