

IDR Comparison Chart

Please see important information on the following slides!

	PAYE Pay As You Earn	“New” IBR Income Based Repayment	SAVE Saving on a Valuable Education
Payment calculation	10% of DI; capped at original Standard 10 year payment	10% of DI; capped at original Standard 10 year payment	10% of DI; weighted average if borrower has both graduate and undergraduate loans; no payment cap
Repayment term	Up to 20 years	Up to 20 years	Up to 25 years for graduate school borrowers
Spousal income	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	YES 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	NO	YES, when borrower no longer shows PFH (when they hit payment cap) or moves to another IDR	NO

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PLEASE NOTE!

- **Saving on a Valuable Education (SAVE) replaces Revised Pay As You Earn (REPAYE)**
 - Borrowers previously in REPAYE are automatically moved to SAVE
- **DI (discretionary income) is how much AGI exceeds 150% of the poverty line for PAYE and IBR, and 225% of the poverty line for SAVE**
 - **SAVE has lower payments since more income is protected**
- **Income Based Repayment has different provisions based on when a borrower first started borrowing**
 - **“New” IBR is for first time borrowers as of July 1, 2014** (this is the plan referenced on the comparison chart)
 - **Older IBR is for borrowers prior to July 1, 2014**, and the payment calculation is 15% of DI with a 25 year repayment term

PLEASE NOTE!

- “New” IBR has the same provisions as PAYE with exception of interest capitalization as referenced in the comparison chart
- No new applications for PAYE effective July 1, 2024
 - Borrowers already in PAYE can stay in PAYE if they want
- “New” IBR not available to borrowers using SAVE after making 60 payments with SAVE
 - Borrower could start in SAVE for the subsidy then move to New IBR for payment cap, but would have to do so before 60 payments
- 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)*
- Partial Financial Hardship occurs when 10% of DI is lower than original Standard 10 year amount

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