

**Memorandum of Understanding
between
the National Treasury Employees Union
and
the Internal Revenue Service**

The Internal Revenue Service (IRS, Agency, or Employer), and the National Treasury Employees Union (NTEU or the Union) (collectively, the Parties) hereby enter into this Memorandum of Understanding (MOU) regarding the implementation of a Student Loan Repayment Program (SLRP).

On September 26, 2022, the Agency briefed NTEU regarding its proposal to implement a SLRP pursuant to 5 U.S.C. § 5379, which authorizes agencies to set up their own student loan repayment programs to attract or retain highly qualified employees.

In order to implement the above-described program, the Parties agree as follows:

1. Communication to Employees. The Agency will maintain a website accessible through the IRS Source that will maintain information on the SLRP, including a webpage with Frequently Asked Questions and Answers about the SLRP. The website will include this MOU and attachments such as the application, service agreement, and student loan justification documents mentioned below.
2. Prior to implementation of this program, the Agency will send an email to employees in hard to fill positions, identified in #7 below, to notify them of their potential eligibility for SLRP benefits. Those employees identified as occupying hard to fill positions will be given 30 minutes of administrative time to discuss SLRP with a Union representative if requested subject to workload, staffing needs, and the Agency's right to assign work. In addition, the Agency will publicize the start of the SLRP to all employees through IRS Headlines articles. The Agency will publicize the availability of the SLRP to all employees at least annually.
3. The IRS will offer a SLRP pursuant to its authority under 5 U.S.C. § 5379, subject to the availability of funds. The purpose of the SLRP is to recruit or retain highly qualified personnel by assisting them in repaying all or a portion of their federally insured qualifying student loans (as defined in 5 CFR § 537.102) that are outstanding at the time the IRS and employee enter into a service agreement, as required by 5 CFR § 537.107.
4. For purposes of the SLRP, the term student loan refers to:
 - a. A loan made, insured, or guaranteed under parts B, D or E of title IV of the

Higher Education Act of 1965; or

- b. A health education assistance loan made or insured under part A of title VII of the Public Health Service Act or under part E of title VIII of that Act.
5. Repayment of student loans by the IRS is subject to the availability of funds and is at the IRS's discretion.
6. When determining which employees will receive SLRP benefits, the IRS will:
 - a. Adhere to merit system principles consistent with 5 U.S.C. § 5379(e);
 - b. Evaluate the employee's qualifications; and
 - c. Ensure that benefits are awarded, without regard to political affiliation, race, color, religion, national origin, sex, sexual orientation, marital status, parental status, age, or disability.
7. The Agency has determined that employees occupying the positions listed in the attached spreadsheet dated September 26, 2022, occupy positions determined by the Agency to be "hard-to-fill" and therefore will be eligible to apply for student loan repayment pursuant to this MOU. If the Agency decides to modify this list of hard to fill positions, it will inform NTEU.
8. Subject to available funding, the amount of SLRP benefits paid by the Employer will not exceed \$10,000 for any employee per calendar year or a total of \$60,000 for any individual employee. Within these limits, the IRS may make payments on more than one eligible loan for a recipient and an Employee may submit more than one application subject to the open period procedures described in Section 9 below. The IRS will make loan repayments under the Program by direct payment to the holder of the loan on behalf of the employee. Taxes will be withheld by the Agency prior to each disbursement.
 - a. If insufficient funds are allocated to the SLRP for all selected employees to receive the maximum yearly limit or the maximum amount they requested, then their approved SLRP repayment amounts will be allocated on a pro rata basis.
9. An employee must submit an application for consideration in the SLRP during an open enrollment period for any year in which they would like to receive student loan repayment: The initial open enrollment period for SLRP applications will start June 1, 2023. Subsequently, the Agency will conduct a 30-day open enrollment period every year starting March 1, 2024. The agency will give NTEU 60 days advance notice of any changes to the start date of a subsequent open enrollment period.

10. The application will be submitted on a form mutually agreed upon by the parties. The application will include the Student Loan Justification Document in the attached per 5 CFR § 537.105 and the Service Agreement mentioned below. Employees will be subject to Federal Tax and Misconduct screening. Except in exigent circumstances, the Agency will make every reasonable effort to acknowledge SLRP applications within fifteen (15) working days. If an application is denied, the Agency will provide the employee a written explanation. For approved applications, the IRS will process payment within ninety (90) calendar days of the approval date. Employees must continue to make student loan payments while their SLRP repayment is pending in accordance with any applicable rules provided by their lender.
11. Service Agreement: To be eligible for participation in the SLRP, employees must maintain an acceptable level of performance (“Fully Successful”), and sign a service agreement, in which they agree to
 - a. Complete a minimum of three years of service with the Employer, which will commence on the effective date of the service agreement;
 - b. Extend the service agreement by one year for each additional annual payment made beyond the third year, if student loan repayment benefits are made beyond three years; and
 - c. Reimburse the Employer for loan repayments under such circumstances as set forth in Section 12, below.

The service agreement may be subject to change by the Agency in the future as need arises. If any such changes create a bargaining obligation, the Agency will provide notice to NTEU and bargain in accordance with law, rule, and regulation.

12. An employee who fails to complete the period of service set forth in their service agreement because they are separated involuntarily for misconduct, unacceptable performance, or a negative suitability determination, or because they leave the Employer voluntarily, will be indebted to the Federal Government and must reimburse the IRS for the total amount of any SLRP benefits they received, except that:
 - a. A right of recovery of an employee’s debt may be waived, in whole or in part, by the IRS if the IRS determines, in its sole discretion, that recovery would be against equity and good conscience or against the public interest; and
 - b. The Agency may not require reimbursement where there is an involuntary separation for reasons other than misconduct, unacceptable performance, or

a negative suitability determination under 5 CFR part 731 (e.g., an involuntary separation resulting from a reduction in force or medical reasons).

13. Probationary employees are eligible to request student loan repayment and are subject to all of the terms of this MOU.
14. The IRS will provide the following information to NTEU National by January 30 of each calendar year on the Agency's SLRP:
 - a. The total SLRP funding for the prior fiscal year;
 - b. The total number of applications for SLRP for the prior fiscal year;
 - c. The total number of bargaining unit employee SLRP applications for the prior fiscal year;
 - d. The total number of SLRP applications approved for the prior fiscal year;
 - e. The total number of bargaining unit employee SLRP applications approved for the prior fiscal year;
 - f. The SLRP payments made in the prior fiscal year, including:
 - i. Name of employee;
 - ii. Job title;
 - iii. Series/grade;
 - iv. Business Operating Division;
 - v. Total amount of payments to each employee; and
 - vi. Bargaining unit status
 - g. The SLRP budget for the current fiscal year, if known.
15. After submitting the report on student loan repayment required by 5 CFR 537.110 to OPM, the IRS will promptly provide a copy of the report to NTEU National.
16. Significant Problems. If either party becomes aware of significant unanticipated problems that arise following implementation of this program, the IRS or the Union will inform the other party, and the parties will meet to discuss and attempt to resolve the problem as soon as possible.
17. Reopener. Either party may reopen this agreement at any time after the agreement has been in effect for twelve (12) months. The Parties may mutually agree to reopen this agreement at any time

18. Effective Date. This agreement will become effective upon Agency head review or on the thirty-first (31st) day after execution, whichever is first. This MOU will run concurrently with the 2022 National Agreement

For NTEU

For IRS:

Frank Barczykowski

Frank Barczykowski
Deputy Director, Negotiations
NTEU

Geralda Larkins
Acting Director
Labor/Employee Relations and
Negotiations

5-3-23

Date

5/3/23

Date