

**UNIVERSITY OF MINNESOTA CROOKSTON (UMC)
EMPLOYEE ADVANCED DEGREE TUITION REIMBURSEMENT
PILOT PROGRAM**

Program start date: January 1, 2023

Program sunset date: December 31, 2025

Reason for program: The Employee Advanced Degree Tuition Reimbursement Program is designed to increase skills and educational credentials of faculty and staff that assist in the attainment of campus strategic priorities, facilitate recruitment and retention of faculty and staff, and support a continuing culture of excellence through educational investments in UMC employees.

Benefit: The Employee Advanced Degree Tuition Reimbursement Program provides for reimbursement, dependent on funding, for up to 75% of tuition costs of advanced degree programs for eligible employees enrolled in college or university credit-bearing courses taken at regionally accredited institutions of higher education other than the University of Minnesota system. This includes courses (including independent study, distance learning, and online courses) offered for academic credit that are part of an approved program of study leading to an advanced degree and appear on a college or university transcript with A-F or S-N grading.

Eligibility: The Employee Advanced Degree Tuition Reimbursement Program is available to faculty and staff employees who 1) have worked at the University of Minnesota Crookston on a full-time basis for at least one academic year and 2) hold a 75 to 100 percent time, 9-month or greater appointment for the academic year in which course work has been successfully completed. Eligibility for this program extends to employees on approved temporary leaves of absence from qualifying appointments. Eligible faculty and employees on 9-month appointments may use this program for summer session courses if they were employed 75 to 100 percent time the preceding semester and will be employed 75 to 100 percent time the following semester. This program shall not discriminate in favor of officers or highly compensated employees.

Individuals classified as student workers, graduate assistants, adjuncts, professionals-in-training, appointed to positions "without salary", temporary appointments, and family members of employees are not eligible for the Employee Advanced Degree Tuition Reimbursement Program.

Process: An eligible employee must complete the appropriate application form with their supervisor/department head's signature. Discussion with the supervisor/department head will include an agreement of how the employee's essential job functions will continue to be performed. The completed application will be submitted to the Chancellor's Cabinet for review. Consideration for approval will include factors such as availability of funding, the degree to which the application and program of study is aligned with campus strategic plan/goals, achieve institutional priorities, previous Advanced Degree Tuition Reimbursement awards, and other related factors.

Employees are required to re-apply each term. It is recommended individuals submit a completed application as soon as possible. Applications will be reviewed after the application deadline, dependent on available funding. Once funding has been exhausted, no additional requests will be considered for the remainder of the term. Application deadlines are as follows:

- Fall term application deadline - September 15th
- Spring term application deadline - January 15th
- Summer term application deadline - June 15th

Final approval of properly submitted applications will be made by the Chancellor in consultation with the Vice Chancellor for Academic Affairs and other senior campus administrators. Faculty and staff whose applications have been approved will receive written notification. Individuals whose applications have been approved will receive a lump-sum reimbursement of 25% of covered costs after the end the calendar year and subsequent calendar years in which the employee continues to meet eligibility until the maximum amount approved has been reimbursed. The maximum amount the program will reimburse during a calendar year is \$5,000, with a lifetime limit of \$20,000 per eligible employee. Reimbursement ends with the employee's separation of employment from UMC, even if not all approved expenses have been reimbursed.

Covered costs include the tuition costs for graduate school, or post-baccalaureate professional course credits, including thesis credits completed and in which a passing grade has been issued. Employees seeking degrees must follow the policies, requirements, and procedures of the college in which they are enrolled. Employees will not receive retroactive reimbursement for coursework already completed or degrees in programs for which they have not been formally accepted.

Costs not covered include any non-tuition fees (books, material fees, technology fees, late fees, parking fees, activity fees, costs of tools or supplies that the employee may retain after completing a course, meals, lodging, or transportation, etc.) associated with the courses. Courses not covered under this program include non-credit courses, preparatory courses such as GMAT, MCAT, etc., recreational sports courses, study abroad courses, audited courses, courses in which the employee received an incomplete or failing grade, and any other courses that do not qualify as specified in the covered costs section. It is the prerogative of the University to restrict the coverage of additional programs/courses not currently addressed in this policy.

Restrictions:

- 1) The program will reimburse an employee up to a maximum of 75% of the tuition cost of coursework leading to an advanced degree.
- 2) Registration for one course per semester is usually considered appropriate. Approval of more than one course per semester will be left to the judgment of the responsible administrator/supervisor and should be carefully considered in terms of potential impact on the person's work responsibilities and department workflow. No more than two courses per semester are eligible for tuition reimbursement under this program.
- 3) If an employee has received approval of an Advanced Degree Tuition Reimbursement Program application and later receives notice of non-renewal of appointment, the program will cover the approved proportion of tuition for the semester in which the employee received notice of non-renewal and continues to meet eligibility criteria. The employee is not eligible for continuing tuition reimbursement under this program after the end of the semester in which the person received notice of non-renewal.
- 4) Applications must be submitted each term prior to the application deadline. Employees are not eligible for reimbursement for coursework not approved or for coursework already completed prior to submission and approval of an application.

Section 127 Plan: Section 127 of the Internal Revenue Code of 1986, as amended, provides that gross income of an employee does not include the first \$5,250 of amounts paid or expenses incurred by his or her employer during a calendar year for educational assistance furnished to an employee pursuant to a qualified written educational assistance plan. This Advanced Degree Tuition Reimbursement Program is intended to be such a plan.

Tax Consequences: Reimbursements up to \$5,250 each calendar year are tax-free educational assistance benefits pursuant to Internal Revenue Code Section 127. To the extent any eligible employee receives educational assistance benefits that exceed \$5,250 in a calendar year, such excess benefits shall be subject to federal income tax and payroll tax withholding in accordance with federal and state laws. An eligible employee shall be responsible for any income tax liability arising from the receipt of educational assistance benefits under this Plan, whether or not the University withheld tax on those benefits.

Notification to Eligible Employees: This Advanced Degree Tuition Reimbursement Program shall be made available for review by eligible employees of UMC through its web site.