

Tuition Benefits
THE PEOPLE CENTER

2-3-2023

SECTION I PURPOSE OF THE POLICY

Champlain College (the College) strives to support faculty and staff success. This policy outlines educational benefits provided by the College to employees in order to facilitate professional development and engagement.

SECTION II ELIGIBILITY PROVISION

This policy applies to all full time, regular employees of Champlain College. Effective as of September 1, 2018 – the employee must have been employed for one year of full-time employment before they are eligible to enroll in tuition free classes. The employee must have been employed for two years of full-time employment before their eligible dependent children and spouse are eligible to enroll in tuition free classes. (Please note while there may not be a cost for tuition, there could be taxes owed per the IRS.)

SECTION III DEFINITIONS

Spouse: A legally married partner of an employee of same or opposite sex.

Eligible Dependent Children: An eligible child can include your own biological child, legally adopted child or child placed for the purposes of adoption, foster child, stepchild, and any other child state or federal law that requires a child to be treated as a dependent.

- The date of placement for a child who is being adopted means the assumption and retention by a person of a legal obligation for total or partial support of the child in anticipation of adoption of the child. The child's placement with a person terminates upon the termination of the legal obligation of total or partial support.
- To be considered a dependent child, a foster child must be dependent on you for his/her principal support and maintenance, and must be placed by the court in your custody.
- To be considered a dependent child, a stepchild must be dependent on you for his/her principal support and maintenance and must not be a dependent child for tax purposes of any other individual. A stepchild means the child of your spouse by a previous marriage / partnership.

"Principal support" means more than half of the dependent child's support.



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Non-dependent Children (as defined by IRS): An eligible child may include your own biological child, legally adopted child, stepchild, who are not considered your dependent under IRS rules.

Space-available basis: For the purposes of this policy, employees, eligible dependents and non-dependents may be enrolled in courses during open registration periods. If courses become full with tuition-paying students, the employee or eligible dependent / non-dependents may be notified that the courses are no longer available and alternative courses may need to be identified.

Eligible Classes: For the purpose of this policy the eligible course(s) include; for credit classes on the Burlington campus and on-line classes during any semester for undergraduate & graduate classes. Champlain Online classes are eligible during the summer semester for undergraduate and graduate classes if the student is matriculated in a Champlain degree program.

Exclusions Include: Study abroad programs (other than Dublin or Montreal), programs/classes, including TAP Program, TruEd program, Pre-College (i.e. Game Academy, Animation programs) summer programs not included in degree offerings. Programs affiliated with Center of Excellence (i.e. Appreciative Inquiry, Mediation, etc.) and non-credit seminars or classes including Service Learning Trips.

Working Condition Fringe: Per the Internal Revenue Service (IRS); "certain job-related education provided by an employer may qualify for [tax] exclusion as a working condition benefit. To qualify, the education must meet the same requirements that would apply for determining whether the employee could deduct the expenses had the employee paid the expenses. The education must meet at least one of the following tests.

- The education is required by the employer or by law for the employee to keep his or her present salary, status, or job. The required education must serve a bona fide business purpose of the employer.
- The education maintains or improves skills needed in the job.

However, even if the education meets one or both of the above tests, it is not qualifying education if it:

- Is needed to meet the minimum educational requirements of the employee's present trade or business, or
- Is part of a program of study that will qualify the employee for a new trade or business."

Term: For purposes of this policy a "term" is defined as the common unit of academic time for the program as defined by the institution being attended. Examples are a semester, or a quarter; it may vary between undergraduate, graduate and doctoral programs.

IRS Regulations: For the purpose of this policy, this term refers to the IRS' tax regulations in place at the time the tuition benefit occurs. Champlain College refers to the IRS Publication 15-B, *Employer's Tax Guide to Fringe Benefits* and IRS Publication 970 *Tax Benefits for Education*.



SECTION IV POLICY

4.1 Non-Credit Courses and Workshops or Programs at Champlain College

4.1.1 Employee:

Fees may be paid by the staff or faculty member's department if the topic is relevant to the employee's current job or listed in the employee's development plan and payment is approved by the supervisor or is offered by the People Center as a staff development initiative. Unapproved course or workshop fees are covered by the employee.

Champlain College non-credit courses and workshops which are paid for by the College will not be reported as taxable wages on the employee's W-2 form.

4.1.2 Dependents(s)/Non-dependent Children:

The College does not provide tuition assistance or coverage for non-credit courses and workshops or programs for dependents or non-dependent children.

4.2 Undergraduate Tuition at Champlain College

4.2.1 Employee:

Effective as of September 1, 2018 - the employee has been employed for one year of full-time employment, the employee may normally take for-credit course tuition-free on a "space-available" basis. Under special circumstance, an employee may be permitted to take one course during working hours with the approval of the employee's supervisor. There is no limit to the number of courses or degrees that an employee may take over the course of that individual's career at the College. The College does not pay bonuses for degrees earned.

This tuition benefit is excludable under IRS regulations and is therefore not reported as taxable wages on the employee's W-2.

Books, residency costs, labs, fees and other non-tuition expenses are not paid for by the College.

4.2.2 Eligible Dependent Children and Spouses

Effective as of September 1, 2018 – the employee must have been employed for two years of full-time employment before their eligible dependent children and spouse are eligible to enroll in tuition free classes. (Please note while there may not be a cost for tuition, there could be taxes owed per the IRS.)

Eligible Dependent children and spouses may take for-credit undergraduate courses tuition-free.



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The benefit is available to spouses and dependent children of active full-time, regular employees on a "space-available" basis. If an individual is matriculating in a degree program every effort will be made to accommodate that student in the current term and if space prohibits then the student will be seated in the following terms for that course. There is no limit to the number of courses or degrees that may be taken. Tuition for programs at Champlain's Education Abroad sites (Montreal and Dublin) is covered under the policy; non-tuition expenses are not covered.

The tuition benefit is excludable under the IRS regulations and is not reported as taxable wages on the W2. Books, residency costs, labs, fees and other non-tuition expenses are not paid for by the College.

The benefit is provided to Eligible Dependent children of deceased full-time employees, or full-time employees on long-term disability (see Definitions above) until the end of the academic year in which the child reaches the age of 25.

If an employee dies or becomes disabled (per the terms of Champlain College's short and long-term disability insurance programs) while a dependent child is enrolled in a College undergraduate program, the dependent child(ren) will be provided this benefit through graduation.

4.2.3 Non-dependent children (as defined by IRS),

Non-dependent children may take courses at no cost to the employee, on a "space available" basis. Non-dependent children are limited to two courses per semester.

Books, residency costs, labs, fees and other non-tuition expenses are not paid for by the College. The total amount of the benefit is reported as taxable wages on the employee's W-2 and is considered taxable income. Champlain College pays employer FICA taxes on this taxable income; the employee is responsible for all other taxes and is subject to appropriate withholding during normal payroll cycles.

4.2.4 Student Handbook

All employees, dependents and non-dependents must abide by the College policies and procedures in the current Student Handbook.

4.3 Graduate Tuition at Champlain College

4.3.1 Employee

Effective as of September 1, 2018 - the employee has been employed for one year of full-time employment, the employee of the College may normally take for-credit Graduate courses tuition-free on a "space-available" basis. If an individual is matriculating in a degree program every effort will be made to accommodate that student in the current term and if space prohibits then the student will be seated in the following terms for that course. Under special circumstances, an employee may be permitted to take one course during working hours with the approval of the



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employee's supervisor. Any time limitations on degree completion may be adjusted for employees if their schedule is impacted by the "space-available" clause.

Books, residency costs, labs, fees and other non-tuition expenses are not paid for by the College. IRS regulations determine the maximum amount of tuition value, per calendar year, that need not be reported as taxable wages. Note: IRS regulations stipulate that tuition benefits valued at over \$5,250 per calendar year are to be reported as taxable wages on the employee's W-2 form unless the amount is excludable as a "working condition fringe."

Champlain College pays the employer FICA taxes on taxable wages. The employee is responsible for all other taxes. Employee taxes are deducted during normal payroll cycles.

Continued Employment Conditions

Staff/faculty approved for master degree studies will be required to complete one (1) full year of employment at Champlain College after completion of the graduate course(s) pursuant to this policy. In the event the employee ends the program early or leaves Champlain before the end of the one year period described above, the following penalty provisions apply: *(The year period will be measured back from termination date to course start date.)*

- If the employee quits the program before completion, he/she will be required to pay 50% of the tuition associated with the courses taken during the past year to Champlain College.
- If the employee voluntarily leaves employment at Champlain prior to completion of the degree, he/she will be required to pay 50% of the tuition associated with the courses taken during the past year to Champlain College.
- If the employee voluntarily leaves employment at Champlain after completion of the degree but before the completion of 1 full year of employment following the degree completion, he/she will be required to repay 50% of the tuition associated with the courses taken during the past year to Champlain College.

Employees whose employment is terminated non-voluntarily will not be required to reimburse the college. Nothing in this policy shall be interpreted as creating a contract of employment between the employee and the college.

4.3.2 Spouse, Dependent and Non-Dependent children (as defined by the IRS).

Effective as of September 1, 2018 – the employee must have been employed for two years of full-time employment before their eligible dependent children and spouse are eligible to enroll in tuition free classes. (Please note while there may not be a cost for tuition, there could be taxes owed per the IRS.)

Spouses, dependents, and non-dependent children may take one graduate course per term at no cost to the employee, on a "space available" basis. Any time limitations on degree completion may be adjusted for these individuals. If an individual is matriculating in a degree program every effort



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will be made to accommodate that student in the current term and if space prohibits then the student will be seated in the following terms for that course. However, preference will always be given to Employees matriculating in the program over those in this classification.

Books, residency costs, labs, fees and other non-tuition expenses are not paid for by the College. The total amount of the benefit is reported as taxable wages on the employee's W-2 and is considered taxable income. Champlain College pays employer FICA taxes on this taxable income; the employee is responsible for all other taxes and is subject to appropriate withholding during normal payroll cycles.

If an employee dies or becomes disabled (per the terms of the College's short and long-term disability insurance programs) while a dependent child is enrolled in a Graduate program of the College, the dependent child(ren) will be provided this benefit through graduation.

4.3.3 All employees, dependents and non-dependents must abide by the College policies and procedures in the current Student Handbook.

Continued Employment Conditions

Staff/faculty dependents approved for master degree studies will be required to complete two (2) full years of employment at Champlain College after completion of graduate course(s) pursuant to this policy. In the event the employee's dependent ends the program early or the employee leaves Champlain before the end of the two year period described above, the following penalty provisions apply: *(The two year period will be measured back from termination date to course start date.)*

- If the dependent quits the program before completion, the employee will be required to pay 50% of the tuition associated with the courses taken during the past year to Champlain College.
- If employee voluntarily leaves employment at Champlain prior to the dependents completion of the degree, he/she will be required to pay 50% of the tuition associated with the courses taken during the past two years to Champlain College.
- If the employee voluntarily leaves employment at Champlain after the dependents completion of the degree but before the completion of 2 full years of employment following the degree completion, he/she will be required to repay 50% of the tuition associated with the courses taken during the past year to Champlain College.

Employees whose employment is terminated non-voluntarily will not be required to reimburse the college. Nothing in this policy shall be interpreted as creating a contract of employment between the employee and the college.



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4.4 Tuition Assistance: Education Study at Other Accredited Institutions

4.4.1 Employee: Undergraduate and Master's Degree Study

Full-time staff and full-time regular faculty (as defined in the Faculty Handbook) with one year of full-time employment status are eligible for Tuition Assistance. Champlain College pays 50% of tuition, up to \$1,500 per term. The cost of the benefit may not exceed \$3,000 per fiscal year. Not more than 8 credits may be taken in one term without permission of the employee's supervisor.

Participants in this benefit must obtain advanced approval from the Director of the People Center, Chief Operating Officer and Vice President of Finance for staff reimbursement, and the Chief Academic Officer for faculty reimbursement. The selected program of study must be deemed beneficial (i.e. work related) to Champlain College.

Books, residency costs, labs, fees and other non-tuition expenses are not paid for by the College. The selected program of study must be deemed beneficial (i.e. work related) to Champlain College. IRS regulations determine the maximum amount of tuition value, per calendar year, that need not be reported as taxable wages.

Note: IRS regulations stipulate that Graduate tuition benefits valued at over \$5,250 per calendar year, are to be reported as taxable wages on the employee's W-2 form unless the amount is excludable as a "working condition fringe."

Continued Employment Conditions

Staff/faculty approved for master degree studies tuition reimbursement will be required to complete one (1) full year of employment at Champlain College after completion of the course(s) for which reimbursement is awarded pursuant to this policy. In the event the employee ends the program early or leaves Champlain before the end of the one year period described above, the following penalty provisions apply: *(The year period will be measured back from termination date to course start date.)*

- If employee quits the program before completion, he/she will be required to repay 50% of the tuition paid to or on his/her behalf to Champlain College.
- If employee voluntarily leaves employment at Champlain prior to completion of the degree, he/she will be required to repay 50% of the tuition paid to or on his/her behalf to Champlain College.
- If employee voluntarily leaves employment at Champlain after completion of the degree but before the completion of 1 full year of employment following the degree completion, he/she will be required to repay 50% of the tuition paid to or on his/her behalf to Champlain College.

Employees whose employment is terminated non-voluntarily will not be required to reimburse the college. Nothing in this policy shall be interpreted as creating a contract of employment between the employee and the college.



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4.4.2 Employee: Doctoral Study

Full-time staff and full-time regular faculty (as defined in the Faculty Handbook) with three (3) or more years of full-time employment status who do not have a doctoral degree, are eligible to receive partial tuition reimbursement for their studies toward their doctoral degree. Champlain College pays 60% of tuition, up to \$2,500 per term, however, the cost may not exceed \$5,000 per fiscal year with a lifetime maximum of \$30,000.

The College will pay half of dissertation holding fees for up to two terms; exceptions to this limit must be approved by the Chief Academic Officer, Director of the People Center, Chief Operating Officer and the Vice President of Finance. This benefit may be applied towards one doctoral degree

Participants in this benefit must obtain advanced approval from the Director of the People Center, Chief Operating Officer and Vice President of Finance for staff reimbursement, and the Chief Academic Officer for faculty reimbursement. The selected program of study must be deemed beneficial (i.e. work related) to Champlain College.

Books, residency costs, labs, fees and other non-tuition expenses are not paid for by the College. IRS regulations determine the maximum amount of tuition value, per calendar year, that need not be reported as taxable wages.

Note: IRS regulations stipulate that tuition benefits valued at over \$5,250 per calendar year are to be reported as taxable wages on the employee's W-2 form unless the amount is excludable as a "working condition fringe."

Continued Employment Conditions

Staff/faculty approved for doctoral studies tuition reimbursement will be required to complete two **(2) full years** of employment at Champlain College after completion of the program for which reimbursement is awarded pursuant to this policy. In the event the employee ends the program early or leaves Champlain before the end of the two year period described above, the following penalty provisions apply: *(The 2-year period will be measured back from termination date to course start date.)*

- If employee quits the program before completion, he/she will be required to repay 50% of the tuition paid to or on his/her behalf to Champlain
- If employee voluntarily leaves employment at Champlain prior to completion of the degree, he/she will be required to repay 50% of the tuition paid to or on his/her behalf to Champlain
- If employee voluntarily leaves employment at Champlain after completion of the degree but before the completion of 2 full years of employment following the degree completion, he/she will be required to repay 50% of the tuition paid to or on his/her behalf to Champlain College

Employees whose employment is terminated non-voluntarily will not be required to reimburse the



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college. Nothing in this policy shall be interpreted as creating a contract of employment between the employee and the college.

4.4.3 There is no coverage for tuition assistance at other institutions for dependent children, non-dependent children, or spouse.

SECTION V POLICY ADHERENCE

The Director of the People Center is the responsible official for this policy. Any exceptions to this policy must be approved by the Director of the People Center and the Chief Operations Officer.

SECTION VI CONTACT

Questions related to the interpretation of this policy should be directed to the People Center.

The above is a summary only. Always refer to the applicable plan documents, policies or guides before making final decisions. Human Resources policies and procedures are updated on an as-needed basis. As such, the College reserves the right to alter, amend or suspend the terms of this policy at its sole discretion; please refer to the policies posted on the Human Resources intranet site for the most current version. This policy does not constitute an employment contract.

Updated February 3, 2023

