Income-driven repayment (IDR) comparison chart

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	PAYE Pay As You Earn	New IBR Income Based Repayment	SAVE Saving on a Valuable Education
Payment calculation	10% of DI; capped at original standard 10-year payment amount	10% of DI; capped at original standard 10-year payment amount	10% of DI; weighted average if borrower has both undergrad and graduate loans; no payment cap
Repayment term	Up to 20 years	Up to 20 years	Up to 25 years
Spousal income	Yes, but not when filing separately	Yes, but not when filing separately	Yes, but not when filing separately
Income requirement	Yes, borrower must show PFH	Yes, borrower must show PFH	No, any income level qualifies
Interest subsidy on unsubsidized loans	No	No	Yes; government covers 100% of remaining monthly interest not covered by SAVE payment
PSLF*	Yes	Yes	Yes
Interest capitalization	No	Yes; when borrower no longer shows PFH or moves to another IDR	No

*Public Service Loan Forgiveness

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Important notes about IDR plans

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- New IBR has same provisions as PAYE with exception of interest capitalization.
- No new PAYE applications accepted as of July 1, 2024.
  - Borrowers already in PAYE can remain in PAYE if they want.
- New IBR not available to borrowers using SAVE after making 60 payments with SAVE.
- Any remaining balance at end of IDR term is forgiven, but subject to federal tax the year forgiven.
- Partial Financial Hardship (PFH) occurs when 10% of discretionary income is lower than original Standard 10-year payment amount.

Important notes about IDR plans

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- SAVE replaced REPAYE (Revised Pay As You Earn)
  - Borrowers previously in REPAYE automatically moved to SAVE.
- DI (discretionary income) is how much Adjusted Gross Income (AGI) exceeds 150% of the poverty level for PAYE and IBR, and 225% of the poverty level for SAVE.
  - SAVE has lower payments since more of DI is protected.
- Income Based Repayment (IBR) has different provisions based on when a borrower first started borrowing.
  - “New” IBR is for first-time borrowers as of July 1, 2014 (this is the plan referenced in the comparison chart).
  - Older IBR is for borrowers prior to July 1, 2014, and the payment calculation is higher at 15% of DI with a 25-year repayment term.