PGPresents, LLC
Independent Student Loan Consulting

# Income Driven Repayment Plans
# How to Get a $0 Calculated Payment Your PGY-1 Year

You may be able to get a $0 calculated payment with an Income Driven Repayment (IDR) plan like Saving on a Valuable Education (SAVE, formerly REPAYE) for your first 12 months of repayment when your federal Direct Loans come due, usually six months after you graduate.

Payments with IDRs are generally based on income from the most recently filed tax return, hence they lag a year. When you apply for an IDR, you will be asked to send in a copy of your mostly filed tax return (as long as you filed within the past two years). As a member of the Class of 2024, this is your opportunity to submit a copy of your 2023 return, either by paper or if possible, electronically.

Please note the following:

- While $0 calculated payments do nothing to help pay down your debt, they can be beneficial for borrowers who have cash flow concerns and who may have more costly repayment obligations right out of school such as consumer debt and private student loan payments.
- With SAVE, your balance will not grow any time your calculated payment (including a $0 payment) is less than the amount of interest you owe each month.
- $0 calculated payments with an IDR count as eligible payments for Public Service Loan Forgiveness (PSLF), assuming other eligibility requirements for PSLF are met (see our statement on PSLF at www.PGPresents.com for details).
- Your loan servicer ultimately determines your monthly payment using a set federal formula, thus while we cannot promise you a $0 payment your first year after graduation when your loans come due, this information should help ensure that you know how to put yourself in position for such, should that be part of your repayment strategy.

In addition, also please note the following:

- Married borrowers might not see a $0 calculated payment their first year, as that depends on not only spousal income and spousal federal debt, but whether a married borrower is filing (or has filed) jointly or separately.
- Borrowers applying for an income plan who have not filed a tax return in the past two years can expect to be asked to provide current income information (for example, the amount of their annual stipend) when submitting their application for an income plan.
- Borrowers whose parents claim them on their own tax return can also expect a request to submit current income information when applying for an IDR, and not a copy of their parents' return.

*This information is provided courtesy of PGPresents, LLC, an independent student loan consulting company under contract with your school, and is being provided to help upcoming Class of 2024 graduates with repayment. We are not tax advisors, but are sharing this information with you about how payments are calculated with the income plans. Should you want or need tax advice, please see a tax professional. The information provided is as current as possible at the time prepared. Please refer to our website for additional updates, if needed.*

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