

# IDR Comparison Chart

Please see important information on the following slides!

	<b>“Old” IBR</b> Income Based Repayment (see next slide)	<b>“New” IBR</b> Income Based Repayment (see next slide)	<b>SAVE</b> Saving on a Valuable Education (see next slide)
Payment calculation	15% of DI; <b>capped at original Standard 10-year payment</b>	10% of DI; <b>capped at original Standard 10-year payment</b>	10% of DI; weighted average if borrower has both graduate and undergraduate loans; <b>no payment cap</b>
Repayment term	Up to 25 years	Up to 20 years	Up to 25 years for graduate school borrowers
Spousal income included in calculation	YES, but not when filing separately	YES, but not when filing separately	YES, but not when filing separately
Income requirement	YES, borrower must show PFH	YES, borrower must show PFH	NO, any income level qualifies
Interest subsidy on unsubsidized loans	NO	NO	<b>YES</b> Government covers 100% of remaining monthly interest when not covered by minimum calculated payment
PSLF	YES, assuming other requirements met	YES, assuming other requirements met	YES, assuming other requirements met
Interest capitalization	<b>YES, when borrower no longer shows PFH (when they hit payment cap) or moves to another IDR</b>	<b>YES, when borrower no longer shows PFH (when they hit payment cap) or moves to another IDR</b>	NO

# PLEASE NOTE!

- DI (discretionary income) is how much Adjusted Gross Income (AGI) exceeds 150% of the poverty line for IBR and 225% of the poverty line for SAVE
  - SAVE has lower payments since more income is protected
- Partial Financial Hardship (PFH) occurs when the designated percentage of DI for a particular plan is lower than the original Standard 10-year payment amount
- Any remaining balance at the end of the repayment term with IDRs is forgiven, but subject to federal tax the year forgiven (state tax provisions may vary)
  - This is often called “program” forgiveness
  - We prefer using “term” forgiveness (referring to the balance forgiven at the end of the 20 or 25-year term)

# PLEASE NOTE!

- “Old” IBR is for borrowers whose first loan was disbursed prior to July 1, 2014
- “New” IBR is for borrowers whose first loan was disbursed on or after July 1, 2014
- NEITHER IBR plan has an interest subsidy for Direct Unsub or Direct PLUS (Grad PLUS), as noted in the chart

\* Debt forgiven with PSLF is NOT considered taxable income for federal purposes

# PLEASE NOTE!

- Please note that the SAVE repayment plan is currently on hold, courtesy of challenges by the GOP
  - See [www.StudentAid.gov/SAVE](http://www.StudentAid.gov/SAVE) for updates
  - Court challenges to SAVE may end up with the Supremes and may not be resolved until the end of calendar year 2024
- Saving on a Valuable Education (SAVE) replaced Revised Pay As You Earn (REPAYE)
  - Borrowers previously in REPAYE were automatically moved to SAVE
- Borrowers using SAVE who want to switch to IBR (perhaps for the payment cap) must do so before they have made 60 payments with SAVE