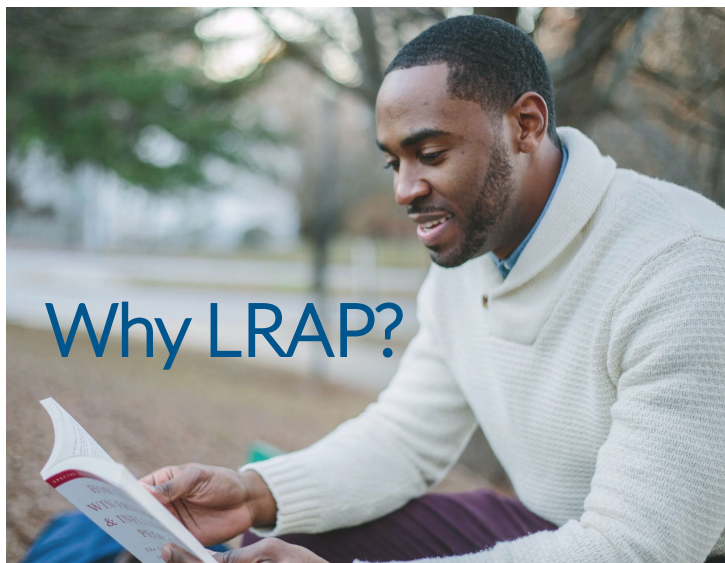


STUDENT LOAN REPAYMENT ASSISTANCE PLANS (LRAP)



Support the financial wellness of employees and attract top talent with a student loan assistance plan (LRAP) administered by Flores.



42.9 Million Americans Have Student Loan Debt, Averaging \$36,406 In Debt¹.

Student Debt Is The Second Largest Consumer Debt Category, Second Only To Home Mortgages².

Through 2025, Employers Have The Option To Provide Tax-Exempt Loan Repayment Assistance.

¹ Student Loan Debt Statistics

² Student Loan Debt Statistics In 2021: A Record \$1.7 Trillion

FLORES LRAP FEATURES:

- Assigned account manager
- Tax-Exempt or Post-tax options available
- Employer web portal for real-time participant updates and on demand reporting
- Participant web portal for claims filing and online account management
- Weekly claims reimbursement options
- Direct deposit available
- e-Status and SMS text notification system to notify participants via email or text of claim and account status
- Flores Mobile app for mobile claims filing and account details
- Enrollment file feed options available (size requirements apply)
- Standard policy statement available upon request

FROM OUR CLIENTS: THE FLORES DIFFERENCE

"We have HRA, FSA and COBRA with Flores. I just wanted to let you know how pleased we are, working with Katlin on our account. When I call in with any questions or issues, Katlin is very knowledgeable and always so helpful. I feel very comfortable and confident with her as our Account rep. I wish we had other Accounts reps as professional as her. "

- Amy McNeil, HR Generalist, Graystone Eye -

STUDENT LOAN REPAYMENT ASSISTANCE PLAN (LRAP)

FREQUENTLY ASKED QUESTIONS



What are the eligibility requirements? Employers may design eligibility requirements. Typically, the benefit is made available to full-time employees. Employers may also decide to permit loan repayments for the debt of a Spouse or qualified dependent.

Are funds pre- or post-tax? Effective with the CARES Act, employers may provide up to \$5,250 of tax-exempt student loan repayment assistance to employees through December 31, 2020. This provision was extended by the Consolidated Appropriations Act, 2021 through 2025. If employers also provide a tuition assistance plan under Section 127, combined payments for tuition assistance and loan repayment may not exceed the \$5,250 annual limit. Employers may provide additional assistance on a post-tax basis.

Is a plan document required? Yes, plans opting to provide tax-exempt funds must provide a written Plan document in accordance with Section 127 of the IRS Code. Flores can provide employers with a policy statement and plan schematic to help communicate plan parameters to employees.

How are funds reimbursed? Participants may file a claim online, Flores mobile, mail, or fax for reimbursement by check or direct deposit. Employers also have the option to reimburse employees via payroll.

What expenses are eligible for reimbursement? Federal loans, as well as loans from a financial institution, are eligible. Loans from individuals or 401(k) plans are ineligible. Please reference Chapter 4 of IRS publication 970 for additional guidance.

What is the substantiation process? Employers may decide the criteria for substantiation. Typically it is recommended that employees substantiate expenses with a loan statement or other proof of debt deemed suitable by the employer.

Can employers require funds to be repaid in the event of a voluntary termination? An employer may design the repayment terms, if applicable, and those should be communicated in the policy statement.

A remarkable benefits experience starts here.

Contact your business development partner via email or phone at (800) 532-3327 for more information or to get started with a LRAP today.