Public Service Loan Forgiveness

What is it?
There’s no doubt that student loan debt has become a huge burden for people of all ages, but it’s a problem that affects people in education and health care in particular.

*Based on self-reported student debt information from individuals using Fidelity’s Student Debt Tool, as of December 31, 2020.

If this is you, you might be able to benefit from Public Service Loan Forgiveness (PSLF), designed to reward those who choose jobs in public service.

What’s on offer? The unique opportunity to have your federal loan balances forgiven tax free.

How do I qualify?
You need to meet five key eligibility criteria in order to qualify:

1. Work for a qualifying employer
   That means a tax-exempt group classified as a nonprofit by the IRS.

   - Governmental agencies
   - Public schools & universities
   - The military
   - Nonprofit hospitals
   - Charities (e.g., 501(c)(3) organizations)

2. Work full time
   You can have any role, but it must be full time. Here’s how you determine that:

   - How your employer defines your role
   - 30+ hours per week

   Note that public-service employees who work for labor unions and partisan political organizations don’t qualify.
Have a federal direct loan
If you don’t, you can consolidate other types of federal loans such as:

- FFEL
- Perkins
- Stafford
- PLUS

Be enrolled in a qualifying repayment plan
Keep in mind that an income-driven payment program will leave the most balance for forgiveness—which is what you want—compared to a 10-year standard plan.

Make 120 total loan payments with a qualifying employer
This might be over multiple qualifying employers or multiple time periods with breaks in between.

![Graph showing income-driven vs. 10-year standard]

Remember, you should apply every year, while you’re on your way to making 120 payments. And be sure to stay up to date, as only on-time payments for the full monthly amount qualify.

How do I apply?
Annual certification
Check in annually with the U.S. Department of Education to ensure that your employer and payments qualify—you’ll need:

- Student loan login details
- Federal Employer Identification Number
- Eligibility information
- Contact in your HR department

Final forgiveness
After completing your 120 qualified payments, you’re ready to apply for final forgiveness.

Use the automated, expert solution at Fidelity.com/forgiveness to complete this final step, or do it yourself by going to the federal student aid site, StudentAid.gov

And that’s it. Your remaining loan balance and interest will be forgiven, leaving you plenty to spend on the other things in life you care about.

For help determining your eligibility or for support filling in your forms, visit Fidelity.com/forgiveness.

This is intended to be educational.
Public Service Loan Forgiveness is a Department of Education sponsored program and is therefore subject to changes made by the government entity. It is not guaranteed.
The Fidelity Investments and pyramid design logo is a registered service mark of FMR LLC.