

MEMORANDUM OF UNDERSTANDING
COUNTING "HOURS WORKED" WITH REGARDS TO APPLICATIONS TO THE
PUBLIC SERVICE LOAN FORGIVENESS (PSLF) PROGRAM

This **MEMORANDUM OF UNDERSTANDING** ("MOU") is entered into by and between the Santa Monica Community College District ("District") and Santa Monica College Faculty Association ("FA") as of September 12, 2017.

WHEREAS, the Federal Government has implemented a program named the Public Service Loan Forgiveness ("PSLF") program¹ to help relieve the burden of student debt for qualified applicants; and

WHEREAS, qualified applicants must document working thirty or more hours a week for appropriate governmental and not-for-profit employers, of which the District is one; and

WHEREAS, federal agencies have acknowledged that counting only the hours that instructional faculty members spend in the classroom severely undercounts "hours worked" by such faculty members²; and

WHEREAS, the Internal Revenue Service ("IRS") has issued guidelines as to how hours of service should be calculated in the context of the Affordable Care Act³; and

WHEREAS, the usage of the IRS guidelines will result in no financial cost to the District while at the same time potentially helping many faculty members be eligible to apply for the PSLF program.

NOW, THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

1. Full-time faculty members will continue to be certified to meet the minimum hours (currently 30 hours per week) required to be considered working full-time under the PSLF program.
2. Part-time faculty members with instructional assignments shall calculate "hours worked" using the IRS "Safe Harbor" rules, where each LHE in class counts as 2.25 hours of service, and time spent performing office hours shall be counted hour for hour with no adjustment factor.
3. Part-time faculty members with non-instructional assignments (including reassigned time and hourly task assignments) shall calculate "hours worked" using the IRS reasonable standard, counting each paid hour as 1.00 hours of service.
4. Full-time faculty members with reduced load assignments shall have their hours of service calculated as if they were part-time faculty members.

5. The FA will create, share and maintain an online "PSLF Hours of Service Calculator"⁴ that performs the above calculations when hourly faculty assignments are entered.
6. Part-time faculty members and full-time faculty members on reduced load requesting verification of hours worked from Human Resources for the purpose of the PSLF program shall utilize the PSLF Hours of Service Calculator and generate a printout of their entries and the resulting calculations. This printout shall be attached to the federal PSLF application form⁵ that is submitted to Human Resources for verification.
7. This MOU applies only to the PSLF program and shall not apply to the calculation of compensation or benefits under the collective bargaining agreement between the parties.

IN WITNESS WHEREOF, the parties have hereunto set their hand by their respective representatives as of the date first set forth above.

THE DISTRICT

FA



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1. Public Service Loan Forgiveness Program: <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>
 2. American Association of Community Colleges member memorandum: http://www.aacc.nche.edu/Advocacy/AdvocacyNews/Documents/ACAMMemberMemoFeb20_Final.pdf
 3. IRS Guidelines for ACA: <https://www.federalregister.gov/documents/2014/02/12/2014-03082/shared-responsibility-for-employers-regarding-health-coverage>
 4. PSLF Hours of Service Calculator webpage: <https://sites.google.com/view/smcfa/miscellaneous/public-service-loan-forgiveness-calculator>
 5. PSLF Application Form: <https://studentaid.ed.gov/sa/sites/default/files/public-service-employment-certification-form.pdf>