

**Coalition to Improve LIPP
Proposed Changes
Ratified February 27, 2017**

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Participant Contribution Scale

Current Policy:

1. Participants making \$47,000 or less pay \$0 in annual loan repayments.
2. Participants making \$47,000-\$53,000 pay 20% of their income over \$47,000.
3. Participants making \$53,000-\$125,000 pay \$1,200 + 40% of their income over \$53,000.
4. Participants making \$125,000 and above pay \$30,000 + 80% of income over \$125,000.

Proposed Policy:

1. Participants making \$60,000 or less pay \$0 in annual loan repayments.
2. Participants making \$60,000-\$80,000 pay 30% of their income over \$60,000.
3. Participants making \$80,000-\$125,000 pay \$6,000 + 40% of their income over \$80,000.
4. Participants making \$125,000 and above pay \$24,000 + 60% of their income over \$125,000.

Family, Medical, and Parental Leave

Current Policy:

1. LIPP participants who receive employer approved parental leave are entitled to six months of LIPP assistance.
2. To be eligible during this period of time, the graduate must be on a formal leave.
3. To be eligible during this period of time, the graduate must be returning to the same employer at the end of the leave.
4. LIPP eligibility and contribution rates are calculated as if the graduate were working full-time during this period.

Proposed policy:

1. LIPP participants who have a new child; who experience a personal medical condition that prevents them from working; or who seek to care for an elderly or sick relative are entitled to six months of LIPP assistance for each such event.
2. To be eligible for this assistance, the graduate need not be on a formal leave. Rather, the graduate must have worked at a LIPP-eligible position immediately before taking leave; the graduate must also work at a LIPP-eligible position immediately after taking leave.
3. LIPP eligibility and participant contribution will be calculated based on the graduate's actual income during the leave period.
 1. If the graduate is on paid leave but is paid a lower salary during this paid leave, LIPP assistance should be determined based on this lower amount.
 2. If the graduate is on unpaid leave or is in between jobs, the graduate will be understood to have \$0 in income.

Transition Time/Leaves of Absence

Current Policy:

1. Participants are eligible for a total of 8 weeks of LIPP assistance during their entire time in LIPP for periods of transition between two LIPP-eligible positions or for a leave of absence.
2. The assistance provided during the transition is calculated using the higher of the two incomes surrounding the break in employment.

Proposed policy:

1. All LIPP participants are eligible for a “base” of 12 weeks of LIPP assistance for periods of transition between two LIPP eligible positions or for a leave of absence.
2. For every six months that a participant remains in LIPP, i.e. for every LIPP distribution cycle, that participant will ‘earn’ an additional two weeks of transition time LIPP assistance, provided that a participant cannot use more than three months of transition time LIPP assistance at any one time.
3. During a transition time, participant contribution will be calculated based on the graduate’s actual income during the break in employment.

Dependent Care

Current Policy:

1. A dependent care allowance, consisting of \$6,000 for the first dependent, \$3,600 for each additional dependent, and reasonable expenses incurred from childcare, will be subtracted from the income to determine the adjusted income for a participant.
2. The allowance is capped at 10% of the household income per child.

Proposed policy/demand:

1. A dependent care allowance, consisting of \$8,000 per child, will be subtracted from the income to determine the adjusted income for a participant.
2. In addition, for each child, a childcare expenses allowance of \$20,000 or 10% of household income, whichever is greater, will be subtracted from income to determine the adjusted income for a participant.

Eligible Borrowing

Current Policy:

1. Up to \$30,000 of combined undergraduate debt and debt incurred while pursuing an eligible joint degree with another Harvard graduate school is eligible for LIPP coverage.

Proposed Policy:

1. All undergraduate debt is eligible for LIPP coverage.
2. In addition, \$30,000 of debt incurred while pursuing an eligible joint degree with another Harvard graduate school is also eligible for LIPP coverage.

Retirement Savings

Current Policy:

1. Assets are considered in determining the amount of a LIPP subsidy for which a participant is eligible. Graduates will receive an asset protection allowance of \$10,000 at graduation, with an additional \$10,000 for each subsequent year employed, and \$10,000 for each full year employed between college and law school.
2. In addition, we protect 50% of the vested retirement account reported by participants.

Proposed Policy:

1. Assets are considered in determining the amount of a LIPP subsidy for which a participant is eligible. Graduates will receive an asset protection allowance of \$10,000 at graduation, with an additional \$10,000 for each subsequent year employed, and \$10,000 for each full year employed between college and law school.
2. In addition, we protect 100% of the participants' retirement savings that are in protected retirement accounts.

Part-Time Work

Current Policy:

1. LIPP covers part-time work for graduates with children not yet of age to enter ninth grade.
2. For purposes of eligibility and contribution rates, the graduate's full-time salary equivalent is considered.

Proposed Policy:

1. LIPP will cover part-time work for all graduates.
2. For purposes of LIPP eligibility and contribution rates, the graduate's full-time salary equivalent is generally considered.
3. In cases where a graduate is compelled to work part-time -- i.e. for medical reasons or because the graduate was involuntarily moved from full-time to part-time work -- the graduate's participant contribution will be calculated based on that graduate's actual income while working part-time.

Clerkships

Current Policy:

1. Should a graduate fail to maintain eligibility for LIPP assistance after a clerkship, the LIPP clerkship loan will become immediately repayable with interest compounded over the clerkship year capitalized.

Proposed Policy:

1. Should a graduate fail to maintain eligibility for LIPP assistance after a clerkship, the LIPP clerkship loan will become fully or partially repayable based on the amount by which the graduate's salary exceeds that graduate's LIPP eligibility.