



TIAA & Savi Student Debt Solution

August 2023

Student debt is one of the most significant challenges to financial wellness

46 million

Americans with student debt¹

\$1.7 trillion

Total student debt in America¹

1 in 4

young people dip into 401(k)s to pay off debt²

TIAA Student Debt survey results³

TIAA's survey shows that student loans have significant financial and emotional impact on those in the public service and nonprofit sectors. [Click here](#) to view full survey results.

36% said they would be unable to make their payments from either their take home pay or savings

60% had negative feelings toward student loans, describing their emotions as fearful, hopeless and frustrated

60% expected employers to help them with student loan debt, and 31% want help with federal relief programs

1. The Federal Reserve estimates that total student debt is \$1.7 trillion, and \$500 billion in new debt will be incurred over the next five years, according to a 2020 report from the Congressional Budget Office.
2. Merrill Lynch and Age Wave report.
3. TIAA 2021 Nonprofit Student Debt Survey: Nonprofit workers face a profound impact from COVID-19, November 2020.

Financial wellness has been further compromised by the impacts of the pandemic, but you can help

Many employees or their family members are facing

Reduced or frozen
compensation

Furloughs

Potential layoffs

Reductions in
employee benefits

They are looking to manage expenses wherever possible



In an environment where many organizations are reducing benefits to manage costs, you can offer your employees a new benefit that can potentially save them hundreds of dollars per month and thousands in loan forgiveness.

The student debt solution landscape



Federal Forgiveness Programs & Repayment Plans

- Helps borrowers navigate the complex Public Service Loan Forgiveness (PSLF) process
- Frequently the most impactful solution for employees of 501(c)3s



Workplace Benefits

- Direct payments against loans or reimbursements
- Abbott Private Letter Ruling model—retirement match while paying student debt



Loan Refinancing

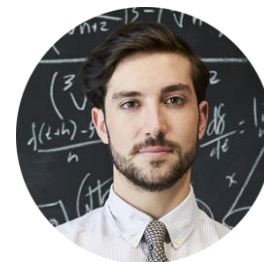
- Best for high interest loans
- Generally requires good credit or a co-signer

- PSLF provides the greatest financial benefit for employees at institutions like yours.
- PSLF can work with other student debt solutions, but care should be taken.
 - Solutions where the employer is paying a portion of the loan directly to the loan service must be carefully coordinated with PSLF.
 - Refinancing federal loans to private makes them irrevocably ineligible for PSLF.

Public Service Loan Forgiveness (PSLF)



PSLF was put in place to help public servants manage their student debt.



It combines an affordable monthly payment with forgiveness.

Step 1

Borrower enters into an income-driven repayment plan (IDR) that caps their monthly payment at a percentage of discretionary income.

Step 2

After 120 payments, the remainder of the loan's balance is forgiven tax free.

(Sounds simple, right?)

Public Service Loan Forgiveness (PSLF)– The details

This well-intentioned program was put in place over 10 years ago.
Some of the program rules are summarized below.



Employment

Program is for workers in 501(c)3 not-for-profits, government organizations, or select other not-for-profits.

Applicants must be working full time (30+ hrs/wk or as defined by employer).



Loan Type

Program applies to federal loans only. Borrowers must already have direct loans, or convert to direct loans to qualify.



Payment Plan

To be eligible, borrowers must be enrolled in a specific IDR plan: REPAYE, PAYE, IBR or ICR.



Payments

Borrowers must make 120 on-time monthly payments in the IDR (not necessarily consecutive or with same employer).



Complexity of program rules has made it very **difficult for borrowers to navigate**

Success rate for the borrowers successfully crossing the finish line unassisted was **2.16% since November 2020**¹

1. Hanson, Melanie. "Student Loan Forgiveness Statistics" EducationData.org, January 1, 2022, <https://educationdata.org/student-loan-forgiveness-statistics>.

Our solution: TIAA and Savi

The screenshot displays the TIAA ABC INSTITUTION website interface. At the top, the TIAA logo is on the left and 'ABC INSTITUTION' is on the right. A notification banner at the top reads: 'Take Action Now: You may be able to lower your student loan payment when payments resume. Savi can help you evaluate repayment plan options that will reduce your monthly payment now and determine your eligibility for loan forgiveness. Estimate your savings now to get your free assessment.' Below this, the main heading is 'Student debt relief is within your reach' with a subtext: 'Get on track for loan forgiveness and turn payments into retirement savings with the help of TIAA and Savi.' The central section is titled 'Let's check for savings' and includes a calculator icon. It asks users to 'First, provide some simple information to determine if Savi can help reduce your payments now and receive loan forgiveness later.' There are two input fields: 'Enter amount Your annual income' and 'Enter amount Your monthly loan payment'. A yellow button says 'Estimate your savings' and a link says 'Already registered?'. Below this, a section titled 'What could you do with the extra money?' features a central wallet icon with four arrows pointing to: 'Prepare for a rainy day' (house icon), 'Save for retirement' (piggy bank icon), 'Reduce your credit card debt' (credit card icon), and 'Take care of everyday expenses' (wrench and screwdriver icon). The bottom section is titled 'Join a webinar to hear how Savi works' and includes a laptop icon. It says: 'Discover the latest student loan policy updates, review repayment and forgiveness options, and get your questions answered live.' A yellow button says 'Register now'.

Working with social impact technology startup Savi, we help borrowers:

- Understand and evaluate their options
- Lower their monthly payments for immediate relief
- Enroll in a forgiveness program that can provide significant relief after a number of years

How does it work?

Employees and immediate family members have access to the following services

1. Complete a free assessment to see whether they qualify for an income-based repayment plan and a forgiveness program

The screenshot shows a web interface for 'Select' with a 98% progress bar. A green message says 'Congrats! You could be eligible for federal forgiveness.' Below this is a card for the 'Federal Loan Forgiveness Repayment Plan' (PAYE Plan) with a 'Select Plan' button. The card lists three benefits: 'Lowest Monthly Payment' (down arrow), 'Lowest Total Payment' (checkmark), and 'Fastest Repayment' (checkmark). The 'Monthly Payment' is \$121.96 (down arrow), 'Monthly Savings' is \$355.00 (up arrow, highlighted with a magnifying glass), and 'Projected Forgiveness' is \$50,000.00. A small text block explains that this is an income-based repayment plan offered by the US Department of Education, requiring a financial hardship to qualify and having a cap on maximum monthly payment. There are links for 'Repayment Plan Details' and 'Includes Public Service Loan Forgiveness'. At the bottom, it says 'See Other Plans (3 Total)'.

2. From there, employees have a choice; they can continue the application and filing process on their own or, for a low annual fee of \$60, they can enroll in Savi's Essential service.

Savi Essential

Helps borrowers avoid pitfalls and stay in compliance with PSLF rules for the duration.

- No paper forms to complete
- Personalized guidance from Savi's expert support team
- Savi administers the program's requirements: annual enrollment in the IDR, employer certifications, and e-filing
- Essential users experience a < 1% rejection rate on PSLF application
- Essential users may see more efficient processing of PSLF application due to elimination of errors and streamlined, digitized forms

Overall TIAA client results

Employees projected to have student loans¹
180,155

Savi Visitors (Unique)
95,537

Registered Users
29,338

Essential Users
15,749

Average Monthly Savings: **\$140/mo.**³

Average Forgiveness: **\$40K**³



Healthcare

Higher Ed /
Other

Employees projected to have student loans. ²	51,144	129,011
Savi Visitors (Unique)	58%	29%
Registered (Created Login)	37%	46%
Adopted Essential Service	63%	49%
Total Debt Managed	\$472.8M	\$672.2M
Average Monthly Savings ³	\$141	\$138
Average Projected Forgiveness ³	\$44K	\$52.6K

1. As of 5/31/23 there are a total of 857,880 employees at the 175 TIAA clients who have adopted Savi. According to research 21% participants in TIAA administered plans indicated that one of their short-term goals was to pay off student loans. Source: TIAA's 2020 Consumer Listening Tour – A Baseline Study, December 18, 2020.
2. Healthcare estimated total # of employees is 243,542. Higher Ed estimated total # of employees is 614,338.
3. As of 12/31/2022 based on Savi internal measurements.

Customer feedback



I was quite surprised by how much my repayment could be reduced. It led me to look at consolidating my loans with my wife, as well.

— Healthcare employee



I feel grateful and appreciative for the savings that my employer and TIAA brought to me.

— Healthcare employee



I basically could not retire until age 75. The forgiveness program could change this for me.

— Healthcare employee



The benefits here are amazing. My university really is a good employer. So I mean, this piles on to my already favorable opinion of them.

— Higher ed employee



I was already working toward forgiveness, but found new savings. My monthly payment went from \$360 to \$150—a reduction by more than half!

— Higher ed employee



Thank you for all of your help. This has been a blessing. I no longer feel alone and stressed about my student loan debt.

— Higher ed employee

Source: Savi Solutions, PBC. Results experienced may not be typical of all Savi users. Individual results will vary.

Client-friendly deployment model

01

Launch options



02

No IT setup required



Webinars

03

4-week launch period



Call Center Support

04

Savi Account Manager for launch and ongoing assistance

05

Client or TIAA distributes communications¹ channels and frequency



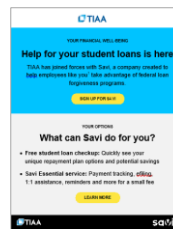
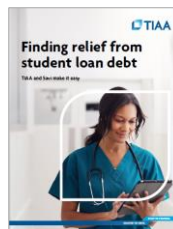
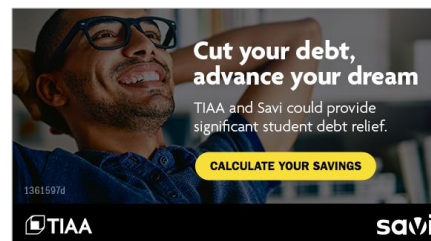
Client Dashboard

Savi Essential fee:

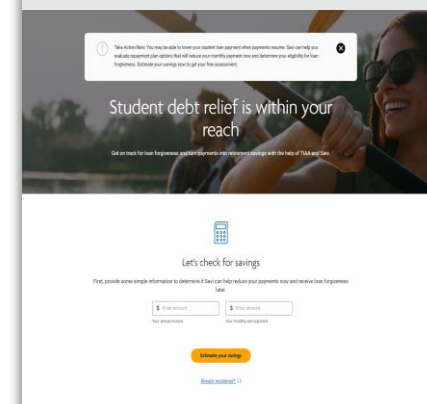
- Employee pays fee
 - No agreement required
- Employer pays fee
 - Employer agreement required
 - Flexible option
 - Greater engagement

Employee tool kit:

- Flyer
- Quick Start Guide
- Email
- Benefits site web copy
- New hire slide
- Newsletter article
- Social posts
- Banner
- FAQs



Co-branded Website



1. Clients may sign a waiver to allow TIAA to distribute communications related to Savi.

TIAA and Savi student debt solution helps employees gain financial control

As we begin to emerge from the challenges of the pandemic, you can bring employees the good news of a solution to help them get back on track with their finances



Employee Benefits

- Decrease monthly payments through an income-driven repayment plan
- Be eligible for tax-free forgiveness after 120 payments
- Experience reduced stress and anxiety
- Be able to put monthly savings toward other financial goals, e.g., emergency fund, retirement savings, credit card debt reduction, home down payment

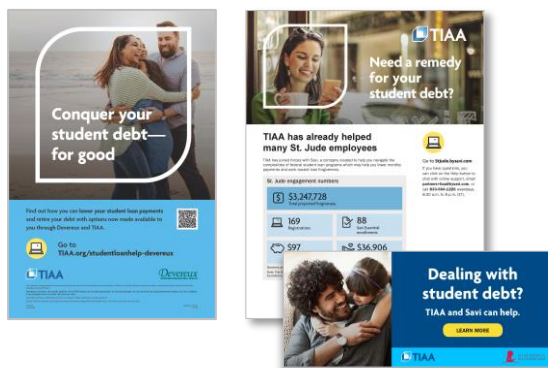


Employer Benefits

- Provide employees with a new benefit for no or low cost
- Enjoy an easy implementation
- May experience increased employee retirement plan participation
- Attract new employees with a popular and relevant benefit
- Increase employee focus and retention

Provide meaningful financial wellness solutions by reducing the burden of student debt

- Offer easy-to-use services that help employees navigate complex relief programs
- Help employees lower monthly payments for student loans through income-driven repayment plans



83% percent of healthcare workers with debt said that they'd be more likely to accept a job that offered student loan repayment benefits/education, and **78%** said they would commit to staying in that role for at least 3 years¹

Success in action: Projected loan forgiveness for Boston Medical Center (BMC) employees:²

\$120

average per month saved per employee

\$72,598

average loan forgiveness per employee

39.2M

overall student debt eliminated

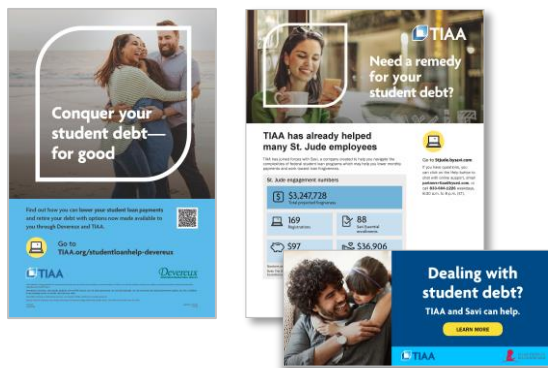
“ TIAA and Savi understand the Public Service Loan Forgiveness program and how it works at our institution. The one-on-one advice really helps people to make that decision to move forward. People are excited about the program and encourage their colleagues to sign up. ”

Kerry Ryan, Benefits Director at BMC

1. “The Missing Benefit in Financial Wellness.” Commonbond 2018. A survey of 365 workers in the healthcare and pharmaceutical industries.
 2. Savi Solutions PBC, as of 6/8/23. These estimates may not be typical of all participants.

Provide meaningful financial wellness solutions by reducing the burden of student debt

- Offer easy-to-use services that help employees navigate complex relief programs
- Help employees lower monthly payments for student loans through income-driven repayment plans



In a recent TIAA survey:

79% of respondents made life decisions or career plans based on student loan debt

24% have more than \$100,000 in debt

57% have at least \$50,000 in debt¹

Success in action: Projected loan forgiveness for University of Kentucky employees:²

\$86

average per month saved per employee

\$47,356

average loan forgiveness per employee

\$28.3M

overall student debt eliminated

“ It was a no-brainer, really. We saw the need to do this—everyone saw the possibilities, so we didn’t have to do a lot of persuading. And TIAA and Savi have been very responsive and very proactive to work with. ”

Richard Amos, Chief Benefits Officer with the University of Kentucky

1. TIAA 2021 Nonprofit Student Debt Survey, November 2021.
 2. Savi Solutions PBC, as of 6/8/23 These estimates may not be typical of all participants.



Savi and TIAA are independent entities. A portion of any fee charged by Savi is shared with TIAA to offset marketing costs for the program. In addition, TIAA has a minority ownership interest in Savi. TIAA makes no representations regarding the accuracy or completeness of any information provided by Savi. TIAA does not provide tax or legal advice. Please contact your personal tax or legal adviser.

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TIAA.org

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Appendix

The added benefit of Savi Essential

Some employers choose to subsidize the \$60/year Essential fee for their employees to further enhance this unique employee benefit, here's why:

For Employees

Access to Savi's expert support team for personalized guidance

Savi helps navigate the complexities of the process by handling all of the administration, filing, monitoring and annual re-certification, giving Essential users peace of mind

Essential users have a 99% success rate¹ with their PSLF applications compared to only 2.1% rate for borrowers who apply on their own²

Employees who use Savi Essential may see more efficient processing of PSLF application due to elimination of errors and streamlined, digitized applications

For Employers

Provides a valuable benefit to recruit and retain talent

Savi automates and digitizes forms reducing the administrative burden for benefits staff of manually processing paper forms, freeing them up to provide greater value services to employees

Helps employees remove barrier to saving for long-term financial goals like retirement

Reducing employee anxiety and stress over their personal finances can improve employee focus and productivity

1. Savi Solutions PBC, as of 12/31/21.

2. Public Service Loan Forgiveness Data, US Department of Education, October 2021.

Sample healthcare scenarios



Thomas, Nurse

Debt: \$100K

Salary: \$65K

Can save: \$606/mo.

Forgiveness: \$83,391



James, Doctor

Debt: \$250K

Salary: \$150K

Can save: \$1,378/mo.

Forgiveness: \$207K



Elizabeth, Doctor

Debt: \$100K

Salary: \$300K

No savings

Refi candidate



Evie, Nurse

Debt: \$50K

Salary: \$90K

Can save: \$267/mo.

Forgiveness: \$15,916



Callie, Doctor

Debt: \$200K

Salary: \$200K

Can save: \$468/mo.

Forgiveness: \$107K



Assumptions:

- A family of two
- Has been making student debt payments for 4 years while working at a nonprofit

Sample higher ed scenarios



Gabby, Administrator
Debt: \$120K
Salary: \$45K
Can save: \$1,024/mo.
Forgiveness: \$132K



John, Adjunct
Debt: \$65K
Salary: \$34K
Can save: \$551/mo.
Forgiveness: \$78K



Ella, Professor
Debt: \$90K
Salary: \$140K
Can save: \$92/mo.
Forgiveness: \$5K



Jim, TA
Debt: \$40K
Salary: \$16.9K
Can save: \$415/mo.
Forgiveness: \$49K



Sally, Asst. Professor
Debt: \$100K
Salary: \$82K
Can save: \$510/mo.
Forgiveness: \$70K



Assumptions:

- A family of two
- Has been making student debt payments for 4 years while working at a nonprofit

Frequently Asked Questions

1. Why has TIAA created a student debt solution?

TIAA knows that student debt is a major pain point for institutions' employees. We are committed to helping your employees improve their financial wellness across a range of financial needs, and have spent extensive time exploring student loan solutions. We found a partner whose mission and ideals align with our own to offer this service.

2. How does this service work?

Employees answer a few questions through the free calculator, and the software determines their repayment options, whether they qualify for any loan forgiveness program and what their potential savings could be. The algorithm takes into account an individual's situation and suggests a solution that best fits their needs. If someone decides to engage in the Savi Essential service, Savi can help them enroll digitally so they don't have to worry about complicated paperwork. Savi employees are not financial advisors, but their goal is to help your employees make the best decision for their personal situation and to guide them through a complex program.

3. How do I know if my employees will qualify?

There are several criteria that determine eligibility. These include:

- **Employment:** Works for a 501(c)3 nonprofit, government organization, or select other not-for-profit full time (30+ hrs/wk).
- **Loan type:** Direct loans, and other federal loans if first consolidated to direct loans.
- **Payment plan:** The four income-driven repayment plans (plus the 10-year standard repayment plan) count toward PSLF. These are REPAYE, PAYE, IBR and ICR.
- **Payments:** 120 on-time monthly payments (not necessarily consecutive).

To add complexity, there's a formula that takes into account student debt balance, salary, number of dependents, marital and tax filing status, and other criteria in order to enroll someone in one of the income-driven repayment plans. High wage earners may not see a benefit to enrolling in an income-based repayment plan.

Frequently Asked Questions

4. How do income-driven repayment plans work?

Income-driven repayment (IDR) plans are intended to make payments affordable by taking income, family size and other criteria into account.

5. I've heard that 99.9% of borrowers are rejected from forgiveness. How does this service help?

The tool is designed to help people navigate the complex process of applying for forgiveness. The free tool can help them select the best repayment plan and forgiveness program for their situation. There's an optional fee-based service to administer the annual paperwork that helps people stay in compliance with the program through to forgiveness.

6. How will my employees learn about the offer?

TIAA developed a toolkit of marketing materials to help you communicate the offer to your employees. The toolkit includes a flyer, social media posts, newsletter articles and more so you can communicate information in whatever way works for you and your employees. You may also want to have an educational webinar with employees.

7. What support will be available?

Savi are experts on forgiveness programs and repayment plans, and look forward to answering any questions from you or your employees. They will provide ongoing chat, phone and email support.

8. Who can employees contact with questions?

If an employee has questions, they can email partners+tiaa@bysavi.com or call 833-945-0654 weekdays from 9:00 a.m. - 8:00 p.m. (ET).

9. What information will be reported to the employer?

We will report on your employees' aggregate data such as how many employees are using the free tool and the paid service, the average amount people can save by enrolling in an income-driven repayment plan, and the average expected forgiveness amount.

Frequently Asked Questions

10. How is employees' sensitive data protected?

Savi engaged in a rigorous review of their data privacy and security procedures with TIAA. You can read their Privacy Policy here: <https://www.bysavi.com/privacy>.

11. What information do employees need to use the tool?

Employees will enter basic personal information, tax information, and will sync their student loans. They should also have the following on hand:

- Their Social Security number, e.g., 123-45-6789
- The first page of their most recent tax transcript or tax return. A tax transcript is a summary of their recent tax filings that can be [requested from the IRS](#).
- Logins to any loan servicers (e.g., Navient, Nelnet, Great Lakes). Their login information includes their username or email, password, and anything else required to log in to their student loan servicer's website. Their student loan servicer website is where they go to make payments on their student loans.

