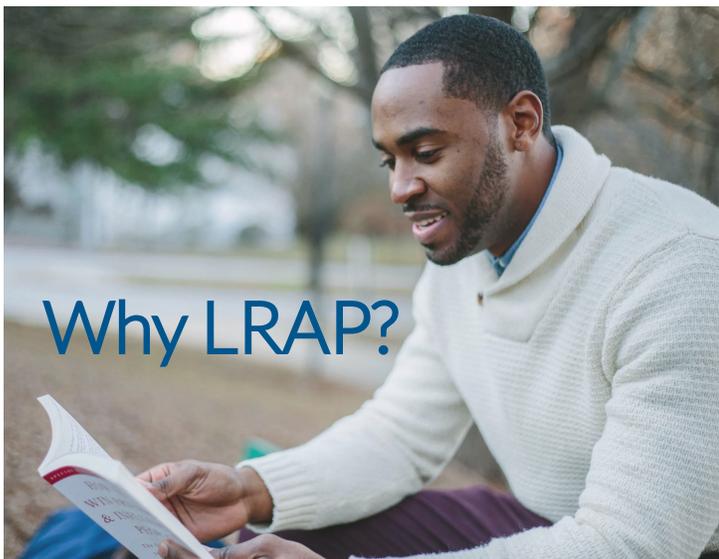


# STUDENT LOAN REPAYMENT ASSISTANCE PLANS (LRAP)



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



## Why LRAP?

42.9 Million Americans Have Student Loan Debt, Averaging \$36,406 In Debt<sup>1</sup>.

Student Debt Is The Second Largest Consumer Debit Category, Second Only To Home Mortgages<sup>2</sup>.

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

<sup>1</sup> Student Loan Debt Statistics

<sup>2</sup> 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.