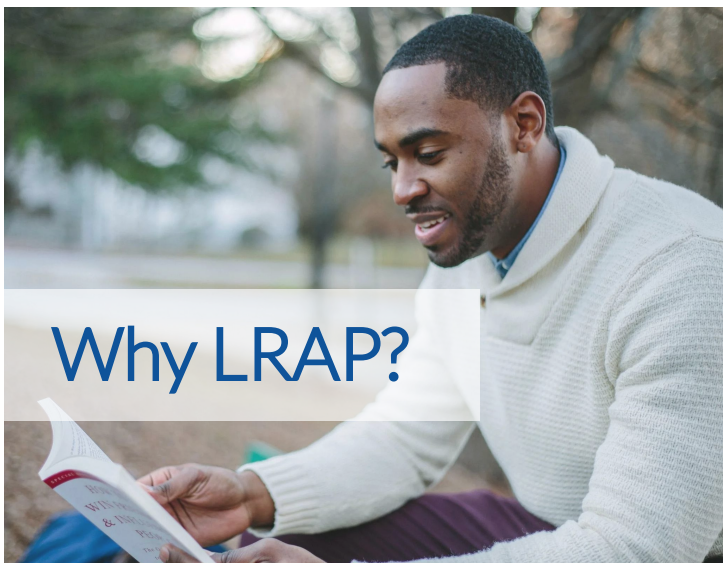


# STUDENT LOAN REPAYMENT ASSISTANCE PLANS (LRAP)



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



## 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 Debt Category, Second Only To Home Mortgages<sup>2</sup>.

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

## FloresHR 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
- Email and text notification system for claim and account status
- Flores HR app for mobile claims filing and account details
- Enrollment file feed options available
- Standard policy statement available upon request

## FROM OUR CLIENTS: THE FLORESHR DIFFERENCE

*I just wanted to let you know how pleased we are. When I call in with any questions or issues, our account manager is very knowledgeable and always so helpful. I feel very comfortable and confident with her as our account rep. I wish we had other account reps as professional as her. "*

**- Client Contact, HR Generalist**



# 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, and made permanent in 2025 in the Budget Reconciliation Bill signed on July 4, 2025. As of 2027, the pre-tax limit amount will be indexed. If employers also provide a tuition assistance plan under Section 127, combined payments for tuition assistance and loan repayment may not exceed the annual limit (currently \$5,250). 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. FloresHR 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, via the FloresHR mobile app, by mail, or by 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.