

Post-graduate Debt Repayment Assistance (PGDRA) Pilot Program Handbook

(subject to periodic correction and revision: please consult
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A. Program Overview

The Post-graduation Debt Repayment Assistance program (PGDRA) is intended to help Allard Law JD students and recent graduates make career choices that are free from debt-induced pressure. PGDRA provides support for recent graduates who demonstrate need in repaying loans incurred to support their law degree. Applicants qualify for a PGDRA benefit based on a needs assessment that considers individual circumstances, including income, debt load,* cost of living and family size.

PGDRA benefits are interest-free UBC loans that cover the costs of annual educational loan repayments (principal and interest) when an individual can't afford to, for up to ten years after graduation. The interest-free UBC loan is only repayable once a recent graduate can afford to pay it back based on the annual PGDRA needs assessment. In addition, ten percent of the UBC loan is forgiven each year an applicant qualifies for a PGDRA benefit, for a maximum of ten years. (While most graduates will qualify for a PGDRA benefit for no more than 5 years, in rare cases where a recent graduate remains in the program for ten years, all of their UBC loan will be forgiven.)

*up to the maximum amount for commercial professional student lines of credit listed below in Section C.1 – How Benefits Are Calculated?

Student financial aid

The PGDRA program is intended to supplement existing financial aid supports available to students while in law school, including government student loan programs and bursary support. **Students interested in how the PGDRA program may benefit them should take the time to become fully informed about all funding options to help pay for their legal education.**

In particular, students considering reliance on commercial professional student lines of credit alone, without application to a government student loan program and to the UBC bursary program, are strongly advised to speak to a Student Financial Aid representative for further information. This includes students who are not eligible for government student loan funding at any point while in law school due to reaching the Maximum Lifetime Limit.

PGDRA Pilot Principles and Objectives

The PGDRA program is a pilot initiative that seeks to address the adverse implications of the debt loads required of some students to fund their legal education, including in particular the effect of steering career choices away from areas that increase access to justice, both during and after law school. In addition, the PGDRA pilot may also help increase the recruitment of debt-averse populations to the JD program.

Student debt, through both government loans and professional student lines of credit, is a permanent feature of funding legal education for the majority of JD students, which no foreseeable financial future could eliminate or substantially reduce. Based on a data-informed model, the PGDRA pilot recognizes that most law students are easily able to manage debt repayment obligations from law school after

graduation, given overall salary norms within the professional field. However, the data also confirms that there is significant range and variation within these norms, and what may be a manageable debt load in some contexts is unmanageable in others. The aim of the PGDRA pilot is to supplement the existing approach of targeting financial aid to students most in need while in law school with a program that provides a backstop for students who go on to use their legal education to contribute to society but whose early career choices make an otherwise reasonable debt load unreasonably burdensome.

With these objectives in mind, the PGDRA pilot was developed based on the following principles:

- Benefit recipients should be using their legal education to contribute to society.
- The benefit should consider both government and commercial debt repayment obligations from law school (the latter within reasonable thresholds).
- Any debt obligation remains the student/graduate's sole and exclusive responsibility; the benefit is in the form of assistance towards an individual's debt repayment obligations.
- Expectations of students and graduates should be clear and transparent (i.e., regarding application, paperwork, eligibility, participation, etc).
- The program should be developed and maintained based on a data-informed model.
- The program design should be as economical and as simple to administer as possible.
- The program should be financially feasible and sustainable.

The Allard School of Law will continue to assess the PGDRA pilot program based on these principles and on an annual review of program information.

Program cancellation or modification

The Allard School of Law may cancel or modify the PGDRA program at any time. Recent graduates receiving a benefit for the year in which the program is cancelled may apply for two further PGDRA application cycles. All recent graduates who have received a PGDRA benefit and have PGDRA loan amounts still owing will be required to continue to repay these. PGDRA loan agreements already issued will remain in effect.

Changes to the PGDRA eligibility criteria and any other changes to the administration of PGDRA will be applied to both new and returning applicants once in effect, but will not be applied retroactively.

B. Eligibility

1. General

The PGDRA program is available to JD graduates of the Class of 2020 and onward; those who graduated prior to 2020 are not eligible to apply.

To be eligible, recent graduates must:

- have Canadian federal and/or provincial student loan amounts in active repayment, and/or outstanding commercial professional student line of credit amounts borrowed from a Canadian financial institution and repayable in Canadian dollars, both from the law school enrolment period;
- be able to demonstrate financial need using the **PGDRA needs-assessment criteria** (see below, Section C);
- be working full-time (i.e., 30+ hrs./week, including self-employed and/or contract) with the following exceptions: individuals who claim a disability on their income tax return; individuals who are on maternity/parental leave; or individuals returning to school to pursue further legal education—see Special Circumstances below;
- be working as a practicing lawyer *OR* a non-practicing lawyer in a law-related field *OR* in a role for which a law degree is a requirement or preference (e.g., education, policy or advocacy work) *OR* as an articling student or judicial clerk (any one of which will be considered to be a “**Law-related Position**”), with the exception of individuals who claim a disability on their income tax return;
- reside and be working in Canada;
- apply for any student loan repayment assistance programs for which they are eligible, including the student loan Repayment Assistance Program;
- apply to the PGDR program annually, while providing all necessary documentation and further documentation as requested; and
- have cleared all amounts owed to UBC.

In addition, recent graduates who have received a PGDRA benefit **must** submit an application during the application cycle in the year immediately following the year in which they receive a PGDRA benefit in order to determine over- or underpayment, even if they do not expect to qualify again for a PGDRA benefit. For more on over- and underpayment, see Section D.4 below.

2. Eligibility period

The **Eligibility Period** for applying to the PGDRA program is comprised of no more than 10 consecutive annual PGDRA application cycles beginning with the application cycle in the year immediately following the year in which UBC grants an individual a JD degree (i.e., the year of their graduation). For clarity, e.g.:

Completion date of JD degree requirements	Date of degree conferral (graduation)	First year eligible to apply to PGDRA	Last year eligible to apply to PGDRA
April 2020	May 2020	2021	2030
August 2020	November 2020	2021	2030
December 2020	May 2021	2022	2031

Recent graduates may enter and re-enter the PGDRA program any time within the Eligibility Period for benefit eligibility assessment.

3. Ineligible JD admissions categories and programs

The program is available to recent graduates who began and completed their JD degree at UBC and who registered as domestic students for all three years of the JD program and paid tuition at the rates set for domestic JD students. Graduates who have obtained their JD degree through any of the following UBC JD degree options are **not** eligible for the PGDRA program in any part:

- JD students transferring into or out of the JD program at the Allard School of Law
- JD/MBA students at UBC
- JD students participating in any joint legal education arrangement through UBC, including the JD/LLM agreement with Melbourne Law School, the law degree partnership program with Tsinghua University, and the joint legal education agreement with the University of Hong Kong

4. Special circumstances

The following exceptions to the eligibility conditions identified above will be considered on a discretionary, case-by-case basis:

- **Disability:** persons who claim a disability on their income tax return may not be expected to work full time to be eligible and may not be expected to work in a Law-related Position. These individuals are required to apply for Repayment Assistance for Borrowers with a Permanent Disability (RAP-PD) and/or Severe Permanent Disability Benefit, which may reduce monthly payments or result in full loan forgiveness of government loans. Applicants who wish to claim an exception on these grounds must provide a T-2201 Disability Tax Credit Certificate, along with RAP-PD and/or Severe Permanent Disability Benefit documentation.
- **Maternity/parental leave:** Recent graduates on maternity/parental leave who have been working in a Law-related Position are eligible to apply, as long as the leave is no more than the maximum duration under the federal maternity/parental leave program. A Record of Employment is required for verification of leave status.
- **Graduate degree:** Individuals who return to school to pursue a graduate degree program in a law related field are eligible to apply. Proof of enrolment is required. However, they are expected to notify the National Student Loans Service Centre of their enrolment status in order to delay their loan repayment, and only their commercial line of credit amounts from their UBC JD degree will be eligible for the PGDRA program. Also, student or commercial loan amounts from a subsequent graduate degree program will NOT be covered or considered in the benefits calculation by the PGDRA program, should participants reapply to the PGDRA program after completing the graduate degree.

- **Self-employed (less than full-time):** Individuals who are self-employed in a Law-related Position on a part-time basis (other than those with a disability) may ask for discretionary consideration of their application. Applications must demonstrate that part-time status is temporary and non-voluntary (e.g., related to the process of building up a full-time practice).
- **Still looking for articles and/or Law-related Position:** Recent graduates who have not yet secured a Law-related Position by the time they are first eligible to apply for the PGDRA program (i.e., in the year following their graduating year, e.g., May 2021 for graduation in May 2020) may apply, as long as they are:
 - (a) working full-time (i.e., 30 hours or more a week, including self-employment or contract); and
 - (b) actively looking for a Law-related Position, as confirmed by the Allard School of Law's Career Services Office.

If individuals in this circumstance have not secured a Law-related Position by the time of the second PGDRA application cycle after the year of their graduation (e.g., May 2022 for the Class of 2020), they are no longer eligible to apply. However, if at any time within the ten-year period after graduation they obtain a Law-related Position, they would be eligible to apply.

NOTE: Recent graduates who have completed their articling requirement by the time they are first eligible to apply for the PGDRA program (i.e., in the year following their graduating year, e.g., May 2021 for graduation in May 2020), but who do not have confirmed employment at the time of application for the post-articling period and who remain unemployed for the duration of the application cycle (May 1-31) may apply. The PGDRA assessment will use an annualized articling salary figure. However, these applicants should be aware that if their post-articling income ends up being higher than their articling income, they may be assessed the following year for a PGDRA benefit overpayment. For details on overpayment, see Section D.4 below.

Discretionary review in these circumstances will be considered by an Allard Law PGDRA advisory committee; all decisions will be final.

5. Termination of benefits and disqualification from the program

Failure to meet any requirement of the PGDRA program or misrepresentation of any information provided to UBC will result in termination of any eligibility under the PGDRA program. Outstanding amounts must be paid back immediately upon termination and disqualification.

C. Determining PGDRA Benefit Amounts

1. How benefits are calculated

Students should not assume that all or any of their law school debt will be covered automatically by the PGDRA program after graduation. Students should understand what amounts may be covered under the PGDRA program before incurring debt. Students should also be aware that qualification for a PGDRA benefit depends on employment income, size of family and region of residence at the time of application.

The PGDRA benefit is calculated on a needs-based formula that takes into account income, cost of living and annual debt repayment obligations as follows:

Income: total expected gross family income (i.e., equivalent to what will be reported on Line 15000 of CRA Individual Tax and Benefit Form for applicant and partner, if applicable). Applicant income is adjusted for:

- **Estimated tax:** based on posted Canadian marginal tax rates (see, e.g., <http://www.ees-financial.com/img/uploads/Tax-Take-Home-Pay-Calculator-for-2019.htm>)
- **Childcare expenses:** [CRA maximum childcare deduction amounts](#)
- **Annual law society membership fee:** only if not paid by employer; does not include insurance.
- **Annual pre-law student loan debt obligations:** Canadian federal and/or provincial government student loans only, for post-secondary education undertaken prior to law school, to a maximum \$4,000 in annual repayment amounts.

NOTE: Expected income should include income from any and all current and confirmed employment, self-employment or contract work during the tax year (i.e., January – December) in which an application is made.

- **Post-articling income:** For recent graduates applying while completing articles (or equivalent) who do not have confirmed employment at the time of application for any of the post-articling period that falls within the tax year, the PGDRA assessment will use an annualized articling salary figure. These applicants should be aware that if their post-articling income ends up being higher than their articling income, they may be assessed the following year for an overpayment in PGDRA benefit.

Cost of living: [Statistics Canada Market Basket Measure \(MBM\)](#) for family size and geographical region (corresponding to permanent mailing address).

Annual debt repayment obligations: amount of repayment on principal and interest required annually based on the most recent loan agreement and repayment schedule at the time of application.

- **Commercial professional student line of credit:** maximum annual debt repayment obligation is capped at \$5,700, based on the estimated maximum total commercial professional student line of credit required for law school. Only amounts taken out while enrolled in the UBC JD program are eligible.

NOTE 1: Most commercial professional student line of credit products are converted to loans within a set period after graduation, requiring repayment of principal and interest over a fixed term. The PGDRA program will use the annual debt repayment obligations set out in the most recent loan agreement and repayment schedule at the time of application, regardless of the length of the term. In the case that the term extends past the Eligibility Period for the PGDRA program, no adjustment will be made to the Eligibility Period.

NOTE 2: Some commercial professional student line of credit products can be converted into personal lines of credit after graduation, with regular interest payments owing but no repayment of the principal required, and with the ability to borrow further amounts. If a recent graduate chooses this option (where available), the PGDRA program will calculate the annual debt repayment obligation based on *either* a ten-year amortization schedule for the amounts borrowed on the line of credit while enrolled in the JD program at UBC, *or* an amortization schedule with a term equivalent to the remainder of the Eligibility Period and for the amount borrowed on the line of credit at the time of application to the PGDRA program, whichever is *less*.

- **Government student loans:** only repayment amounts on Canadian federal and provincial student loans taken out while enrolled in the UBC JD program are eligible. Recent graduates who are eligible to apply for the government Repayment Assistance Program (RAP) or Repayment Assistance for Borrowers with a Permanent Disability (RAP-PD) are required to do so.

NOTE: No student and/or commercial loan amounts from any subsequent educational program be covered or considered in the benefits calculation by the PGDRA program (e.g., should participants reapply to the PGDRA program after completing a graduate degree).

This information is used as follows:

Total expected gross family income	+	\$
Tax adjustment	-	\$
Child care expenses	-	\$
Annual law society practice fee	-	\$
Pre-law annual government student loan debt obligations	-	\$ (max. \$4,000)
Total adjusted income	=	\$
Cost of living	-	\$
Total disposable income for law school debt obligation repayment	=	\$ (0 if negative)
Annual debt repayment obligations from law school – commercial	-	\$ (max. \$5,700)
Annual debt repayment obligations from law school – government	-	\$
Benefit Under/Overpayment from prior application	+/-	\$
Total benefit amount (if negative; if positive, no benefit amount)	=	\$

2. Allocation of PGDRA funds

UBC will allocate PGDRA funds among eligible applicants for each application year. If the available PGDRA funds do not cover all assessed need, UBC will establish a need threshold for benefit allocation. If assessed need is more than the threshold, the applicant will receive the amount of their assessed need minus the threshold amount. If the amount of assessed need is at or below the threshold, applicants will not receive any benefit. However, if an individual who has previously received a PGDRA benefit qualifies again for a PGDRA benefit but the assessed benefit amount falls below the threshold amount, they will not be required to begin repaying their interest-free UBC loan, and an additional 10% of that loan will be forgiven. They must still apply to the PGDRA program again the following year.

3. Benefit calculation examples

Example 1:

Single participant and first year in PGDRA, based in Vancouver

- Participant's total expected gross income of \$46,500 (post-articling position)
- No child care expenses
- Annual law society practice fee of \$2,260
- Total pre-law government loan debt of \$68,800 at 3.95% with an annual loan payment of \$4,298
- Cost of living of \$20,100, based on the MBM levels for Vancouver and a family size of 1
- Total government law school debt of \$32,000 at 3.95% with an annual loan payment of \$4,045
- Total commercial line of credit law school debt of \$47,800 at 4.45% with an annual loan payment of \$5,931

Total expected gross family income	+	\$46,500
Tax adjustment	-	\$6,539
Child care expenses	-	\$0
Annual law society practice fee	-	\$2,260
Pre-law annual government student loan debt obligations (max. \$4,000)*	-	\$4,000
Total adjusted income	=	\$33,701
Cost of living	-	\$20,100
Total disposable income for law school debt obligation repayment (0 if negative)	=	\$13,601
Annual debt repayment obligations from law school – commercial (max. \$5,700 per year)**	-	\$5,700
Annual debt repayment obligations from law school – government	-	\$8,697
Benefit Under/Overpayment from prior application	+/-	\$0
Total benefit amount (if negative; if positive, no benefit amount)	=	-\$796

*In this case, the participant can only claim the maximum amount of \$4,000 even though the annual debt repayment obligation is \$4,298

**In this case, the participant can only claim the maximum of \$5,700 per year even though the annual debt repayment obligation for the commercial line of credit is \$5,931 per year.

UBC will provide this participant with a forgivable loan in the amount of \$796. This amount is to be used to pay the monthly debt obligations on eligible law school related loans for a 12-month period. At the end of the year, 10% of the PGDRA loan will be forgiven in the amount of \$80. If after the first year of receiving a benefit the participant is no longer eligible to participate in the program, the participant will be required to repay the remaining \$716 (\$796 - \$80) loan balance back to UBC (see Section D below for repayment examples).

Example 2:

Married participant and first year in PGDRA, single income, one dependent, based in Vancouver

- Participant's total expected gross income of \$58,000 (post-articling position)
- No spousal income
- Child care expenses of \$6,000
- Annual law society practice fee of \$2,260
- No pre-law government loan
- Cost of living of \$34,813, based on the MBM levels for Vancouver and a family size of 3
- Total government law school debt of \$28,000 at 3.95% with an annual loan payment of \$3,540
- Total commercial line of credit law school debt of \$29,000 at 4.45% with an annual loan payment of \$3,598

Total expected gross family income	+	\$58,000
Tax adjustment	-	\$9,587
Child care expenses	-	\$6,000
Annual law society practice fee	-	\$2,260
Pre-law annual government student loan debt obligations (max. \$4,000)	-	\$0
Total adjusted income	=	\$40,153
Cost of living	-	\$34,813
Total disposable income for law school debt obligation repayment (0 if negative)	=	\$5,340
Annual debt repayment obligations from law school – commercial (max. \$5,700 per year)	-	\$3,598
Annual debt repayment obligations from law school – government	-	\$3,540
Benefit Under/Overpayment from prior application	+/-	\$0
Total benefit amount (if negative; if positive, no benefit amount)	=	-\$1,798

UBC will provide this participant with a forgivable loan in the amount of \$1,798. This amount is to be used to pay the monthly debt obligations on eligible law school related loans for a 12-month period. At the end of the year, 10% of the PGDRA loan will be forgiven in the amount of \$180. If after the first year of receiving a benefit the participant is no longer eligible to participate in the program, the participant will be required to repay the remaining \$1,618 (\$1,798 - \$180) loan balance back to UBC (see Section D below for repayment examples).

Example 3:

Married participant and first year in PGDRA, dual income, no dependents, based in Vancouver

- Participant's total expected gross income of \$50,000 (post-articling position)
- Spouse's total expected gross income of \$30,000
- No child care expenses
- Annual law society practice fee of \$2,260
- Total pre-law government loan debt of \$18,765 at 3.95% with an annual loan payment of \$2,372
- Cost of living of \$28,425, based on the MBM levels for Vancouver and a family size of 2
- Total government law school debt of \$58,000 at 3.95% with an annual loan payment of \$7,332
- Total commercial line of credit law school debt of \$49,930 at 4.45% with an annual loan payment of \$6,195

Total expected gross family income	+	\$80,000
Tax adjustment	-	\$10,715
Child care expenses	-	\$0
Annual law society practice fee	-	\$2,260
Pre-law annual government student loan debt obligations (max. \$4,000)	-	\$2,372
Total adjusted income	=	\$64,653
Cost of living	-	\$28,425
Total disposable income for law school debt obligation repayment (0 if negative)	=	\$36,228
Annual debt repayment obligations from law school – commercial (max. \$5,700 per year)*	-	\$5,700
Annual debt repayment obligations from law school – government	-	\$7,332
Benefit Under/Overpayment from prior application	+/-	\$0
Total benefit amount (if negative; if positive, no benefit amount)	=	\$23,196

*In this case, the participant can only claim the maximum of \$5,700 per year even though the annual debt repayment obligation for the commercial line of credit is \$6,195.

The participant will not qualify for a benefit based on the needs-based mechanism of the PGDRA program. In this case, the participant has sufficient total disposable income to meet their law school debt repayment obligations.

Example 4:

Married participant, single income, one dependent, based in Calgary, over the course of four years in the PGDRA program

- Participant’s total expected gross income of \$51,000 for three years (post-articling position)
- Participant’s total expected gross income of \$98,000 in the fourth year
- Child care expenses of \$4,500 per year
- Annual law society practice fee of \$2,260 per year
- No pre-law government loan
- Cost of living of \$34,820, based on the MBM levels for Calgary and a family size of 3
- Total government law school debt of \$36,000 at 3.95% with an annual loan payment of \$4,551
- Total commercial line of credit law school debt of \$19,125 at 4.45% with an annual loan payment of \$2,373

		Eligibility Year 1	Eligibility Year 2	Eligibility Year 3	Eligibility Year 4
Total expected gross family income	+	\$51,000	\$51,000	\$51,000	\$98,000
Tax adjustment	-	\$8,376	\$8,376	\$8,376	\$22,771
Child care expenses	-	\$4,500	\$4,500	\$4,500	\$4,500
Annual law society practice fee	-	\$2,260	\$2,260	\$2,260	\$2,260
Pre-law annual debt government student loan obligations (max. \$4,000)	-	\$0	\$0	\$0	\$0
Total adjusted income	=	\$35,864	\$35,864	\$35,864	\$68,469
Cost of living	-	\$34,820	\$34,820	\$34,820	\$34,820
Total disposable income for law school debt obligation repayment (0 if negative)	=	\$1,044	\$1,044	\$1,044	\$33,649
Annual debt repayment obligations from law school – commercial (max. \$5,700 per year)	-	\$2,373	\$2,373	\$2,373	\$2,373
Annual debt repayment obligations from law school – government	-	\$4,551	\$4,551	\$4,551	\$4,551
Benefit Under/Overpayment from prior application	+/-	\$0	\$0	\$0	\$0
Total benefit amount (if negative; if positive, no benefit amount)	=	-\$5,880	-\$5,880	-\$5,880	\$26,725

UBC will provide this participant with a forgivable loan in the amount of \$5,880 in year 1 of eligibility. This amount is to be used to pay the monthly debt obligations on eligible law school related loans for a twelve month period. At the end of the first year, 10% of the PGDRA loan will be forgiven in the amount of \$588, while the remaining \$5,292 (\$5,880 - \$588) will be carried forward to year 2.

In year 2, the participant is eligible for a \$5,880 PGDRA benefit. The \$5,292 carry-forward amount will be added to the benefit of \$5,880 (for a total of \$11,172); the forgiven amount for year 2 will be determined from this cumulative total. \$2,234 (20% of \$11,172) will be the forgiven amount for year 2. The remaining \$8,938 (\$11,172 - \$2,234) will be carried forward to year 3.

In year 3, the participant is eligible for another \$5,880 PGDRA benefit. The \$8,938 carry-forward amount will be added to the benefit of \$5,880 (for a total of \$14,818); the forgiven amount for year 3 will be determined from this cumulative total. \$4,445 (30% of \$14,818) will be forgiven amount for year 3. The remaining \$10,373 (\$14,818 - \$4,445) will be carried forward to year 4.

Since the participant is not eligible for any PGDRA benefit for year 4, as a result of high salary, the participant will be required to start paying back the remaining \$10,373 balance of the PGDRA loan (see Section D below for repayment examples).

D. Understanding How the PGDRA Benefit Works

1. PGDRA Loans

PGDRA benefits are **interest-free, incrementally forgivable loans (“PGDRA Loan”)** provided by UBC to eligible applicants towards the annual costs of their loan repayment obligations from law school. The PGDRA benefit does not repay student loans or commercial lines of credit directly, and all debt a student incurs during law school remains solely and exclusively that individual’s responsibility to repay after graduation.

PGDRA Loan amounts are not repayable as long as a recent graduate applies to and is eligible for a benefit under the PGDRA program.

Ten percent (10%) the total PGDRA Loan is forgiven each year a recent graduate applies to the program and is eligible for a PGDRA benefit. If an individual applies for and is eligible to receive a benefit amount for each of the ten years after graduation, the full PGDRA Loan amount will be forgiven. (Note that this is possible only for recent graduates who apply to and are eligible for a PGDRA benefit in the first application cycle in which they are eligible to apply (i.e., in the year immediately following the year of their graduation).)

If at any point within the ten years after graduation a PGDRA benefit recipient reapplies but does not qualify for a benefit, the total PGDRA loan amount from all previous years minus the forgiven amounts will become repayable according to the loan repayment schedule specified in the notification letter.

The following table details the PGDRA loan forgiveness schedule, to a maximum of ten years.

Years in PGDRA program	Percentage of PGDRA Loan Forgiven at Year End	Percentage of PGDRA Loan to be Repaid Upon Leaving Program
1	10%	90%
2	20%	80%
3	30%	70%
4	40%	60%
5	50%	50%
6	60%	40%
7	70%	30%
8	80%	20%
9	90%	10%
10	100%	0%

Note that whichever year an applicant first applies for and receives a PGDRA benefit is considered as Year 1 in the PGDRA program, regardless of how many years remain in their post-graduation Eligibility Period. If a recent graduate applies to the PGDRA program several years after graduation, the Eligibility Period remaining will be less than ten years. The maximum level of loan forgiveness possible is limited by the number of years remaining the Eligibility Period at the time when a recent graduate first applies

to the PGDRA program. The following illustrates this with an example of a recent graduate who applies for and receives a PGDRA benefit in Year 5 of the Eligibility Period (i.e., May 2025 for graduation in 2020) and remains in the program for all subsequent years of the Eligibility Period:

Years in Eligibility Period	Years in PGDRA program	Percentage of PGDRA Loan Forgiven at Year End	Percentage of PGDRA Loan to be Repaid Upon Leaving Program
1			
2			
3			
4			
5	1	10%	90%
6	2	20%	80%
7	3	30%	70%
8	4	40%	60%
9	5	50%	50%
10	6	60%	40%

If a participant leaves the PGDRA program and re-enters in a later year, their years in the program will continue consecutively from the last year in the program. For example:

Years in Eligibility Period	Years in PGDRA program	Percentage of PGDRA Loan Forgiven at Year End	Percentage of PGDRA Loan to be Repaid Upon Leaving Program
1	1	10%	90%
2	2	20%	80%
3	3	30%	70%
4	[repayment]		
5	[repayment]		
6	[repayment]		
7	[repayment]		
8	4	40%	60%
9	5	50%	50%
10	6	60%	40%

In this case, the percentage forgiven on re-entry into the PGDRA program will be on the amount loaned in the year of re-entry plus the total amount loaned previously (minus the intervening repayments).

2. PGDRA Loan forgiveness examples

The following are some examples of loan forgiveness and repayment scenarios:

Example 1

Years post-graduation	Opening PGDRA Loan Balance	PGDRA Loan Received	Amount of PGDRA Loan Forgiven	Repayment to the Faculty of Law	Outstanding PGDRA Loan
1	\$0	\$5,880	\$588	\$0	\$5,292
2	\$5,292	\$5,880	\$2,234	\$0	\$8,938

3	\$8,938	\$5,880	\$4,445	\$0	\$10,373
4	\$10,373	\$0	\$0	\$1,482	\$8,891
5	\$8,891	\$0	\$0	\$1,482	\$7,410
6	\$7,410	\$0	\$0	\$1,482	\$5,929
7	\$5,929	\$0	\$0	\$1,482	\$4,448
8	\$4,448	\$0	\$0	\$1,482	\$2,967
9	\$2,967	\$0	\$0	\$1,482	\$1,485
10	\$1,485	\$0	\$0	\$1,485	\$0

This participant receives progressively forgivable loans for the first three years of participation in the PGDRA program. At the end of Year 3, the participant has an outstanding PGDRA loan balance of \$10,373. If at the beginning of Year 4, the participant is no longer eligible to receive future loans as per the needs-based assessment mechanism of the PGDRA program, they will be required to repay the outstanding loan balance of \$10,373 back to UBC; in this case, equal payments of \$1,482 are made over the remaining seven years of the participant’s eligibility period in the program. In this case, the total forgiven portion the recipient receives is \$7,267.

Example 2

Years post-graduation	Opening PGDRA Loan Balance	PGDRA Loan Received	Amount of PGDRA Loan Forgiven	Repayment to the Faculty of Law	Outstanding PGDRA Loan
1	\$0	\$3,122	\$312	\$0	\$2,810
2	\$2,810	\$3,122	\$1,186	\$0	\$4,746
3	\$4,746	\$3,122	\$2,360	\$0	\$5,508
4	\$5,508	\$3,122	\$3,452	\$0	\$5,178
5	\$5,178	\$3,122	\$4,150	\$0	\$4,150
6	\$4,150	\$0	\$0	\$830	\$3,320
7	\$3,320	\$0	\$0	\$830	\$2,490
8	\$2,490	\$0	\$0	\$830	\$1,660
9	\$1,660	\$0	\$0	\$830	\$830
10	\$830	\$0	\$0	\$830	\$0

This participant receives progressively forgivable loans for the first five years of participation in the PGDRA program. At the end of Year 5, the participant has an outstanding PGDRA loan balance of \$4,150. If at the beginning of Year 6 the participant is no longer eligible to receive future loans as per the needs-based assessment mechanism of the PGDRA program, they will be required to repay the outstanding loan balance of \$4,150 back to UBC; in this case, equal payments of \$830 are made over the remaining five years of the participant’s eligibility period in the program. In this case, the total forgiven portion the recipient receives is \$11,460.

2. Notification of benefits

All applicants will receive a notification letter stating whether they qualify for a PGDRA benefit, the amount for which they are eligible (if any), the information used to calculate the benefit, and a benefits loan agreement. The notification letter will also include a summary of the amount of the benefit consisting of a UBC loan and the amount forgiven, with an anticipated repayment schedule for the loan amount if the recipient does not qualify again for a PGDRA benefit in future years.

3. Payment of benefits

For recent graduates who have applied to the PGDRA program and qualify for a benefit, subject to available PGDRA funding, the benefit will be paid out in one instalment on or around August 31 in the year of the application cycle, after UBC has received the signed PGDRA benefit loan agreement.

Participants are required to use their entire PGDRA benefit to pay their government student and commercial lines of credit for the current calendar year for which the benefit has been awarded. Proof of loan repayments will be required to remain eligible for future years.

4. Over- and underpayment

PGDRA benefits are calculated on expected annual income at the time of application. If actual annual income is greater or less than expected income, for either an applicant or their spouse/partner (as applicable), the PGDRA benefit may have been over or under assessed.

All recent graduates who receive a PGDRA benefit **must** submit an application during the application cycle in the year immediately following the year in which they receive a PGDRA benefit in order to determine over- or underpayment, even if they do not expect to qualify again for a PGDRA benefit. **Failure to reapply and submit all required documentation will result in cancellation of loan forgiveness for the previous year's PGDRA benefit assessment, with all remaining unforgiven UBC loan amounts entering into immediate repayment.** Applicants who applied in the previous year and met the eligibility criteria but did not qualify for a benefit based on assessment of the information provided at the time can choose to reapply and have the previous year's application reassessed based on confirmed income figures for that year.

Over/underassessment will be based on an applicant's income tax return, notice of assessment and employment T-4 forms (and their spouse/partner's, if applicable) from the tax year in which they applied to the PGDRA program and received a benefit. The total income (line 150 on Canadian income tax notices of assessment) on this assessment will be compared with the returning applicant's expected income on their previous PGDRA application. If the participant's total income is greater than the estimated income, the participant's previous year PGDRA benefits will be recalculated. If the recalculated PGDRA benefit is lower than the actual PGDRA benefit disbursed, the difference will be deducted from the current benefit year's payment (if any). In the case where the applicant has received an overpayment but does not requalify for a benefit, the original PGDRA benefit amount (i.e., the amount actually given to the individual based on their expected income at the time of application) will enter into repayment with the portion forgiven recalculated according to the confirmed annual income (i.e., the reassessment). If the participant's total income is less than the estimated income and the recalculated PGDRA benefit is higher than the actual PGDRA benefit disbursed, the participant will receive the additional benefit added to the current benefit year payment. If the participant received an underpayment but does not requalify for a benefit, they will not receive an additional benefit amount (i.e., in order to adjust the underpaid benefit amount retroactively). Instead, the original PGDRA benefit amount (i.e., the amount actually given to the individual based on their expected income at the time of application) will enter into repayment, but the forgiven portion will be based on the recalculated PGDRA benefit to account for the original underpayment.

5. Repayment of PGDRA loan amounts

The non-forgiven portion of PGDRA loan amounts provided to benefit recipients are not repayable so long as an individual applies to and remains eligible for a PGDRA benefit in subsequent years. Benefit recipients who no longer qualify for a PGDRA benefit, are required to start paying back the remaining balance of their PGDRA loan immediately, as specified in their notification letter. **The maximum repayment term is a participant's remaining eligibility period in the PGDRA.** The loan is interest-free and payments will be in equal annual instalments, due by **December 31** of each year for the length of the repayment term. Benefit recipients who are repaying their PGDRA loans can also pay down the entire amount owing in one lump-sum payment.

All repayments must be paid by cheque and mailed to UBC at the address below, noting "JD-PGDRA" on the envelope. Please make the cheque payable to *UBC – Peter A. Allard School of Law*, referencing your UBC JD student number and PGDRA Contract Number (from loan agreement) in the cheque memo line.

Cheque Payee: *UBC - Peter A. Allard School of Law*

Cheque Memo Line: *UBC Student Number and JD PG-DRA Contract Number*

Cheque Mail-In address:

JD Post Graduation Debt Relieve Assistance (JD-PGDRA)

Peter A. Allard School of Law

The University of British Columbia

1822 East Mall

Vancouver, BC Canada V6T 1Z1

Important Note: please do not follow options and instructions on UBC Student Services Paying Tuition webpage.

6. Failure to repay PGDRA loan amounts

Individuals in receipt of PGDRA loans are subject to the agreed upon repayment terms. Failure to comply with the agreed upon terms will allow UBC to proceed with legal options, which can include, but are not limited to: sending unpaid debts to an external collections agency; reporting to various credit bureau agencies, which can impact an individual's credit score; and terminating any current agreements under the PGDRA program.

UBC will make reasonable efforts to work with individuals who experience extenuating circumstances. Decisions are not appealable.

E. Application Process

1. Application form and deadline

The annual PGDRA application deadline is May 31, unless otherwise stated. An online application form will be available on the Allard Law website and will specify all required documentation for a given PGDRA application cycle. In general, applicants can expect to be required to provide the following documentation for each application cycle.

2. Required documentation – all applicants

The following documentation will be required for **all** applicants:

- a) **Applicant’s expected annual income**, documented at the time of application as follows depending on the circumstances:

Employment Income	Document(s)
<i>salary/wage employees</i>	letter from employer confirming employment (including articling/clerkship employment) and annual salary/wage
<i>self-employed</i>	self-reported annual income
<i>currently completing articles (or articling requirements)</i>	letter regarding confirmed employment and annual salary after articling, for any and all employment within the year of application

For recent graduates applying to the PGDRA program while completing articles (or equivalent) who do not have confirmed employment for the post-articling period, applications will be assessed based on an annualized income figure from the articling period. These applicants should be aware that if their post-articling income ends up being higher than their articling income, they will be assessed the following year for an overpayment in PGDRA benefit.

PGDRA benefit recipients who have applied to the PGDRA program while working full-time but subsequently move to part-time work during the calendar year and who do not fall under any of the Special Circumstances listed above (Section B.4) **must** report this the following year for the mandatory re-application cycle, indicating for how many months of the year they worked part-time and the amount of income from part-time work reported on their CRA Individual Tax and Benefit Form. Their PGDRA benefit will be re-assessed based only on their income and debt repayment obligations for the period in which they were working full-time, with over- or underpayments calculated as per Section D.4.

- b) **Cost of living**: self-selected according to Census Canada regional demographic categories. NOTE: the selected category must correspond with the information provided as the applicant’s permanent home address.

- c) **Annual debt repayment obligations:** documented at the time of application as follows depending on the circumstances:

Loan Type	Document(s)
Government Student Loan(s)	Copies of: <ul style="list-style-type: none"> • consolidated Student Loan and Repayment form agreement(s) for all pre-law and law school loans • annual loan statement(s) showing the current loan balance, amount of monthly payments, and proof of payment • all notification letters for student loans/grants from the period of enrollment in the UBC JD program
Commercial (Professional) Student Line(s) of Credit	Copies of: <ul style="list-style-type: none"> • consolidated loan and repayment form agreement(s) for all law school loans • annual loan statements from the period of enrollment in the UBC JD program, showing amounts borrowed • current annual loan statement(s) showing the current loan balance, amount of monthly payments, and proof of payment

For returning applicants, loan documents must show that the entire PGDRA benefit previously received was used to pay their educational loans. In other words, the amount they paid on government student loans and/or commercial professional student lines of credit must be equal to (or greater than) the PGDRA benefit received.

3. Additional documentation

Depending on an applicant’s circumstances, applicants may also require the following documentation:

- a) **Confirmation of law-related work (if not employed as a lawyer):** i.e., copy of position advertisement stating JD qualification requirement/preference; job description; or statement by employer
- b) **Student Loan Repayment Assistance Program (if an applicant qualifies):** copy of RAP documentation
- c) **Spouse/partner’s expected annual income,** documented at the time of application as follows depending on the circumstances:

Employment Income	Document(s)
<i>salary/wage employees</i>	letter from employer confirming employment and annual salary/wage
<i>self-employed</i>	self-reported income

- d) **Law society membership fee (if not covered by employer):** copy of receipt required; does not include practice insurance premiums.
- e) **Childcare expenses:** Applicants must documents verifying the age of any child(ren) claimed.
- f) **Special circumstances:**

Special Circumstance	Document(s)
Disability	Copies of (as applicable): <ul style="list-style-type: none"> • T-2201 Disability Tax Credit Certificate • Repayment Assistance for Borrowers with a Permanent Disability (RAP-PD) documentation • Severe Permanent Disability Benefit
Maternity/parental leave	Record of Employment, for verification of leave status
Graduate studies	<ul style="list-style-type: none"> • Proof of enrolment • Description of graduate program and its relation to law
Self-employment (part-time)	Statement demonstrating that part-time status is temporary and non-voluntary (e.g., related to the process of building up a full-time practice)

4. Additional documentation – returning applicants

Applicants who have received a benefit must provide the following information during the following year’s application cycle, regardless of whether they are applying to be assessed for a benefit that year (see Section D.4, “Over- and Underpayment,” above):

Employment Income	Document(s)
<i>All returning applicants</i>	Copies of: <ul style="list-style-type: none"> • Individual Tax Return;

	<ul style="list-style-type: none">• employment T-4 forms; and• Notice of Tax Assessment <p>for the Tax Year prior to the year of application, for applicant and spouse/partner (as applicable)</p>
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4. Appeal

If an applicant would like to appeal an assessment of benefit notification, they may ask to have their application reviewed by the Allard Law PGDRA Advisory Committee and will be invited to provide additional documentation; all decisions of the Committee will be final. The deadline for appeal is four weeks after the date of the assessment notification.

5. Participant information

Participants are responsible for keeping the PGDRA program up-to-date with their current contact information.

6. Confirmation of expected income & reapplication

As noted above (Section D.4), all PGDRA benefit recipients **must** apply again in the annual application cycle following the year in which they received a PGDRA benefit and must provide a full application. **Failure to reapply and submit all required documentation will result in cancellation of loan forgiveness for the previous PGDRA benefit assessment, with all unforgiven PGDRA loan amounts entering into immediate repayment.**

7. Notifications

The PGDRA program will notify applicants of their benefit assessment by June 30 of the year in which they apply. This notification will include a PGDRA Loan agreement, which the beneficiary will need to return by July 15 in order to receive their PGDRA benefit payment. PGDRA benefit recipients will be reminded by April 30 of the subsequent year that they need to submit a reapplication to confirm expected income. PGDRA benefit recipients who do not comply with the reapplication requirement will be deemed ineligible for future PGDRA and must repay all outstanding loan amounts, including the expected forgiven loan amount from the previous year.

NOTE: these deadlines are the dates currently contemplated, but are subject to confirmation.

8. Contact

Questions regarding the program can be addressed to: pgdra@allard.ubc.ca