



HOW TO[®]

Obtain an Employment Cancellation

Are you planning a career in teaching or in law enforcement? Are you thinking of being a social worker? Are you planning to be a nurse or medical technician? You can receive cancellation of your Perkins Loan for work in these and other specified fields according to the terms of your promissory note!

One of the hallmarks of the Perkins Student Loan is the **employment cancellation benefit**. Depending upon your employment or the type of service you perform, it can provide you a partial to full cancellation of your loan. The most common fields that qualify a Perkins borrower are teaching in a Title I school, working in law enforcement, working for a non-profit child and family services agency, or being a nurse or medical technician.

Filing for employment cancellation benefits is done yearly through a simple two-step process:

- ▶ **STEP 1:** File a certified *Employment Deferment Form* upon securing full-time employment in a qualifying field. This is typically done during the first month of your work. The purpose of this certification is to notify your lender that you are working in a field eligible for employment cancellation. After receiving the employment deferment certification from you, your lender defers your Perkins Loan ensuring that you will not receive any billing statements for the next twelve months.
- ▶ **STEP 2:** File a certified *Employment Cancellation Form* after you have completed one full year of work. Upon receipt of this certification your lender cancels a specified percentage of your original loan balance.

For those who work in child and family services, a certification of your work and your agency's non-profit status must accompany your first employment deferment. This is required because of the multitude of agencies out there that may not be immediately recognized by your lender as a qualified non-profit agency.

The schedule of cancellations for most types of qualifying employment or services is, as follows:

- Year one - 15%
- Year two - 15%
- Year three - 20%
- Year four - 20%
- Year five - 30%

Once you file an employment cancellation, the cycle of your employment year is set. For example, if you file a deferment for January to December, your next deferment will be for January to December of the next year and you will file your cancellations each December.

Please note that you will not be reminded to file your deferment at the beginning of each year of work, nor reminded to file your cancellation at the end of each year of work. In most cases, however, you will be able to file the cancellation for the year you have completed, as well as the deferment for the year you are about to begin at the same time, on the same form. Only teachers working in a traditional school year, i.e., September to June, must file a deferment in September, and a separate cancellation in June. This is because of the three month gap between the end of one employment year and the beginning of the next employment year.

If you meet the criteria for eligibility for employment cancellation of your Perkins Loan, contact UCLA's billing service **Affiliated Computer Services, Inc. (ACS)** by calling (866) 575-4517 or by accessing the web at www.acs-education.com; or you may contact the **UCLA Collection Office** at (310) 794-2812 to obtain the certification forms.

Certain types of employment and service only qualify for partial cancellation of up to 70% of the loan. The type of work you are doing will determine which cancellation schedule is applicable.

Finally, other types of *university* loans provide cancellation for employment in certain areas or fields according to a specified schedule. This may be a full or partial cancellation. Knowing your rights under the terms of your loans so that you do not miss this important benefit is crucial. Any payment that you make at a time when you were eligible for cancellation will not be refunded by the lender.

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