



Policy Number:	5521-03	Policy Section:	Institutional Support
Original Effective Date:	11/13/02	Policy Title:	Employee Tuition Remission
Date Last Revised:	8/3/2021	Department:	Human Resources

Purpose:

To establish the process by which certain employees and eligible dependents may receive full- or partial tuition remission for courses taken at Cairn.

Policy Statement:

It is the policy of Cairn University (Cairn) to enhance the recruitment and retention of employees by providing tuition remission (in the forms of a tuition benefit and a graduate scholarship) for the education of employees and their eligible family members through enrollment at Cairn University. The assistance applies to tuition only, and not to other costs or fees. Examples of other costs and fees include, but are not limited to, room and board; student teaching, activity, and independent study fees; confirmation and enrollment deposits; and textbook or supply costs.

Provision of tuition remission on the graduated percentage basis, (increasing incrementally based on employment service time), took effect January 1, 2008. Regular employees hired before that date are not subject to the graduated system.

In July 2014, a graduate scholarship for spouses and children of employees took effect. To use this scholarship, children do not have to meet the dependent age eligibility criteria applicable to the undergraduate tuition benefit. Spouses of employees are eligible for the graduate scholarship at the same level as children. The graduate scholarship is not considered an employee benefit and therefore is not subject to the tuition benefit employee tax which applies to staff employees' own use of graduate tuition benefits.

Effective January 2015, employees are required to annually complete a FAFSA for each family member who is eligible for and requesting employee tuition remission for undergraduate courses. Please see 4.1 for details and exceptions.

Quick Reference – To see a chart of eligibility and remission levels, click [here](#).

Definitions:

Regular Employee – An individual employed to work on a year-round, continuing (year-to-year) basis. Regular employees exclude independent contractors who may work at the University on a year-round basis, but are not on the University's payroll. Regular employees also exclude those hired on a temporary, occasional, or casual basis and those who provide instruction as independent contractors or as faculty of Cairn-affiliated programs.

Full-time Employee – Regular faculty who have employment agreements for one or more 12-month period beginning July 1 and ending June 30, teach a regular load of at least 24 credit hours per academic year, and may have responsibilities for administration, advisement, and committee participation; and regular staff members who work an average of at least 38.75 hours per week.

Benefitted Part-time Employee – Regular faculty who have employment agreements for a 12-month period beginning July 1 and ending June 30, teach less than a full-time load but at least 18 credit hours per academic year, and may have responsibilities for administration, advisement, and/or committee participation; and regular staff members who are employed to work at least 30 hours per week on a regular basis.

Part-time Employee – Regular faculty who teach not less than nine and not as many as 18 credits per academic year; and regular staff who work a regular schedule anticipated to total at least 1,000 hours per calendar year (such as 20 hours per week for 50 weeks).

Dependents – The spouse of the employee and eligible children. Eligible children are biological and legally adopted children or step-children of an employee. Sons- or daughters-in-law, and grandchildren are not included under the definition of children for the purpose of this policy.

Actively Employed – For regular employees, *actively employed* means the employee is not on a leave of absence during the semester in which tuition remission is being sought for the employee's own use. For coaches, *actively employed* means a commitment has been made to coach in the academic year during which tuition remission is sought for the employee or (as applicable) the spouse.

Procedures:

1. Eligibility for Tuition Remission

- 1.1 Full-time and benefitted part-time employees who are actively employed are eligible to receive tuition remission for Cairn undergraduate and graduate courses. Part-time employees who are actively employed are eligible to receive ½ the tuition remission amount offered to full-time and benefitted part-time employees for Cairn graduate and undergraduate courses.
- 1.2 Full-time and actively employed Cairn University-based independent contractors are eligible for tuition assistance following completion of one year of full-time service. Tuition assistance for Independent Contractors is detailed in policy 5521-12.
- 1.3 Head and Assistant Coaches who are actively employed are eligible for tuition remission in the form of a graduate tuition scholarship.
- 1.4 Presidential Interns and Graduate Assistants are eligible for tuition remission in the form of a graduate tuition scholarship.
- 1.5 Prior service as a student worker or temporary employee does not apply as accrued service time toward regular full-time, benefitted part-time, or part-time employment.
- 1.6 Eligibility takes effect as of the semester immediately following the employee's date of hire, so long as that date falls on or before the drop/add deadline for said semester.
- 1.7 When a graduated benefit applies, the employee's anniversary date must fall before the end of the drop/add period for that session in order for the higher percentage of benefit to apply.

2. Employee Eligibility for the Tuition Benefit

- 2.1 Eligibility for regular employees (full-time, benefitted part-time, and part-time) is based on the employee's length of service.
 - 2.1.1 Regular employees hired prior to 1/1/08:
Full-time and benefitted part-time employees are eligible for 100% tuition remission for all courses. Part-time employees are eligible for 50% tuition remission for all courses.
 - 2.1.2 Regular employees hired after 1/1/08:

Provided date of hire (or anniversary date as applicable) is prior to the end of the current session's drop/add period, eligibility for tuition remission for an employee's own use as follows:

- 2.1.2.1 Traditional, dual-level, and nontraditional (Degree Completion) undergraduate courses:
 - 100% of total tuition cost for full-time and benefitted part-time employees upon hire (50% for part-time employees).
- 2.1.2.2 Graduate courses:
 - 25% of total tuition cost for full-time and benefitted part-time employees (12.5% for part-time employees) during the first year of employment;
 - 50% of total tuition cost for full-time and benefitted part-time employees (25% for part-time employees) during the second year of employment;
 - 100% of total tuition cost for full-time and benefitted part-time employees (50% for part-time employees) following completion of two full years of employment.
- 2.2 Regular employees shall be provided with tuition remission applied toward a maximum number of credits per academic year, as stated below. Employees are advised to obtain supervisory approval to take more than six credits per semester.
 - 2.2.1 Tuition remission for regular employees in the traditional undergraduate and dual-level degree programs, shall be applied toward a maximum of six credits in each of the Fall, Spring, and Summer semesters; 18 per academic year.
 - 2.2.2 Tuition remission for regular employees in the nontraditional undergraduate (Degree Completion) program shall be for a maximum of 18 credits per academic year. No per-semester limits apply.
 - 2.2.3 Tuition remission for regular employees in a graduate program shall be 18 per academic year. No per-semester limits apply.
 - 2.2.4 Permission to take additional courses at the employee's expense is granted if the employee's performance is satisfactory and continued fulfillment of work responsibilities is arranged with and approved by the employee's supervisor.
 - 2.2.4.1 When employees take credits beyond the number covered by tuition remission AND plan to take courses in two different degree programs (e.g., some traditional undergraduate and some Degree Completion courses, or some undergraduate and some graduate courses) the tuition remission amount will be applied first to the primary program in which the employee is seeking his/her degree.
- 2.3 Normally, regular employee enrollment in classes that meet between 8:00 a.m. and 4:30 p.m. is not permitted. Exceptions may be made if the employee does not normally work during these hours, or if the employee works out a satisfactory plan with his/her supervisor to adjust for missed work.
- 2.4 Employees on an approved Family and Medical Leave Act (FMLA), Personal, or Military Leave rare not eligible to take courses during their leave. If they are already attending classes when a need for FMLA, Personal, or Military Leave unexpectedly arises, the tuition benefit will be provided so that they can complete the courses in which they are enrolled during that semester.
- 2.5 If a student, whether undergraduate or graduate, has taken courses and is then hired as a regular full-time, benefitted part-time, or part-time employee, there is no refund on prior courses or semesters completed.

3. Dependent Eligibility for Undergraduate and Dual-level Tuition Remission

- 3.1 Tuition remission is provided to dependents of employees who meet the eligibility requirements described in Section 1 above.

- 3.2 If a dependent was a student prior to the employee's hire or eligibility for tuition remission, there is no refund or prorated tuition remission amount for the current or prior courses or semesters.
- 3.3 Dependents of employees on an approved FMLA, Personal, or Military Leave of Absence remain eligible for tuition remission during the employee's leave.
- 3.4 Tuition Remission for Spouses
- 3.4.1 Spouses of regular employees hired prior to 1/1/08 receive 100% tuition remission if the employee is full-time or benefitted part-time, and 50% tuition remission if the employee is part-time. This applies to undergraduate and dual-level degree courses.
- 3.4.2 Spouses of employees hired after 1/1/08 receive tuition remission as described below. This applies to undergraduate and dual-level degree courses.
- 12.5% during the employee's first year of employment;
 - 25% during the employee's second year of employment;
 - 50% following the employee's completion of two full years of employment.
- 3.5 Tuition Remission for Dependent Children
- 3.5.1 Dependent children enrolled in traditional undergraduate or dual-level degree programs receive 100% tuition remission if the employee is full-time or benefitted part-time, and 50% tuition remission if the employee is part-time.
- 3.5.2 As aligned with financial aid eligibility, dependent children maintain eligibility for undergraduate and dual-level degree program tuition remission through the end of the semester during which they 1) turn 24 years of age, or 2) marry, whichever occurs first.
- 3.6 Dependents receiving tuition remission are not subject to requirements which apply to employees described in 2.2 through 2.5 above.

4. Conditions and Exceptions

- 4.1 Annual Completion of the Free Application for Federal Student Aid (FAFSA).
Employees are required to complete a FAFSA through the Financial Aid Office for each student in their family (including the employee him/herself) who requests use of the employee tuition remission for undergraduate programs, as follows:
- 4.1.1 A FAFSA should be completed annually, between October and the end of April, for each student for whom tuition remission will be requested for undergraduate courses in the upcoming academic year.
- 4.1.2 Following an academic year in which an undergraduate student is not eligible for federal or state grant or scholarship amounts, the employee may complete a FAFSA Waiver to request exemption from the FAFSA completion requirement. The Director of Financial Aid will decide on the approval of the waiver and inform the employee. The FAFSA or the Waiver must be submitted for each academic year.
- 4.1.3 The FAFSA is available from the Financial Aid Office. The FAFSA Waiver may be obtained from the Financial Aid or Human Resources Offices and is also available on the K drive under Forms.
- 4.2 Waiting Lists
In the event that a class is full and a waiting list is created, the dean of the School overseeing the class will be given the responsibility of deciding whether employee or dependent enrollees should cancel their enrollment in favor of full-tuition-paying students. This will be done following discussion with the employee/dependent to determine the importance of his/her enrollment in the class at that particular time and other course options that might be available.
- 4.3 Coordination with Other Financial Aid
- 4.3.1 Students who are eligible for university scholarships or grants will be eligible for a maximum combined tuition remission amount equal to full cost of tuition. If the scholarship plus the full tuition remission amount is greater than tuition, the tuition

remission amount will be reduced.

4.3.2 Students who are eligible for federal or state scholarships or grants will be eligible for a maximum combined tuition remission amount equal to tuition. If the scholarship plus the full tuition remission amount is greater than tuition, the university-provided tuition remission amount will be reduced. Federal, state, or other aid that a student does not receive, due to late submission of an application or other documents, will be considered as eligible aid in the calculation of tuition remission eligibility.

4.3.3 Students who are eligible for tuition remission of less than 100% of tuition, and who are also eligible for university, federal, or state scholarships or grants, will receive the full tuition remission amount for which they are eligible as well as the university, federal, or state scholarships or grants for which they are eligible, up to 100% of tuition.

4.3.4 University tuition remission does not apply to students who enroll in a Study Abroad program. The University will collect program costs from these students, and will then pay the study abroad sponsor for the cost of the program.

4.4 Exclusion of Educational Options Not Covered By Tuition

Employee tuition remission benefits and scholarships do not apply to educational options which require University outlay of expenses beyond classes and programs generally provided to students. Federal and state aid and non-Cairn scholarships, as applicable, may be applied to the options to offset the costs.

Examples of these exclusions include, but are not limited to:

4.4.1 Private music lessons, unless required for the student's degree

4.4.2 Independent study, unless required for the student's degree

4.4.3 Travel costs for program-related travel (such as the MBA international trip)

5. Deposits Required from Traditional Undergraduate Program Students

5.1 Enrollment Deposit: A \$250 Enrollment Deposit is required from all first-time students in traditional undergraduate programs. Once the tuition benefit is applied to the student's account, this may be

5.1.1 refunded or

5.1.2 applied to any additional fees incurred by the student.

5.2 Confirmation Deposit: In subsequent semesters, a \$100 Confirmation Deposit is required from students in traditional undergraduate programs. Once the tuition benefit is applied to the student's account, this may be

5.2.1 refunded if the student does not plan to take more classes, or

5.2.2 applied to the next semester's deposit, or

5.2.3 applied to any additional fees such as the graduation fee.

5.3 These deposits are waived when courses are audited.

6. Taxability of Graduate Tuition Benefits

6.1 Tax Regulations

In summary, tuition remission used by staff employees for graduate tuition which exceeds \$5,250 per calendar year is considered to be graduate tuition benefits and are therefore subject to federal income, social security, Medicare, and unemployment taxes, certain states' taxes, and certain local earned income taxes.

The details of tax regulations on the taxability of the graduate tuition benefit are found in two sections of the IRS regulations, as follows:

6.1.1 Under **IRS Section 127 Educational Assistance Programs**, educational assistance up to \$5,250 per calendar year provided to an employee for any graduate course is not taxable. Any education assistance furnished to an employee that is greater than \$5,250 per year must be included as taxable income.

- 6.1.2 Under **IRS Section 132 Certain Fringe Benefits**, employees who are required to take courses or obtain training as a condition of employment (to maintain skills required by the employee's trade or business, or to meet the express requirements of the individual's employer, law or regulations), are not taxed on the tuition.
 - 6.1.2.1 Tuition paid for Faculty to take Cairn classes meets this requirement.
 - 6.1.2.2 Educational expenses, whether Cairn classes or other training, that is required by the employee's supervisor and approved by his/her Administrator, meets this requirement.

6.2 Application of Taxes

- 6.2.1 Tax applied to the graduate tuition benefit amount is withheld over the pay periods during, or immediately following, the semester in which courses taken by the employee exceed the \$5,250 non-taxable annual (calendar year) threshold.
- 6.2.2 By completing a W-4 form, the employee may change his/her allowances during this time to adjust the amount of tax deduction being taken. W-4 forms may be obtained from, and shall be submitted to, the Department of Human Resources.
- 6.2.3 Graduate classes in dual-level degree programs are at the graduate level and therefore are taxed as an employee benefit in the same manner as graduate-level-only classes. Dual-level degree program classes are not taxed when an employee is enrolled in the traditional undergraduate program and takes dual-level degree program classes as part of a Fall or Spring semester full time load.

7. Graduate Scholarship

A tuition *benefit* is available to regular full-time, benefitted part-time, and part-time employees who take graduate classes (see above). The graduate *scholarship* is available to employees' spouses, and children of employees regardless of their age or marital status. The graduate scholarship also applies to those employed as part-time coaches, independent contractors, Presidential Interns, or Graduate Assistants, as they are not otherwise benefit-eligible.

7.1 Eligibility for the Graduate Scholarship

- 7.1.1 The graduate scholarship is provided to spouses and children of employees who meet the tuition remission eligibility requirements described in Section 1.
- 7.1.2 The graduate scholarship is provided to a limited number of part-time Head and Assistant Coaches who are actively employed. Graduate scholarships are available to part-time coaches as determined by the Director of Athletics. Coaches who hold full-time positions at the University are eligible for tuition remission and tuition scholarships as described in Section 2 above.
- 7.1.3 If an employee's spouse or child, coach or coach's spouse, Presidential Intern, or Graduate Assistant was a student prior to hire or eligibility for a tuition scholarship no tuition refund or prorated graduate scholarship for current or prior courses or semesters is provided.
- 7.1.4 Spouses and children of employees on an approved FMLA, Personal, or Military Leave of Absence remain eligible for the graduate scholarship during the employee's leave.

7.2 Graduate Scholarship for Spouses

- 7.2.1 Spouses of regular full-time employees receive a graduate scholarship of 50% if the employee is full-time, benefitted part-time, or a part-time coach, upon employee eligibility.
- 7.2.2 Spouses of regular, part-time employees receive a graduate scholarship of 25%, upon employee eligibility.

7.3 Graduate Scholarship for Children

- 7.3.1 Children of regular employees receive a 50% scholarship if the employee is full-time or benefitted part-time, or a 25% scholarship if the employee is part-time.

- 7.3.2 The age limit and marital status guidelines that apply to children using the undergraduate tuition benefit do not apply to children's use of the graduate scholarship.
- 7.3.3 No tuition assistance is provided to children of part-time coaches.
- 7.4 Coordination with Other Graduate Scholarships.
 - 7.4.1 An employee, spouse, or child eligible for the tuition assistance graduate scholarship cannot receive both the graduate scholarship available through this policy plus other scholarships for which the individual might qualify. S/he shall choose between the multiple options.
 - 7.4.2 There is one exception to the above: Students who qualify for a church-match award may receive the university match of the church funds in addition to the graduate scholarship described in this policy.

8. Requesting Use of Employee Tuition Remission

- 8.1 Following are the steps to take to use employee tuition remission.
 - 8.1.1 Complete the admissions process through the Admissions Office.
 - 8.1.2 On the first occasion that the student (whether the employee or a family member) intends to use tuition remission, upon completing the admissions process or registering for classes, the employee shall email to human.resources@cairn.edu the following information:
 - Student's full name
 - Relationship of the student to the employee (self, spouse, child)
 - 8.1.3 Human Resources will inform Business Services (Student Accounts) and Financial Aid of the eligibility of the student for employee-related tuition remission. Human Resources, Student Accounts, and Financial Aid will reference a common document to share and update information relevant to eligibility and tuition remission amounts.
 - 8.1.4 No further communication to HR is needed in subsequent semesters to continue tuition remission for a continuing student user. However, if the student discontinues taking Cairn classes for an entire academic year, and subsequently wishes to resume using tuition remission, HR must be notified anew, as per 8.1.2.

9. Termination of Employment

- 9.1 Employees who terminate employment voluntarily during the semester in which they or their eligible dependents are enrolled and using-tuition remission, shall owe a pro-rated amount of the tuition cost to the University.
 - 9.1.1 The pro-rated amount shall be calculated as follows: For each week remaining in the semester following the employee's termination, 5% of the total tuition remission amount shall be due. A "week" shall be any Monday through Saturday period during which classes are held on any of the days in that week.
 - 9.1.2 If the tuition remission is used for the undergraduate tuition or the employee's own graduate courses, the terminating employee will be required to establish and adhere to a payment plan as outlined in Policy #5512-05.
 - 9.1.3 If the tuition remission is used for the graduate scholarship, the spouse or child will be required to establish and adhere to a payment plan as outlined in Policy #5512-05. Students receiving a graduate scholarship will be eligible to continue to receive the graduate scholarship through the end of the semester (or summer session) in which the employee terminates.
 - 9.1.4 Notification of the employee's termination is provided by the Department of Human Resources to Business Services and the Financial Aid office. A payment plan is to be coordinated between Business Services and the terminating employee.

10. Auditing Courses

Effective March 1, 2016, employees and independent contractors and their spouses and children who are eligible to receive tuition remission under this policy, are provided the opportunity to audit courses at no charge.

The conditions and requirements outlined in policy 5441-13 apply.

Summary of Tuition Remission Eligibility and Benefit/Scholarship Level

THIS TABLE PROVIDES A SUMMARY ONLY. PLEASE REVIEW POLICY FOR DETAILS AND EXCEPTIONS.	UNDERGRADUATE COURSES <i>INCLUDING DUAL-LEVEL AND DEGREE COMPLETION</i>			GRADUATE COURSES		
	Employee Tuition Remission*	Spouse Tuition Remission	Child(ren) Tuition Remission	Employee Tuition Benefit / Scholarship	Spouse Child(ren) Graduate Scholarship	
EMPLOYEE IS A:						
Full-time or benefitted part-time employee who is employed 12 mos/yr and works at least 30 hrs/wk (18 cr/yr if faculty) *	Trad: 100% up to 6 cr/sem, max. 18/yr, D.C.: 100% up to 18 cr/yr (no per sem. limit)	Hired prior to 1/1/08: 100% Hired after 1/1/08: 12.5% 1 st yr; 25% 2 nd yr; 50% thereafter.	Traditional Undergraduate only: 100%. (See 3.5.2 of Policy.)	<u>Benefit.</u> Max. 18 credits/acad. yr. Hired prior to 1/1/08: 100%; Hired after 1/1/08: 25% 1st yr; 50% 2nd yr; 100% thereafter. Benefit is taxable in excess of \$5,250/calendar year.	50%	50%
Part-time employee who is employed 12 mos/yr & who works 1,000+ hrs/yr (12 cr/yr if faculty) *	half of above	half of above	half of above	<u>Benefit.</u> half of above	half of above	half of above
Cairn-assigned FT Independent Contractor **	After one year of full-time service, same as PT Employee hired prior to 1/1/08.					
Presidential Intern ***	N/A	N/A	N/A	<u>Scholarship.</u> 100% for 3 credits/sem.	N/A	N/A
Graduate Assistant ***	N/A	N/A	N/A	<u>Scholarship.</u> 100% for full-time enrollment	N/A	N/A
Head and Assistant Coaches ****	N/A	N/A	N/A	<u>Scholarship.</u> 100% for maximum 18 credits per academic year	N/A	N/A
<p>* Takes effect the semester immediately following employee date of hire/eligibility, provided such date is on or before the last day of the drop/add period. ** Takes effect semester immediately after IC has served one year in a FT capacity, provided such date is on or before the last day of the drop/add period. *** In effect in the full semester(s) during which Internship or Graduate Assistantship is served. For GAs, includes summer session. **** In effect during the academic year during which the coach is actively employed. Does not apply to full-time employees who also coach part-time.</p>						



President's Cabinet Representative

August 3, 2021

Date