



JURISDICTIONAL SCAN

**STUDENT LOAN REBATES AND FORGIVENESS
PROGRAMS IN CANADA**

MARCH 2019



FOR MORE INFORMATION

The AGE-WELL National Innovation Hub APPTA Inc. welcomes comments about this report and would like to know how we can better meet your information needs. If you have any questions about the work APPTA conducts, please contact us.

EMAIL: info@appta.ca

TELEPHONE: 1-506-444-8300

AGE-WELL National Innovation Hub, APPTA Inc.
100 Sunset Drive
Fredericton, NB
Canada
E3A1A3

DISCLAIMER

This publication is intended to provide an overview of the tuition rebates and student loan forgiveness programs in Canada and is based on information available as of the date of publication or as otherwise noted. None of the information in this document should be construed as legal, accounting, or other professional advice.

The authors have made every effort to ensure the information included in this document is correct and up-to-date, however, none of the information included is intended to substitute more recent information available through government or program-specific resources. The authors make no other representations or warranties, whether expressed or implied, with respect to the information in this document, and are not liable for any loss or damage arising directly or indirectly from the use of, or any action taken on the reliance on, any information appearing in this publication or in any publication by a third party that is referenced or linked to this publication.

How to cite this document

AGE-WELL National Innovation Hub. 2019. Student Loan Rebates and Forgiveness Programs in Canada. Fredericton, NB: AGE-WELL National Innovation Hub, APPTA Inc

Table of Contents

<i>Background</i>	3
<i>Tuition Rebate Programs in Canada</i>	3
BRITISH COLUMBIA	4
SASKATCHEWAN	5
ONTARIO	5
QUÉBEC	6
NOVA SCOTIA	6
PRINCE EDWARD ISLAND	7
NEWFOUNDLAND AND LABRADOR	7
YUKON	7
NORTHWEST TERRITORIES	8
FEDERAL	8
<i>Analysis of Findings</i>	8

Acknowledgements

The AGE-WELL National Innovation Hub on Advancing Policies and Practices in Technology and Aging would like to thank the following jurisdictions for providing feedback to this jurisdictional scan: Government of Prince Edward Island, Government of Nova Scotia, Government of New Brunswick, Government of Manitoba, Government of Saskatchewan, Government of Alberta, the Government of Yukon, Government of Ontario, Government of British Columbia, Government of Northwest Territories, Government of Newfoundland and Labrador, Government of Quebec, and the Government of Canada.

Background

Student loan borrowing has been steadily increasing in Canada. Contributing factors to this steady increase are: increase in borrowing, provincially and federally, of post-secondary students to fund their education; increase in cost of living; and inflation rates over years¹. Students borrowing money to finance their education are graduating with an average individual debt of about \$26, 819², which often takes students over a decade to repay after factoring in the accumulation of interest charges.

In 2013, the federal government rolled out a new student loan forgiveness program for medical and nursing students and recent graduates of these programs willing to practice in rural and isolated communities which have been historically underserved³. Provincial governments have long been exploring similar programs, and although none are exact replicas of the federal forgiveness program, all have the same goal: to get new graduates into the workforce (contributing to provincial and territorial economies) while helping them manage their debt.

The purpose of this jurisdictional scan is to gain a comprehensive understanding of Canadian programming that incentivizes post-secondary graduates to work in specific fields or geographical locations by offering assistance in managing student debt. By gathering relevant information about student loan rebate programs, the APPTA Hub aims to produce a policy option for governments that incentivizes intergenerational programming as a means of reducing social isolation among older adults.

Tuition Rebate Programs in Canada

The following section will outline and describe the existing tuition rebate programs in Canada. For the purposes of this jurisdictional scan, only programs that provided opportunities to reduce student loan were included. Grants and/or bursaries that base

¹ Social Development Canada. "Canada Student Loans Program Statistical Review 2015 to 2016." Canada.ca. April 19, 2018. <https://www.canada.ca/en/employment-social-development/programs/canada-student-loans-grants/reports/cslp-statistical-2015-2016.html#h2.1>.

² Social Development Canada. "Apply for Canada Student Loan Forgiveness for Family Doctors and Nurses - Overview." Canada.ca. November 30, 2018. <https://www.canada.ca/en/employment-social-development/services/education/student-loan-forgiveness.html>

³ Social Development Canada. "Bring Your Canada Student Loan out of Collection." Canada.ca. December 05, 2017. <https://www.canada.ca/en/employment-social-development/services/education/student-loan-rehabilitation.html>.

eligibility on family income or the presence of exceptional circumstances were not considered. Grants and bursaries were only considered if they were available to all successful graduates of post-secondary education programs and contributed directly to the repayment management of student debt. Additionally, repayment assistance and revision of term programs were not considered as they do not offer a break or rebate on tuition amounts owed. The last category of programming that was not considered was student debt/loan rehabilitation programs, as they do not forgive any portion of the loans borrowed. Rather, they allow borrowers to bring their loans out of collection and back into good standing with the governmental lending agencyⁱ.

Table 1 outlines the search strategy implemented. Each jurisdiction's student financial assistance website was consulted if it did not appear in the original search effort.

Table 1: Search Strategy	
Primarily government webpages and google search browser	
Key search terms	<ul style="list-style-type: none"> • Student loan rebate programs • Tuition rebate programs • Student loan forgiveness programs • Student loan repayment grants • Tuition repayment grants
*Based on the scan findings, Alberta, Manitoba, New Brunswick, and Nunavut do not currently offer any student loan rebate programs that fit within the parameters of this jurisdictional scan.	

BRITISH COLUMBIA

Completion Grant: Students with a provincial student loan who successfully complete 60% of a full course load each academic year are automatically considered for this grant. Grant amounts are dependent on students' assessed need and the amount of provincial loan they were issued. Loan reductions granted are automatically applied to students' StudentAid BC accountsⁱⁱ.

Completion Grant for Graduates: Post-secondary graduates are eligible to apply for the BC Completion Grant up to one year after completing their programs. The grant is paid directly to the StudentAid BC accounts of successful applicants, up to a maximum of five hundred dollarsⁱⁱⁱ.

B.C. Loan Forgiveness Program: Graduates from designated post-secondary institutions who have secured jobs at publicly funded health care facilities in underserved communities within the province or those who have obtained a job working with children, are eligible to apply for the BC Loan Forgiveness program. Recipients of this grant will be able to have the provincial portion of their Canada-BC integrate loans forgiven at a rate of up to 20% per year, plus interest that accumulates during this time.

Successful applicants can access this benefit for up to five years, allowing many to pay off their provincial loans entirely during the first five years of their careers^{iv}.

Pacific Leaders B.C. Loan Forgiveness: Employees of the B.C. Public Service who have completed their probationary period and who hold a B.C. provincial loan are eligible to apply for the Pacific Leaders Loan Forgiveness program. Upon acceptance, participants in the program have their loan status changed to interest-free. Each year, one-third of their provincial loan is forgiven. As long as the participants' employment status remains constant over the course of three years, their entire B.C. provincial loan will be forgiven^v.

Pacific Leaders Tuition Grants for Co-Op Employees: Students registered in a designated co-operative education program with B.C. Public Service are eligible to apply for this program. This grant pays students up to one thousand dollars per work term to cover the extra tuition costs associated with co-op placements^{vi}.

SASKATCHEWAN

Graduate Retention Program: Graduates of approved Canadian post-secondary programs who completed their programs after 2011, and who live in Saskatchewan or are planning a move to Saskatchewan are eligible to apply for this benefit. Depending on the level of study, successful applicants qualify for up to \$20,000 in rebates which are paid out over the course of seven years. The first four of these years, recipients are allotted 10% of their maximum rebate, and in the final three years, they are allotted 20% of this maximum. This rebate is applied as a reduction to provincial income tax upon annual filing. If a recipient's rebate is greater than the provincial tax owed, the remainder can be applied to future tax years for up to ten years^{vii}.

ONTARIO

Ontario Student Assistance One Year Grace Period for Entrepreneurs: New graduates who start or purchase a business are eligible to apply for this program. Business owners (and co-owners) must apply for this program prior to the end of their six-month grace period allotted to every loan recipient after leaving a post-secondary program. Successful applicants will be given an extra year immediately following the six-month grace period, during which they are not required to make payments on their provincial loans^{viii}.

Ontario Student Assistance One Year Grace Period for Not-for-Profit Employees: New graduates who begin their careers with a non-profit agency are eligible to apply for this program. Interested applicants must submit their application to the program prior to the end of their six-month grace period. Recipients of this benefit will be given an extra year during which they are not required to make payments on their provincial loans^{ix}.

QUÉBEC

Loan Remission Program: Students who successfully complete their post-secondary programs and who have received a bursary every year of that program under the province's Loans and Bursaries Program are eligible to apply for this program. Successful applicants will have 15% of their provincial loan debt forgiven. The lending institution that issued the loan is the direct recipient of the funds supporting this program, and recipients are required to claim the rebate as income upon filing their taxes^x.

NOVA SCOTIA

Loan Forgiveness Program: Graduates from Nova Scotia universities who were issued student loans over \$28, 560 after August 2015, and who completed their programs in the allotted timespan are automatically assessed for this program upon graduation. Successful candidates are eligible for up to 100% forgiveness on their provincial loans. If the assessed rebate is higher than outstanding provincial student debt, the difference will be paid toward any outstanding Canada Student Loans. Any amount remaining after this will be paid out directly to the recipient in the form of a cheque^{xi}.

Debt Cap Program: Graduates who were issued a student loan between July 2011 and July 2015 that were in excess of \$28, 560 for undergraduate bachelor's degree programs are automatically considered for this program. Upon acceptance to the program, recipients are eligible for up to 100% forgiveness on their provincial loans, and caps are based on the amount of provincial funding that was issued to the borrower. If the assessed rebate is higher than outstanding provincial student debt, the difference will be paid toward any outstanding Canada Student Loans. Any amount remaining after this is paid out directly to the recipient in the form of a cheque^{xii}.

Debt Reduction Program: All students who were issued Nova Scotia provincial loans between August 2003 and July 2008, who graduated in a timely manner from a Canadian post-secondary institution are eligible to apply for this program. The reduction amount increases for each year students were enrolled, up to a maximum of 45% in the fourth year. Rebates are applied directly to outstanding provincial debt, and if the rebate amount is higher than the amount owing, the difference may be applied to an outstanding Canada Student Loan. Any amount remaining after this is paid out directly to the borrower^{xiii}.

Employment Bonus Award: Individuals who have qualified for the Debt Reduction Program and have been employed full-time within the province for fifty weeks within three years after graduation are eligible to apply for this award. Successful applicants can receive up to 50% more of the debt reduction they were initially approved for^{xiii}.

Repayment Bonus Award: Individuals who have qualified for the Debt Reduction Program and have made at least twelve payments (or a one-time payment of equal value) toward their student debt within the last three years are eligible to apply for this program. Successful applicants can receive up to 20% more of the debt reduction they were initially approved for^{xiii}.

0% Interest on Nova Scotia Student Loans: Individuals who have entered the student loan repayment period since November 2007, after successfully completing an approved post-secondary program, and who are up to date in filing their income taxes are eligible to apply for this program. As long as recipients continue to reside in Nova Scotia and submit a completed application each calendar year, their provincial loans will remain in 0% interest status until they are paid off^{xiv}.

PRINCE EDWARD ISLAND

Debt Reduction Grant Program: Recent graduates who have been issued more than \$6,000 in combined provincial/territorial and federal student loans, and who have received at least \$100 in P.E.I. provincial loans are eligible to apply for this program. Successful applicants can receive up to either \$2,000 or \$3,500 per year, which is applied directly to the outstanding balance of the provincial loan. The amount of rebate available is dependent on the years during which recipients were enrolled in their post-secondary programs, as well as on the amount of provincial funding issued. Annual rebates cannot exceed the amount of provincial loans the recipient was issued^{xv}.

Interest Relief: Approval for this program is based on income, family size, and monthly loan payments. Upon approval, recipients will have their loan status changed to interest-free for six months at which point a new application can be filed for up to a maximum of thirty months^{xvi}.

NEWFOUNDLAND AND LABRADOR

Debt Reduction Grant: Students who successfully complete at least 80% of their academic course load from an approved post-secondary institution, and who have been approved for provincial funding are automatically assessed for this program upon graduating. Recipients of this grant are eligible to have up to 100% of their provincial loan forgiven. This rebate is applied directly to the outstanding balance of the loan, and in the cases where the refund amount exceeds the outstanding balance, the difference is paid out directly to the individual by cheque^{xvii}.

YUKON

Yukon Grant: Students enrolled full-time at designated Canadian post-secondary institutions who have been residents of Yukon for at least two years (and who have

completed two years of secondary education during this time) leading up to post-secondary entry are eligible for this grant. The grant pays students directly based on how many weeks they will be in school, and payments are made in lump sums at the beginning of the Fall and Winter semesters. The grant is considered taxable income and must be declared when students file their annual income taxes^{xviii}.

NORTHWEST TERRITORIES

Northern Bonus: Graduates who have received federal student loans or provincial/territorial loans in any jurisdiction, who have left or completed their post-secondary program, and who have lived in the Northwest Territories for twelve consecutive months are eligible to apply for this bonus. Successful applicants can expect up to \$2, 000 every year (pending annual reapplication and approval) up to a maximum of \$10, 000, which is applied directly to the outstanding balance of the loan^{xix}.

0% Interest: Residents of the Northwest Territories who leave the territory to pursue full-time post-secondary education and return within six months of leaving or completing their programs are eligible for this program. Successful recipients will have their loans put into 0% interest status for as long as they continue to reside in the Northwest Territories^{xx}.

FEDERAL

Canada Student Loan Forgiveness for Doctors and Nurses: Individuals who have started their eligible career in medicine after July 2011, and have gained employment in a designated underserved community, are eligible to apply for this program. Successful doctors and residents in family medicine can receive up to \$8, 000 per year over the course of five years for a maximum rebate of \$40, 000. Nurses and nurse practitioners can receive up to \$4, 000 per year over the course of five years, up to a maximum of \$20, 000^{xxi}.

Analysis of Findings

Many jurisdictions in Canada are offering student loan rebates that assist new graduates in managing or diminishing their student debt. At present, student loan rebate programs that exist across the country operate in one of three ways:

- *Non-Refundable Tax Credit Programs:* These programs, such as the Graduate Retention Program in Saskatchewan, work by deducting the eligible rebate amount from the total amount of provincial taxes owed by the borrower. In the case of this specific program, if the rebated amount is larger than the total provincial taxes owed, the difference can be applied to the following year's provincial tax – up to a maximum of ten years.

- *Direct Rebate Programs:* Direct rebate programs, such as the Nova Scotia Loan Forgiveness program, work by paying rebated funds directly to the lending institution or to the individual recipient if applicable loans have been paid off.
- *Interest-Free Programs:* Interest-free, or 0% interest programs, work by either forgiving the interest on loans or by having the government cover the cost of accumulating interest.

Most of the tuition rebate programs are focused primarily on assisting new graduates with loan repayment, however, the model of tuition rebates as incentives for social or economic policy has started to emerge in a few jurisdictions. In this model, tuition rebates are offered by governments as leverage to achieve a particular social or economic goal, in addition to the primary goal of assisting new graduates with debt repayment. Existing incentivized tuition rebates aim to either encourage new graduates to join the public service or not-for-profit sector, or enhance services in underserved communities. Expanding the scope of tuition rebate objectives has the potential to both provide new graduates with meaningful experiences as they enter the labour force as well as solve complex social policy challenges currently facing Canadians.

More specifically, through the implementation of a student loan-reduction incentive, governments can leverage the younger generation's knowledge and skills in digital technology to create an intergenerational education and training program for older adults. In this reverse mentoring model, younger generations will gain the opportunity to develop leadership skills^{xxii}, and have access to the wisdom and guidance of our aging population, while older adults improve their digital literacy skills and engage in meaningful social interactions that can ultimately lead to a reduction in social isolation. As such, employing tuition rebates as incentives for achieving important social policy objectives like alleviating isolation among older Canadians creates positive solutions that will have effects across generations.

ENDNOTES

- ⁱ Social Development Canada. "Bring Your Canada Student Loan out of Collection." Canada.ca. December 05, 2017. <https://www.canada.ca/en/employment-social-development/services/education/student-loan-rehabilitation.html>.
- ⁱⁱ B.C. Government. "B.C. Completion Grant." Repay | StudentAidBC. [https://studentaidbc.ca/repay/repayment-help/bc-completion-grant#How do I apply](https://studentaidbc.ca/repay/repayment-help/bc-completion-grant#How_do_I_apply).
- ⁱⁱⁱ B.C. Government. "B.C. Completion Grant for Graduates." Repay | StudentAidBC. [https://studentaidbc.ca/repay/repayment-help/bc-completion-grant-graduates#What is available](https://studentaidbc.ca/repay/repayment-help/bc-completion-grant-graduates#What_is_available).
- ^{iv} B.C. Government. "B.C. Loan Forgiveness Program." Repay | StudentAidBC. [https://studentaidbc.ca/repay/repayment-help/bc-loan-forgiveness-program#What is available](https://studentaidbc.ca/repay/repayment-help/bc-loan-forgiveness-program#What_is_available).
- ^v B.C. Public Service Agency. "Pacific Leaders B.C. Loan Forgiveness." Province of British Columbia. January 11, 2019. <https://www2.gov.bc.ca/gov/content/careers-myhr/all-employees/career-development/pacific-leaders/bc-loan-forgiveness>.
- ^{vi} BC Public Service Agency. "Pacific Leaders Tuition Grants for Co-op Employees." Province of British Columbia. <https://www2.gov.bc.ca/gov/content/careers-myhr/all-employees/career-development/pacific-leaders/co-op-grant>.
- ^{vii} Government of Saskatchewan. "Graduate Retention Program Application." Saskatchewan.ca. <https://www.saskatchewan.ca/residents/education-and-learning/graduate-retention-program/about-the-graduate-retention-program#eligibility>.
- ^{viii} Ministry of Training. "One-Year OSAP Grace Period for Entrepreneurs." OSAP Aid Estimator for Full-Time Students: Home Page. <https://osap.gov.on.ca/OSAPPortal/en/A-ZListofAid/PRDR019249.html>.
- ^{ix} Ministry of Training. "One-Year OSAP Grace Period for Not-for-Profit Employees." OSAP Aid Estimator for Full-Time Students: Home Page. <https://osap.gov.on.ca/OSAPPortal/en/A-ZListofAid/PRDR019251.html>.
- ^x Ministère De L'Éducation Et De L'Enseignement Supérieur - Aide Financière Aux études. "Loan Remission Program." Démarche D'aide Financière. <http://www.afe.gouv.qc.ca/en/repaymeNt/loan-remission-program/>.
- ^{xi} Province of Nova Scotia. "Nova Scotia Loan Forgiveness Program." Government of Nova Scotia, Canada. <https://novascotia.ca/studentassistance/apply/new/LoanForgivenessProgram.asp>.
- ^{xii} Province of Nova Scotia. "Debt Cap Program." Government of Nova Scotia, Canada. <https://novascotia.ca/studentassistance/apply/new/DebtCap.asp>.
- ^{xiii} Province of Nova Scotia. "Debt Reduction Program." Government of Nova Scotia, Canada. <https://novascotia.ca/studentassistance/repayment/DebtReductionProgram.asp>.

-
- ^{xiv} Province of Nova Scotia. "0% Interest on NS Student Loans." Government of Nova Scotia, Canada. https://novascotia.ca/studentassistance/financing/Zero_Interest.asp
- ^{xv} Government of Prince Edward Island. "Debt Reduction Grant Program." Workforce and Advanced Learning. Accessed January 31, 2019. <https://www.princeedwardisland.ca/en/information/workforce-and-advanced-learning/debt-reduction-grant-program>.
- ^{xvi} Edulinx. "Download Forms." Prince Edward Island Student Loan. <https://pei.edulinx.ca/Eng/downloadForms.aspx#IR>
- ^{xvii} Government of Newfoundland and Labrador. "Repaying Full-Time Loans." Advanced Education, Skills and Labour. <https://www.aesl.gov.nl.ca/studentaid/fulltime/repay/index/.html#redgrants>.
- ^{xviii} Government of Yukon. "Yukon Grant." First Nations Education - Education- Government of Yukon. <http://www.education.gov.yk.ca/yukon-grant.html#Who can apply for the yukon grant>
- ^{xix} NWT Student Financial Assistance. "Northern Bonus for Non-NWT Student Loans Information Sheet." Application for Northern Bonus. https://www.ece.gov.nt.ca/sites/ece/files/resources/application_for_northern_bonus_for_non-nwt_student_loans.pdf.
- ^{xx} Government of Northwest Territories. "Bring It North!" 0% Interest Rate - NWT Student Financial Assistance. <https://bringitnorth.ca/content/0-interest-rate>.
- ^{xxi} Social Development Canada. "Apply for Canada Student Loan Forgiveness for Family Doctors and Nurses - How Much You Could Receive." Canada.ca. November 08, 2018. <https://www.canada.ca/en/employment-social-development/services/education/student-loan-forgiveness/amount.html>.
- ^{xxii} Leedahl, Skye N., Brasher, Melanie Sereny, Estus, Erica, Breck, Bethany M., Dennis, Cory B., and Clark, Samantha C. "Implementing an Interdisciplinary Intergenerational Program Using the Cyber Seniors® Reverse Mentoring Model within Higher Education." *Gerontology & Geriatrics Education* 40, no. 1 (January 24, 2018): 133-45. doi:10.1080/02701960.2018.1428574.