

Employee Education Benefit Policy (EEB)

I. POLICY STATEMENT

Auburn University and Auburn University Montgomery maintain an educational benefit plan that provides for tuition waiver benefits to eligible and qualified employees, enabling them to enroll in undergraduate and graduate course work while actively employed at the University.

Controlling Authority: Internal Revenue Code, University 127 Plan

II. POLICY PRINCIPLES

The Employee Educational Benefit is an element of the University's total compensation package, designed to support the desires of employees to grow academically and professionally. This benefit provides eligible employees a waiver of tuition for a maximum fifteen (15) academic hours per academic year which begins with the fall semester at the board-approved, on-campus resident rate per credit hour. The University manages the tuition remission benefit plan in accordance with the Internal Revenue Service (IRS) Regulations and the University 127 Plan.

A. Eligibility:

1. Full-time employees of Auburn University and Auburn University Montgomery who are eligible for the Auburn dental plan and who have served a minimum of one year continuous service are eligible. Eligibility is effective the semester immediately following one year of continuous employment.
2. Eligible employees must **also** meet the admission requirements established for entering students.
3. Eligible employees **must** submit request for tuition benefit through the University online platform (Self-Service Banner).

B. Utilization:

1. If class attendance is scheduled during regular work hours, approval to enroll in/attend class must be granted in advance by the supervisor. Time away from work may be made up, as approved by the supervisor, in accordance with all applicable University policies and state and federal regulations, including the Fair Labor Standards Act (FLSA).
2. Participants must utilize this benefit as the primary funding and all other financial benefits received shall be secondary.
3. In accordance with Public Law 111-377, all participants receiving Veteran Administration benefits must utilize the EEB benefit as primary funding.

C. Benefit:

The benefit will be for a maximum of fifteen (15) academic hours per academic year which begins with the fall semester at the board-approved, on-campus resident rate per credit hour. The student is responsible for the difference between the program rates and the waiver credit. Courses may be a combination of instructor led, virtual classroom, or distance learning.

1. Undergraduate level:

- a. The educational benefit includes a waiver of the Student Services Fee and any applicable college or course specific fees.
- b. The undergraduate tuition remission benefit is not taxable to the participant.

2. Graduate level:

- a. The educational benefit includes a waiver of the Student Services Fee.
- b. The value of the benefits received for graduate level courses that are a part of a program of study **relevant** to the employee's current job are not taxable to the employee. An attestation of the program of study's relevance to the employee's current job is required when approving the benefit request in the University's automated system.
- c. The value of the benefits received **above an annual amount designated by the IRS**, for graduate level courses that are a part of a program of study **not relevant** to an employee's current job, are taxable to the employee.
- d. If this benefit becomes taxable, whether as a result of nondiscrimination tests or payment of benefits in excess of statutory limits, any employment tax withholding owed with respect to the taxable portion of any benefit shall be deducted from the employee's other compensation or reported as taxable income (if other compensation is unavailable). Tax withholding will be in the same calendar year in which the benefit is provided.
- e. Graduate Teaching Assistants and Graduate Research Assistants tuition remission benefit is not considered taxable income (IRS Code 26-117).

D. Exclusions/Limitations:

1. Only one tuition waiver benefit may be applied per employee. In no case shall both the Employee Education Benefit and the Dependent Education Benefit be applied.
2. Auburn University Montgomery's maximum tuition remission is limited to 100% for fifteen (15) hours of tuition at the in-state tuition rate.

III. EFFECTIVE DATE

August 1, 2021 – Revision
December 2018

IV. APPLICABILITY

All Auburn University and Auburn University Montgomery employees.

V. POLICY MANAGEMENT

Responsible Office: University Human Resources

Responsible Executive: Associate Vice President, Human Resources

Responsible Officer: Executive Director, Payroll and Employee Benefits

Responsible Administrator: Director, Human Resource Development

VI. DEFINITIONS

1. Academic Period/Term: Fall Semester, Spring Semester and Summer Term
2. Course: An eligible lecture and/or laboratory event conducted by Auburn University or Auburn University at Montgomery. Eligible courses do not include courses that instruct the employee in any sport, game or hobby, unless such course is required as part of a degree program.
3. Employees: For purposes of this policy, faculty, staff, and administrative professionals.
4. On-Campus Resident Rate: The tuition rate that is charged to Alabama residents for courses taught in on-campus programs.
5. Program Rates: Distinct tuition rates set by each college and approved by the President for Graduate Outreach Programs.
6. Waiver Credit: Amount waived by the University to cover the tuition and fees charged to the employee as a result of enrollment in courses.
7. Student Services Fee: Fee charged as library and student activity fees. This fee is waived for full-time employees.
8. College or Course Specific Fees: The fees charged by each college in addition to university tuition to support the cost of instruction.

VII. POLICY PROCEDURES

The online application process and additional information can be found here:

http://www.auburn.edu/administration/human_resources/hrd/educ_opp.html

VIII. EXCUSIONS

This benefit shall not include the payment, reimbursement, or waiver of costs related to (a) tools or supplies that may be retained by the participant after completion of an educational course or (b) meals, lodging or transportation incidental to taking an educational course.

IX. MISCELLANEOUS

This benefit shall not be deemed to constitute a contract between the employer and any benefit recipient to be a consideration or an inducement for the employment of any participant. Nothing contained in this benefit shall be deemed to give benefit recipient or eligible employee the right to be retained in the service of the employer or to interfere with the right of the employer to discharge any eligible employee at any time.

X. POLICY HISTORY

This policy supersedes any former Employee Education Benefit policies, procedures, or documents.