

# Student Loan Solutions

Discussion with MSD of Wabash County



# EDUCATORS STRUGGLE WITH **SKY HIGH** STUDENT LOAN DEBT

More than sixty percent of educators have student loan debt, and that debt weighs heavily on their decision to stay in the profession.



**34%**

are considering leaving  
the profession due to

**FINANCIAL STRESSES**

**88%**

would be more likely to stay  
in the profession if they could get their

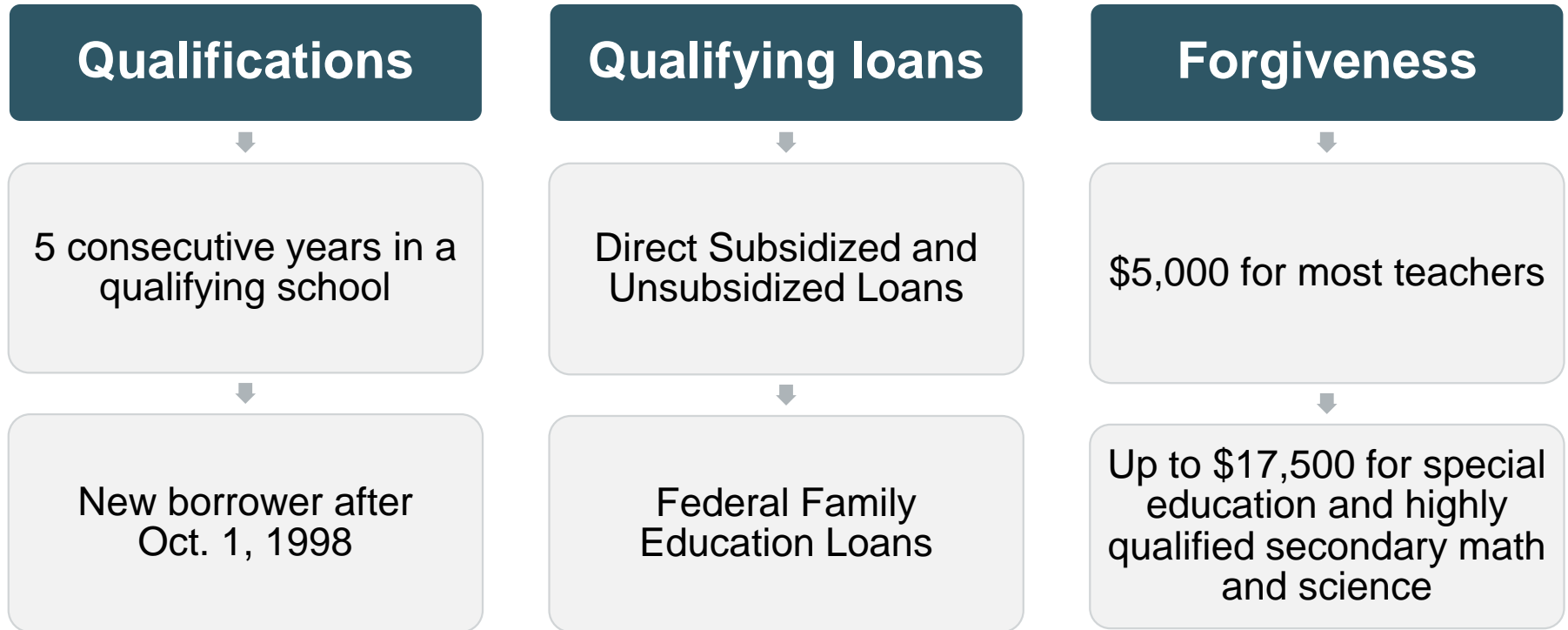
**STUDENT LOANS FORGIVEN**

**70%**

would stay in the profession  
longer if they could get a  
**LOWER PAYMENT**  
on their student loans

# Teacher Loan Forgiveness

Designed for current and former classroom teachers



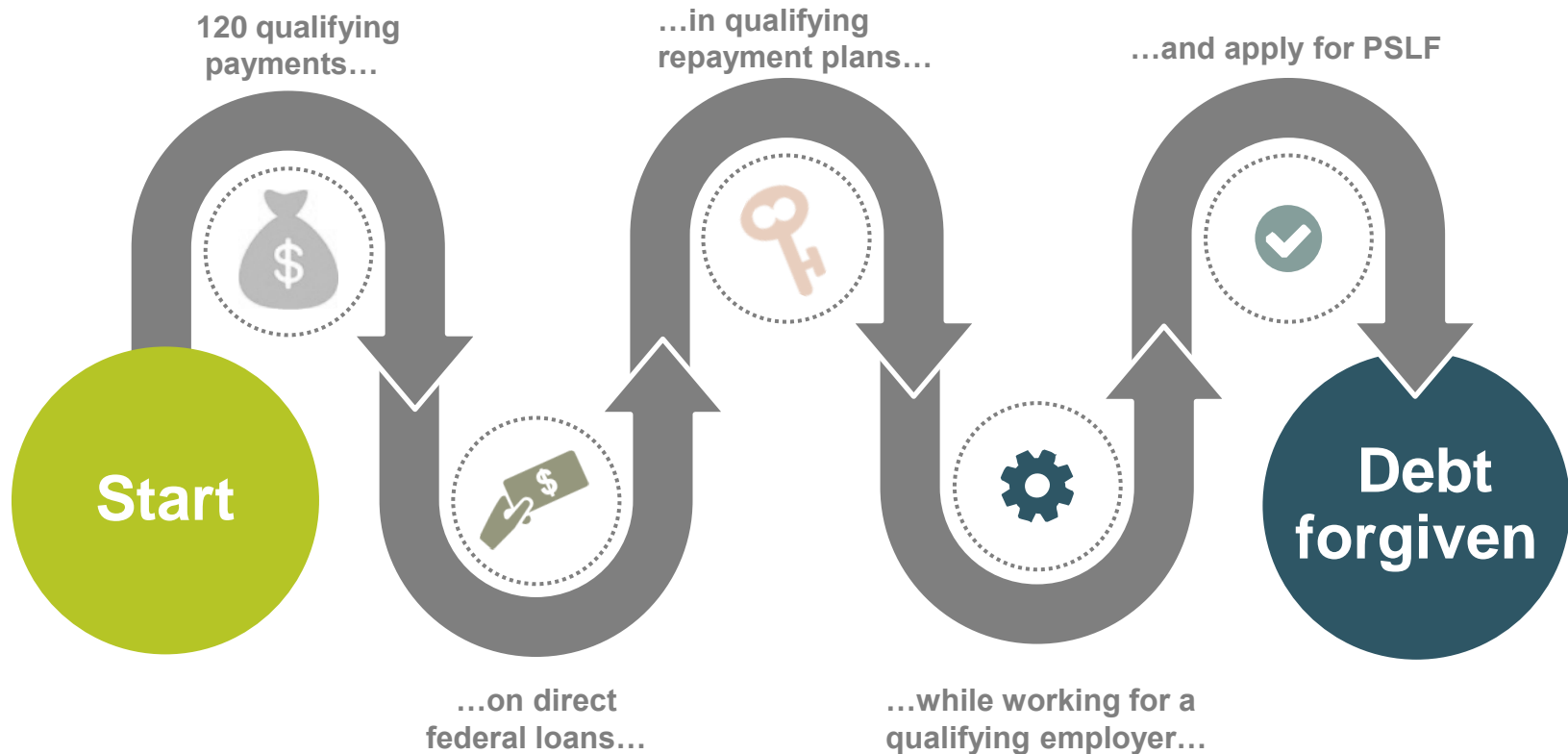
*Must teach in a low-income elementary school, secondary school or educational service agency listed in the Teacher Cancellation Low Income directory. Definition of "secondary" varies by state.*

*Source: Federal Student Aid.*

# Public Service Loan Forgiveness (PSLF)

This program is available to all full-time public school employees

After program completion, the amount forgiven = **remaining loan balance**



**LOWER PAYMENTS now and FORGIVENESS later  
= powerful RETENTION incentive**

# Educators miss forgiveness opportunities

## Low awareness

- **Less than 4%** of public school employees have applied for PSLF
- **77%** haven't been informed by their loan servicer about forgiveness opportunities

## High failure rate

**98%** of PSLF applicants are denied due to:

- Non-qualifying payments (59%)
- Missing information (26%)
- No eligible loans (11%)
- Other reasons (2%)

**Most problems are preventable with awareness and planning**

# Repayment plans based on income

Income driven repayment plans qualify for PSLF and may lower payments

Teacher profile: \$36,000 income | \$35,000 student loan debt at 5.5% interest rate | single

	Repayment plan	First monthly payment	Last monthly payment	Total amount paid	Loan forgiveness after 10 years
Default plan	Standard	\$380	\$380	\$45,606	\$0
Common servicer suggestion	Extended Repayment Plan	\$215	\$215	\$64,556	\$0
Better strategy	Pay As You Earn	\$141	\$199	\$20,279	\$34,156

## Plans that DON'T qualify for PSLF

- Graduated
- Extended Fixed
- Extended Graduated

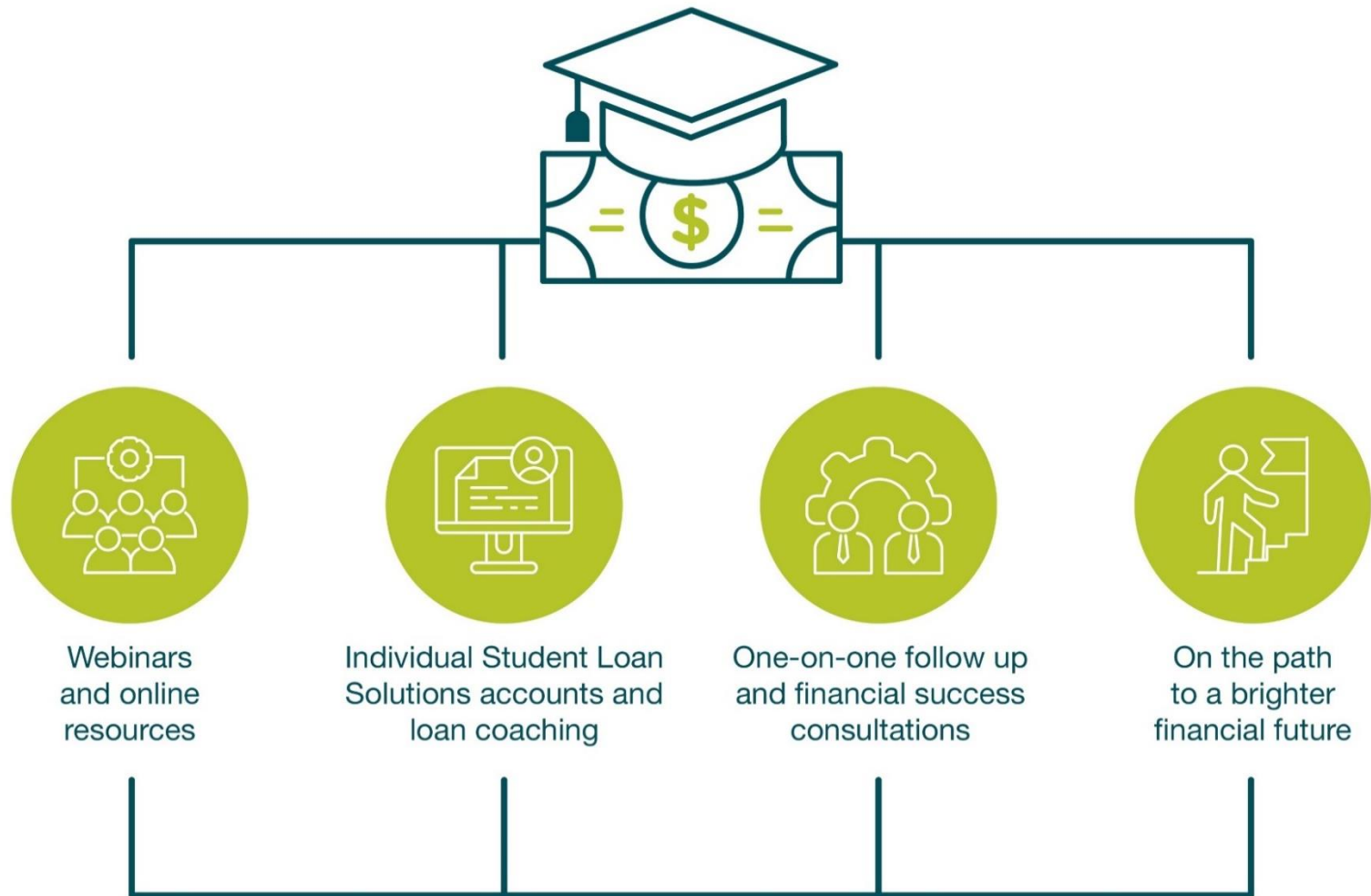
Beware! In best interest of loan servicer

## Plans that DO qualify for PSLF

- PAYE
- REPAYE
- IBR
- ICR

Source: Tuition.io Strategy Finder calculator. Assumptions match the Federal Student Aid Repayment Estimator, including a 2% annual salary increase. The teacher profile above is a hypothetical example provided for illustrative purposes only and is not an individualized recommendation.

# A formula for success



*\* Potential savings of educators assisted by Horace Mann with Public Service Loan Forgiveness from October 2016 through 2020 based on assumptions established by the U.S. Office of Federal Student Aid. For more information regarding the U.S. Office of Federal Student Aid assumptions, refer to [www.studentaid.gov/loan-simulator](http://www.studentaid.gov/loan-simulator).*

# Program serves an unmet need for help to qualify and apply for loan forgiveness

**82%** of educators want to see if they qualify for loan forgiveness

**79%** of educators want help on how to apply for forgiveness

## Impact in 2020:

**>85%**  
learned they  
could be  
better off

**\$75,000**  
average Public  
Service Loan  
Forgiveness  
(estimate)

**\$330/month**  
average loan  
payment savings  
(estimate)

**> \$100 million**  
additional  
student loan  
forgiveness  
potential

*Sources: Based on potential savings of educators assisted by Horace Mann with Public Service Loan Forgiveness from October 2016 through 2020 based on assumptions established by the U.S. Office of Federal Student Aid. Monthly savings are based on 2020 only. For more information regarding the U.S. Office of Federal Student Aid assumptions, refer to [www.studentaid.gov/loan-simulator](https://www.studentaid.gov/loan-simulator). Horace Mann Educators Student Loan Debt Study, June 2020.*



# Student loan debt help = employee retention

## Reduction in employee turnover with Tuition.io

Real clients with contributions toward loans

Representative employer	Non-participant turnover	Participant turnover	% lower turnover
Health care – senior care	58%	22%	61%
Education	38%	18%	52%
Technology hardware	34%	18%	46%
Energy/utility	17%	11%	40%
Municipal government	22%	14%	38%
Employer services	28%	18%	38%
Health care – hospital	24%	18%	26%
Industrial manufacturer	29%	23%	20%
Financial services	32%	27%	15%

*Source: Tuition.io. turnover metrics are cumulative from each employer's student loan repayment benefit program launch through January 31, 2021. Periods of performance range from two to four years.*

# Other organizations contract directly with Tuition.io and pay an annual licensing fee

Number of employees	Standard annual cost
1 to 1,500	\$ 7,200
2,500	\$ 7,500
5,000	\$ 15,000
10,000	\$ 30,000

*With Horace Mann program:*

- NO cost to district
- NO cost to employees
- We fully sponsor access because we know it helps address a major financial burden for most educators

*Companies that trust the Tuition.io platform for their employees*

## **For profits**

- Ford
- ADP
- Hulu
- Estee Lauder

## **Public service**

- Freddie Mac
- Trilogy Healthcare
- Children's Hospital & Medical Center

# SLS Accounts powered by Tuition.io

Robust resources and tools to better manage student loans

The image shows a screenshot of the Tuition.io SLS Accounts dashboard. The dashboard has a dark purple sidebar on the left with the following menu items: Dashboard, My Account Activity, Repaying Student Debt, Planning For College, Questions You Have, Need Help?, FAQ, Email us | Call us, About Us, and Blog. The main content area is white and features several sections. At the top right, there is a user profile for 'Hello Erin'. Below this, there is a section for 'Your Horace Mann Representative' which lists contact information for Katie Hageman, including her email, website, and a link to schedule a time. The dashboard also includes a 'Link your student loan accounts' section with a warning icon and a '+ ADD LOANS' button. At the bottom, there are three cards: 'Student Loan Coaches', 'Loan Forgiveness', and 'Types Of Student Loans'. A 'Chat' button is located in the bottom right corner.

**tuition.io**

**Comprehensive information and calculators**

**Secure loan linking to 100s of loan servicers**

**Quick access to your Horace Mann representative**

**Dashboard**

**My Account Activity**

**Repaying Student Debt**

**Planning For College**

**Questions You Have**

**Need Help?**

**FAQ**

**Email us | Call us**

**About Us**

**Blog**

**Link your student loan accounts to get full access to all Tuition.io's education assistance benefits.**

**+ ADD LOANS**

**Finder**

**Find the best loan repayment strategy for you**

**Your Horace Mann Representative**

**KATIE HAGEMAN**

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**[website](#)**

**[Schedule time with me](#)**

**Your representative can track your progress and review your Student Loan Account Information.**

**Student Loan Coaches**

**Speak with a student loan expert. Schedule time for a call.**

**Loan Forgiveness**

**Learn about Public Service Loan Forgiveness (PSLF) and more**

**Types Of Student Loans**

**Learn how Federal loans are different**

**Chat**

# Strategy Finder

Helps determine best strategy for repaying federal loans, including help to qualify for Public Service and Teacher Loan Forgiveness

Erin consider switching to the **Pay As You Earn Repayment Plan + Public Service Loan Forgiveness**. You could save **\$25,327**.

Total amount saved from lower monthly payments

<input type="radio"/>	the plan you want	Estimated Payoff Amount	Years to repay	Monthly Payment	Estimated Total Interest Paid	Estimated Loan Forgiveness
<input checked="" type="radio"/>	<b>Top Strategy</b> <b>PAYE + PSLF</b>	\$20,279	10 Year(s)	\$141-199 changes with income	\$19,435	\$34,156
<input type="radio"/>	<b>Your current plan</b> <b>10 Year Standard</b>	\$45,606	10 Year(s)	\$380	\$10,606	\$0

Plus, amount forgiven after 10 years of service

[COMPARE ADDITIONAL PLANS...](#)

[DOWNLOAD PDF](#)

[SEND TO AGENT](#)

[PRINT PDF](#)

Calculations for potential forgiveness and monthly payments are estimates based on information entered and certain assumptions and are not guaranteed to be accurate or complete. The strategy above is a hypothetical example provided for illustrative purposes only. Example assumes: Single, \$36,000 income, \$35,000 student loan debt at 5.5% interest rate, 2% annual salary increase.

# Instructions and support to get started

Provides next steps and links to get started, plus loan coaching by phone, chat or email

## PAYE

### How to switch to the Pay As You Earn repayment plan

- 1 Submit the [Income-Driven Repayment Plan Request Form](#) .
- 2 Your servicer will automatically update your payment amount, but it can take some time. You can check on the status of your application by [contacting your servicer](#) .
- 3 PAYE needs to be renewed every year. Be sure to [update your income and family size](#) annually to stay on this plan.

#### Student Loan Coaches

Speak with a student loan expert. Schedule time for a call.



## PSLF

### How to qualify for Public Service Loan Forgiveness

- 1 Make sure you're on the PAYE repayment plan.
- 2 Make sure you're in eligible employment by completing & submitting the [Employment Certification Form](#) . Track your progress toward PSLF by submitting your ECF at least annually.
- 3 After making 120 months of eligible payments, submit your application for PSLF. While you wait for approval, be sure to continue making your minimum monthly payments to remain eligible for forgiveness.

- Live technical support (phone, chat, email) M-F, 7am-7pm CST
- Loan Coach support by appointment (phone, chat) or email

# Sponsored partnership options

Employee benefits	
Webinars	x
Account tools	x
• Loan forgiveness calculator	x
• Loan linking and notifications	x
Loan coaching	x
• Default	x
• Loan forgiveness	x
• CARES Act	x
1:1 financial consultations	x
District partner benefits	
Employee communications package	x
Loan forgiveness tracking	3-year
Student loan debt benchmarking	3-year

Comprehensive service level for all employees under any program duration

Impact reports with three-year commitment to program. Includes:

- Employee participation
- Average student loan debt
- Estimated loan forgiveness
- Estimated monthly savings
- Benchmarks at state and national level

# Next steps

1

Questions

2

Partnership duration

3

Webinar date (s)

4

Employee communications

5

Point of contact

The information provided here is for general informational purposes only and should not be considered an individualized recommendation. Horace Mann and Tuition.io are private, independent companies not affiliated with the Department of Education or the federal government. Horace Mann does not negotiate, adjust or settle debts. No assistance provided by Horace Mann constitutes official action for purposes of student loan forgiveness programs or guaranteed results. Tuition.io is an employer benefit student loan debt management platform that helps borrowers, through their employer or other sponsor, reduce and better manage their student loan burden.

# Thank you!

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