



## Empower Student Debt Solution



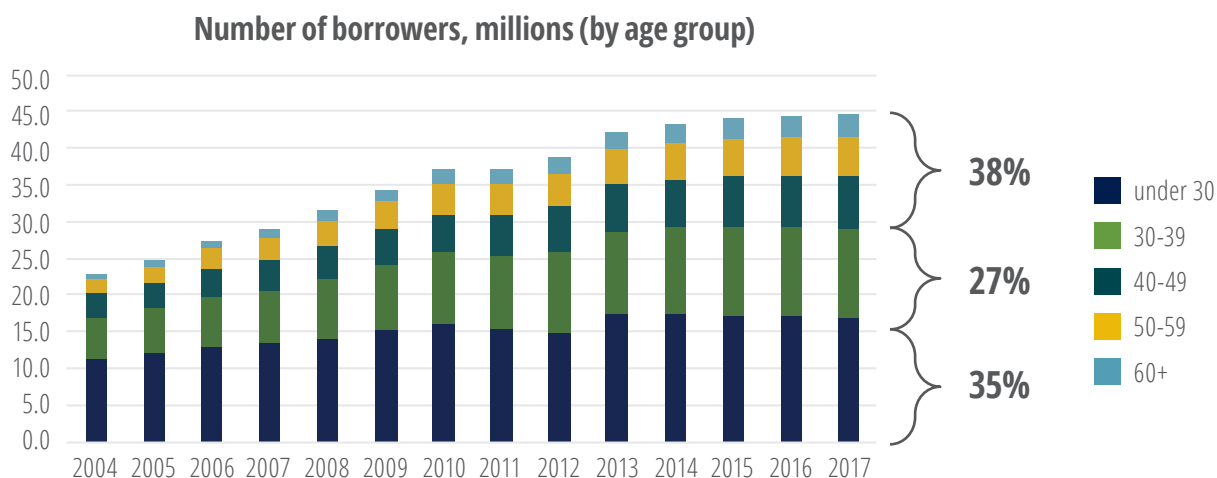
A woman with dark hair tied back, wearing a light-colored blazer over a dark top, is smiling and looking towards a man. The man, with short brown hair and a beard, is wearing a dark suit and tie, and is looking down at a laptop on the desk. They are sitting at a dark desk in a modern office with large windows in the background. A red rectangular box is overlaid on the top left of the image, containing white text.

Help your employees reduce the financial stress associated with paying down their student debt

# Student debt can have a significant impact on financial wellness

There is a student debt crisis in the U.S. With over \$1.5 trillion in student loans outstanding among U.S. consumers,<sup>1</sup> student debt has become the largest non-mortgage debt in the country.

The cost of education has risen 213% over the last 20 years,<sup>2</sup> leading more than 65% of students to graduate today with student debt.<sup>3</sup> And the issue is not just impacting millennials. A growing percentage of those with outstanding student debt are over age 40, with approximately 3.2 million of such borrowers age 60 or older.<sup>4</sup>



Unfortunately, high student debt balances mean thousands of Americans are faced with making financial sacrifices as they struggle to repay their student debt in a timely manner. Saving for retirement is commonly delayed by those focused on repaying their student debt.

**81%** OF AMERICANS WITH STUDENT DEBT HAVE MADE FINANCIAL SACRIFICES AS A RESULT, INCLUDING:



**50%** DELAYED CONTRIBUTIONS TO A RETIREMENT ACCOUNT



**46%** DELAYED BUYING OR UPGRADING A CAR



**40%** DELAYED BUYING A HOUSE

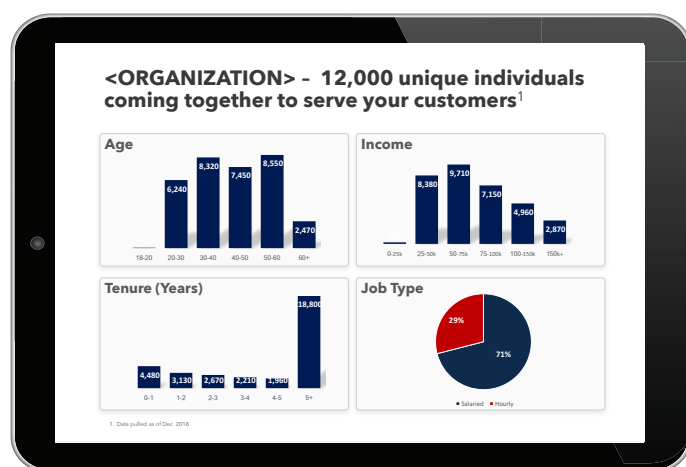
Source: American Institute of CPAs, 2016.

# The Empower Student Debt Solution

Empower's Student Debt Solution is designed to help your employees pay off their student debt. While the program offers lending products and guidance tools that can help employees save on their student loan payments, you can also help them pay down their student debt. Or you can choose to contribute to their retirement plan accounts based on their student loan payments.

## Here's how it works:

1. A complete organizational assessment<sup>1</sup> provides better overall understanding of the impact of student debts within your organization by determining:

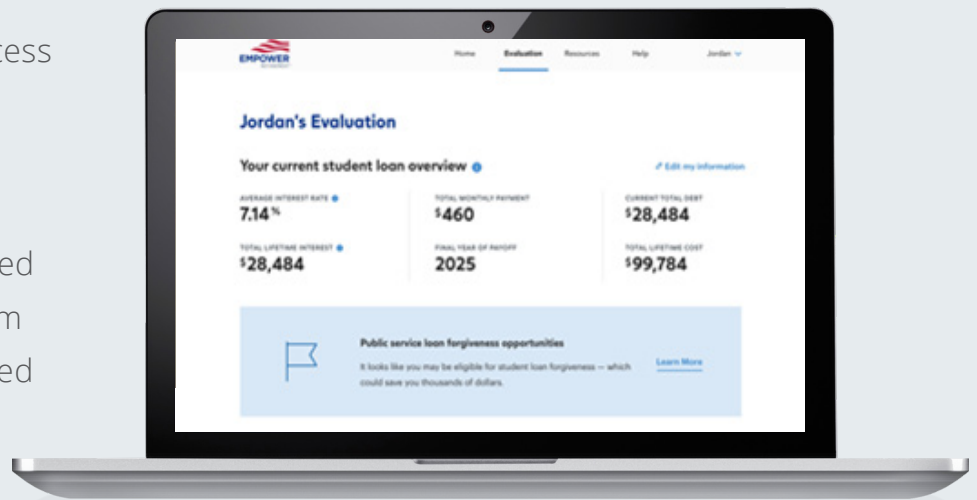


- The total amount of outstanding student debt broken down by age, income and tenure while anonymizing and aggregating the data.
- Student debt delinquency rates.
- The total number of your employees with student debt.
- The average payment amount.
- The average student loan balance.
- A projection of the total employee savings potential.
- Program costs associated with supporting an employer contribution benefit.

## 2.

Tools and resources are provided to your employees so they can explore options for paying down their student debt.

Your employees will have access to an easy-to-use evaluation tool. After an employee completes two simple steps, they will receive a personalized evaluation that provides them education and guidance based on their unique situation.



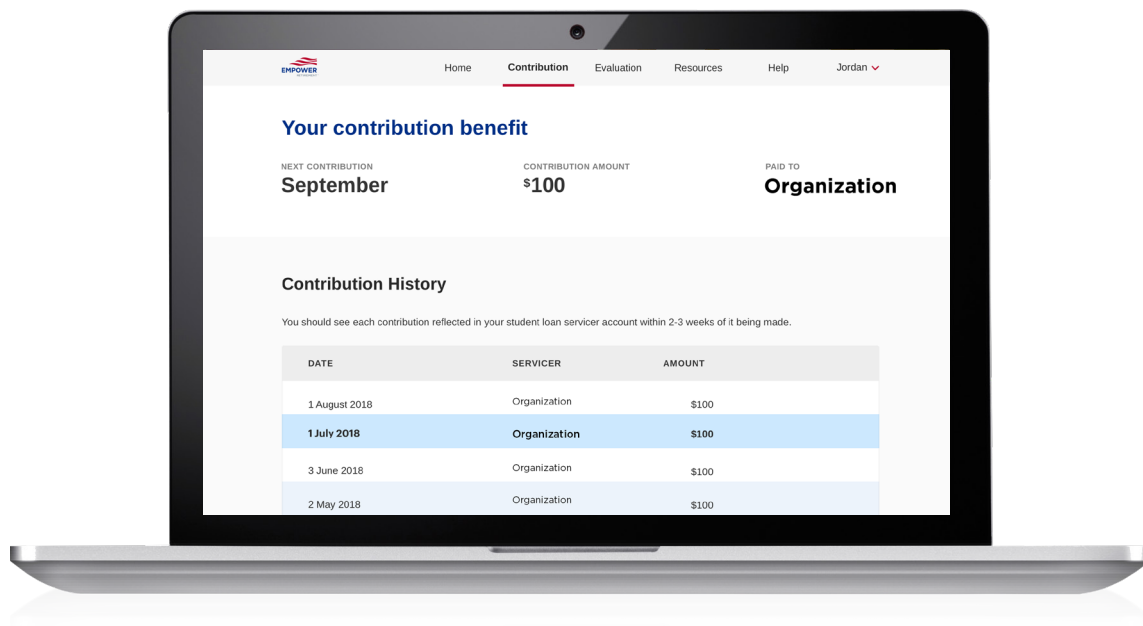
### The evaluation may recommend:

- Refinancing options.
    - Ability to refinance all or a portion of eligible student loan debt
    - Instant access to lower interest rates
    - More favorable loan terms
    - Unique “hybrid” fixed and variable student loan options (e.g., a five-year fixed loan followed by a five-year variable loan)
  - Information regarding state-based forgiveness programs.
  - Federal repayment and forgiveness programs.
  - Income-based repayments.
  - Loan consolidation.
  - Public service loan forgiveness.
- Employees can come back to the dashboard at any time to track their progress.

### 3.

You can make contributions to help your employees pay back loans more quickly — or stay on track toward retirement.

The Empower Student Debt Solution allows you the unique opportunity to provide additional contributions toward either an employee's student debt or retirement plan savings based on the employee's individual payments to their student debt.



### We handle the heavy lifting!

After you establish eligibility and other terms, we will:

- Send the “enroll now” invitation to all your eligible employees.
- Verify and report on the employees who signed up for the program and are having their debt payments monitored through the program.
- Facilitate your payments to your employees' student debt or retirement accounts.

# The right partner. The right solution.

Offering the best student debt solution for you requires the right partner for us. That's why we've teamed up with CommonBond, Inc., a leading provider of student loan benefits programs, to help guide your employees through the education finance journey. CommonBond is a financial technology company on a mission to give students and graduates more affordable, transparent and simple ways to pay for higher education. The company offers refinanced loans to college graduates, new loans to current students and a suite of student loan repayment benefits to employees.



**For more information visit  
[empower-retirement.com](https://empower-retirement.com)**

1 Forbes, Student Loan Debt Statistics In 2019: A \$1.5 Trillion Crisis, February 2019. [forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/](https://forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/)

2 CNBC, Here's how much more expensive it is for you to go to college than it was for your parents, November 2017. [cnbc.com/2017/11/29/how-much-college-tuition-has-increased-from-1988-to-2018.html](https://cnbc.com/2017/11/29/how-much-college-tuition-has-increased-from-1988-to-2018.html)

3 Forbes, Student Loan Debt Statistics In 2019: A \$1.5 Trillion Crisis, February 2019. [forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/](https://forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/)

4 Forbes, Student Loan Debt Statistics In 2019: A \$1.5 Trillion Crisis, February 2019. [forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/](https://forbes.com/sites/zackfriedman/2019/02/25/student-loan-debt-statistics-2019/)

5 There is a fee for organizational assessments.

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