How To Get Your Student Loans Forgiven (No, Really):
A Fact Sheet for Government and Non-Profit Employees

As of April 2023, more than 13,000 Washingtonians had a total of over $855 million in federal student debt forgiven through the Public Service Loan Forgiveness (PSLF) program.

PSLF is a program that could eliminate some of your student loan debt – as long as you meet all the requirements, that is. Sounds interesting? Here’s what you should know.

WHAT IS PSLF, EXACTLY?
It’s a federal program that forgives the remaining balance on your direct loans if you meet all of these requirements:

- Make 120 qualifying payments under qualifying repayment plans
- Work at least 30 hours per week for a qualifying employer

That’s the basic idea, but keep reading for details about each of these requirements.

#1 REQUIREMENT: WHO YOU WORK FOR
It’s not about your specific job title. It’s about who your employer is.

You could qualify for PSLF if you work for any of these types of organizations:

- Government organizations at any level (federal, state, local, or tribal)
- 501(c)(3) not-for-profit organizations that are tax exempt
- Other types of not-for-profit organizations if their primary purpose is to provide certain types of qualifying public services
- AmeriCorps or Peace Corps (if you work as a volunteer)

You must also receive a W2 from your employer. Independent contractors only qualify if they are providing services that by state law cannot be filled or provided by an employee of that organization.

#2 REQUIREMENT: WORK AT LEAST 30 HOURS PER WEEK
You must work at least 30 hours per week to be eligible for PSLF.

If you have multiple part-time jobs, you have to work a combined average of 30 hours per week and all of your part-time jobs must be for an eligible employer (see requirements listed in #1).
#3 REQUIREMENT: FEDERAL DIRECT LOANS ONLY

A federal direct loan is the only type of loan that’s eligible for PSLF. However:

- If you received a Federal Family Education Loan (FFEL) or Perkins loan, it’s possible for that loan to become eligible too – if you consolidate it into a Direct Consolidation loan.
- If you received Parent PLUS loans, you will need to consolidate them, even if you have Direct loans, in order to be considered for an Income Contingent Repayment plan.

Keep in mind!

Only qualifying payments you make on the new Direct Consolidation Loan get counted toward your 120 required payments, unless you consolidate before December 1, 2023, to take advantage of the IDR Account Adjustment.

Not sure if your loans are Direct loans? Learn how to find out.

#4 REQUIREMENT: QUALIFYING MONTHLY PAYMENTS

Your payment qualifies if you make it:

- after Oct. 1, 2007;
- under a qualifying repayment plan;
- for the full amount due as shown on your bill;
- and while you’re employed full-time by a qualifying employer.

If any payment doesn’t check all these boxes, it won’t count toward your 120 qualifying payments needed. So make sure to review your repayment plan.

Keep in mind!

You can’t make a qualifying payment while your loans are in any of these statuses:

- in-school status
- the grace period
- most types of deferment
- most types of forbearance

However, certain types of forbearance and deferments may qualify as long as you were employed by a qualifying employer during that period of time. In the future, you’ll also be able to “buy back” certain prior periods of deferments or forbearances that were not credited to your account. This would allow you to make additional qualifying payments specifically for these periods.

Finally, your 120 qualifying payments don’t have to be consecutive. Example: If you switch to a nonqualifying employer for a period of time, you won’t lose credit for the qualifying payments you made before that period, but you will need to return to a qualifying employer to complete your 120 payments.
#5 REQUIREMENT: YOUR REPAYMENT PLAN

All of the income-driven repayment plans are eligible:

REPAYE/SAVE Plan, PAYE plan, IBR plan, and ICR plan.

What about the 10-year Standard Repayment Plan?

This plan qualifies for PSLF too, but if you’re on the 10-year Standard Repayment Plan the entire time you’re working toward PSLF, you’ll have no balance left to forgive after you’ve made 120 qualifying PSLF payments.

So we recommend entering one of the income-driven repayment plans above as long as the monthly obligation is lower than the 10-year Standard Plan.

READY TO GET STARTED?

Check out the Steps to Apply for PSLF guide for step-by-step guidance on how to apply and remain eligible for PSLF.

Check out the Student Loan Advocate PSLF page also for recorded webinars and additional resources.

HAVE MORE QUESTIONS?

Check out the Public Service Loan Forgiveness (PSLF) FAQs to find answers to the most frequently asked questions about the program.