LOW INCOME PROTECTION PLAN
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2025-2026 HLS PSLF-Based LRAP Program Guidelines

Effective July 1, 2025

The mission of LIPP is to enable HLS J.D. graduates to pursue a broad range of relatively lower income employment options while maintaining the ability to repay their student loans. The HLS Public Service Loan Forgiveness (PSLF)-based plan (referred to hereupon as "the Plan") reduces the loan repayment burden for graduates in full-time public sector jobs, which qualify under federal guidelines, such as those in the government, non-profit, and academic industries. Participants pay a limited portion of their annual income towards their annual loan repayment obligations on federal income driven repayment plans, and the Plan then covers the remainder of their eligible loan payments.

Graduates may enter the Plan at any time after graduation if their job, debt, and income qualify; however, assistance is not awarded retroactively nor is it available for past-due loans or loans without a payment due such as loans that are in their grace period, forbearance or deferment. At the time of application, a graduate will opt into either the traditional LIPP program or the PSLF-Based program. Graduates cannot participate in both types of HLS-operated loan repayment programs simultaneously nor can they opt into the traditional LIPP program after utilizing the PSLF-Based program, except upon discontinuation of PSLF eligibility as set forth below. The LIPP staff is available to counsel students and graduates about the program and other aspects of debt management.

Eligible Employment

The Plan is available for Harvard Law School J.D. Program graduates who work in qualifying employment. Typically, this is any job for a government, public sector or academic organization (nonprofit only) in the United States, or overseas for a U.S. based employer that meets eligibility criteria. Please note that the U.S. Department of Education is the authoritative source on qualifying positions and have created a tool to verify employment eligibility on studentaid.gov.

Students and alumni who are unsure as to whether their planned employment and income will meet the eligibility criteria should consult with LIPP staff in advance. Graduates should not rely on HLS support until they have completed the required steps for opting into the HLS PSLF-Based program, which include meeting with a representative of AccessConnex, calculating one's income-driven monthly-required federal loan payment, and meeting one-on-one with a LIPP staff member.

To be eligible for PSLF, the participant's employment must be at least 30 hours per week. A participant may also work multiple PSLF-eligible positions which combine to a full-time position of 30 hours per week.

Eligible Borrowing

Eligible loans include all loans borrowed at HLS through the federal Direct Loan program, up to the standard student financial aid budget, minus the calculated LIPP student contribution and any HLS Grant assistance. (Please note that the LIPP student contribution may be different from the financial aid student contribution.) Students who worked full-time between college and law-school will receive $12,500 of asset protection per full year worked factored into the calculation of the LIPP student contribution. In addition, up to $2,000 in federal borrowing for the purchase of a computer is LIPP eligible. Up to $50,000 of combined undergraduate debt and debt incurred while pursuing a joint degree with another Harvard graduate school is also eligible for Plan coverage as long as this debt is also borrowed through the federal Direct Loan program.

Federal Perkins Loans and federal loans borrowed from the Federal Family Education Loan (FFEL) Program are eligible for PSLF once they are consolidated through the federal Direct Loan Consolidation process. This process creates a new loan with a new interest rate, calculated at the weighted average of all consolidated loans rounded up to the nearest 1/8 percentage.

Under the HLS PSLF-Based program, coverage is not available for private loans of any kind. Private loans include loans from non-federal lenders, bar study loans, loans from the Harvard Student Loan Office, and privately refinanced loans. Payment on these loans will be the sole responsibility of the borrower and will be made outside of the Plan, as they are not eligible for PSLF.

Additionally, Plan assistance is not available for loans from family and friends, for personal loans from banks or other sources, loans not in the student's name, or for other graduate school debt. Undergraduate and joint-Harvard-degree federal borrowing up to $50,000 is eligible for Plan coverage. Borrowing to replace one's own unprotected assets or imputed summer savings (based on documented summer earnings), or for living expenses above the standard financial aid budget, is also not eligible for the Plan. For married students, the spouse's contribution is considered part of the student contribution and borrowing to replace this amount is not eligible for the Plan.

There is no retroactive Plan assistance and no Plan assistance available for periods of loan forbearance, deferment or during grace periods. Interest accrued due to forbearance, deferment (except while enrolled at HLS), significantly extended repayment terms (i.e. interest only plans), or other periods of non-payment, and penalties for late payment or default on education loans are not eligible for Plan coverage. In order to remain eligible for the Plan, graduates must provide proof of good standing from the servicers of all applicable loans, including undergraduate/joint degree loans, and may not have an outstanding term bill balance with Harvard University. Plan assistance is solely and specifically intended to be used to repay eligible education loans which qualify for PSLF.

Eligible Repayment Plans

As defined by the U.S. Department of Education, qualifying repayment plans for the PSLF program are those that are income-driven, including Saving on a Valuable Education Plan (SAVE Plan), Pay As You Earn Plan (PAYE Plan), Income-Based Repayment Plan (IBR Plan), and Income Contingent Repayment Plan (ICR Plan). These are plans that base your monthly payment on your income. Each of these plans have a different set of criteria and calculations; graduates should use the *Loan Simulator* on studentaid.gov to compare the plans using their individual borrowing.

Payments made on the standard, 10-year repayment term are also eligible for PSLF. This is important for individuals who are switching into the HLS PSLF-Based Plan from the traditional program. To qualify for the Plan and for a forgiveness benefit, participants will need to switch to an income driven repayment (IDR) term.

Only income driven repayment plans that meet the criteria of qualifying payments as defined by the U.S. Department of Education are eligible for coverage under the Plan. Under the Plan, assistance will not exceed monthly payments greater than the calculated amount of the participant's monthly payment on the standard 10-year term.

Transition Assistance

Under the terms of the Plan, coverage is not available for periods of transition, including unemployment, volunteer employment, or less than full-time employment outside of an employer-approved leave which qualifies under the federal guidelines of the PSLF program. This is because payments made during these periods are not eligible for forgiveness under PSLF.

If a participant has a break in employment, the participant can consider using forbearance to suspend required loan payments during that time. Current LIPP participants should discuss their options with LIPP staff before making changes to their loan payments.

Duration of Eligibility

Graduates may enter the PSLF-Based LRAP at any time after graduation and may receive up to 120 months of assistance, inclusive of assistance received via the traditional LIPP program. Participants may submit an appeal to defer their benefit for up to two years. HLS benefits will cease 12 years after entering the PSLF-Based LRAP.

The PSLF is subject to the authority of the federal government and is subject to change. Because The Plan is integrated with PSLF, changes to that program – including its dissolution – will necessarily affect The Plan.

If government action were to alter the federal Public Service Loan Forgiveness program so it is either no longer available or your current position is no longer eligible, those enrolled in the HLS PSLF-Based Plan at the time of the discontinuation of PSLF would be able to switch into the Traditional LIPP program if their income, assets, and other eligibility criteria qualify them for assistance on a standard 10-year repayment term. The loan should result in no fewer than 120 payments and be no shorter than 60 payments beginning at that point in time; repayment terms of less than five years are not eligible for LIPP. We recommend you reach out to us before you take any formal action with your servicer or the Department of Education. Similarly, if it is not possible to adjust your loan to these specifications, please contact us directly.

LIPP loan eligibility will be recalculated upon reentering Traditional LIPP by comparing the actual loan balance as of the date of the loan's government-mandated loss of PSLF eligibility versus the anticipated balance of the loan as if it had been on the standard repayment plan for the duration of its repayment term to that date. To discuss the specifics of your loan repayment circumstances please make an appointment with the LIPP staff.

Application Process and the Tax Implications of Plan Assistance

Participation in the Plan requires ongoing documentation with both HLS and the U.S. Department of Education. Current participants must file applications twice a year with the HLS LIPP Office. Plan assistance is provided twice annually, with each award cycle covering the participant's expected eligibility for the upcoming six months. Graduates can enter the Plan at any time; pro-rated assistance is available for those who begin qualifying jobs part-way through a six-month application period. Because Plan assistance is awarded on a forward basis, participants must report changes in income, job, or other financial circumstances promptly; funding will be adjusted accordingly and any over-awarded funds must be repaid.

Applicants must also apply for an income-driven repayment plan with the U.S. Department of Education. This can be done on studentaid.gov. Applicants cannot apply for Plan assistance until they have documentation of their monthly required payment amount on the IDR plan of their selection. Participants must also verify their PSLF-eligible employment with MOHELA by completing the Employment Verification Form, also found on studentaid.gov and signed by a representative of the individual's employer. Participants are required to recertify both their IDR eligibility and their PSLF Employment Verification on an annual basis with the U.S. Department of Education. Individuals should receive emails reminders from the Department regarding deadlines; it is vital that these deadlines not be missed.

Plan assistance is not considered taxable income. For this reason, recipients must sign a promissory note for the amount of any Plan assistance. After an initial 36-month participation requirement, these Plan loans are then forgiven in the following year provided the graduate has complied with the rules of the Plan. The Plan loan promissory notes will then be voided and can be returned to the graduate upon request. The exception to this is those participants who work at Harvard; the assistance they receive is considered taxable income and therefore a 1099-Misc will be issued; the same initial 36-month participation requirement is expected for these individuals and repayment may be required if program terms are not met.

The IRS has indicated in Publication 970 that interest payments do not qualify for the student loan interest deduction if "you are not legally obligated to make payments on the loan." This appears (based on the examples in Publication 970) to include payments made with assistance from others. You should consult a tax adviser to determine what portion, if any, of your annual student loan interest is deductible if you receive Plan assistance.

Participant Contribution

Student loan repayment is considered to be the financial priority of Plan participants. Participants allocate, according to the following formula, a limited percentage of their income toward their total annual education loan repayment. The Plan then covers any difference between the graduate's total eligible debt payments due in that year and their expected contribution toward eligible loan payments.

The income that the U.S. Department of Education used to determine the monthly required payment on the participant's selected IDR plan will be the figure used to determine the portion the individual will pay toward their eligible loans before qualifying for Plan assistance.

2025-2026 LIPP Expected Contribution toward Eligible Loans (as of July 1, 2025)

Adjusted Gross Income	Portion of adjusted gross income graduate pays toward eligible loans before qualifying for HLS PSLF-Based LRAP Assistance*
$110,000 or less	None
$110,001 or more	30% of amount over $110,000

** The expected contribution cannot be applied to Plan-ineligible loan payments.*

Marriage and Parental Leave

If HLS graduates are married to each other and are participating in the same HLS sponsored Loan Repayment Assistance Program, then both will be considered for eligibility based on their individual applications for their respective repayment terms with the U.S. Department of Education.

The Plan will provide assistance during parental leave of up to six months, so long as the participant was participating in the Plan prior to the leave and continuing to receive credit towards their PSLF obligation during the leave. Plan eligibility will continue to be calculated based on the income the U.S. Department of Education uses to determine the monthly required payment.

Judicial Clerkships

The Plan is not intended to cover most judicial clerkships, since graduates who serve as clerks usually proceed immediately to higher-paying positions. However, graduates who take clerkships and intend to take a Plan-qualifying position after the clerkship is completed are eligible with the following provisions:

- The Plan will provide clerkship loans during the period of the clerkship to cover any difference between the educational loan payments due in that year that qualify for LIPP coverage, and the contribution required under the Plan.
- To be considered **eligible** for the Plan a graduate must qualify for a Plan benefit payment.
- For those who participate in the Plan after the clerkship, the assistance awarded during the clerkship will be forgiven once the initial 36-month requirement is met or at the end of the first full year of eligibility in the post-clerkship position if the 36-month requirement was already met. For two-year clerkships, the second year of clerkship Plan assistance will be forgiven at the end of the second full year of Plan eligibility in the post-clerkship position.

Repayment of Plan Clerkship Loans by participants who do not continue in a position that qualifies them for a Plan benefit based on income while they still owe a clerkship repayment obligation will be based on the amount of income, including bonus pay, earned following the clerkship. Should a participant become ineligible for a Plan benefit because they accept a position which does not meet PSLF employment eligibility guidelines, the full balance of the clerkship assistance received will become immediately repayable.

Exiting the Plan

Participants will be required to repay the entirety of the funds received from HLS if they leave before completing 36 months in the Plan, unless forgiveness is achieved through PSLF, whichever is sooner.

While the PSLF option may greatly reduce the participant's cost over the life of the program, the debt is not amortized. Amortization is the process by which your loan principal decreases over the life of your loan; with each loan payment that you make, a portion of your payment is applied towards reducing your principal and another portion of your payment is applied towards paying the interest on the loan. If a participant were to leave the Plan before qualifying for federal forgiveness, the balance owed could be considerably greater due to the lack of amortization. This balance would be the sole responsibility of the participant.