



Rowan College of South Jersey

Administrative Procedure: 7113

TUITION REIMBURSEMENT AND WAIVERS FOR EMPLOYEES

In accordance with Board policy, the following procedures have been adopted to ensure the efficient processing of tuition reimbursement and waiver. Please note the IRS guidance listed below.

Tuition Reimbursement and Repayment Criteria

Reimbursement

1. Full-time faculty/staff are eligible to apply for undergraduate or postgraduate study reimbursement.
2. In all cases, tuition reimbursement is applicable to tuition only. All student fees, course or laboratory fees, or other educational expenses are the full responsibility of the full-time faculty/staff.
3. Full-time faculty/staff may not enroll in courses that interfere with his/her regular work schedule without approval from the President, or his/her designee.
4. All required approvals must be obtained from the President, or his/her designee, **prior** to course registration. The Tuition Reimbursement Form may be obtained from Human Resources (HR).
5. Upon completion of the course, the Tuition Reimbursement Form, along with a bill, copy of a cancelled check, money order, or credit card statement, information indicating proof of the course start date and final course grade must be submitted to the HR department for review and approval before submission to the Financial Services department for payment. The refund will be reduced by any grants/scholarships received from Financial Aid.
6. The tuition reimbursement documentation for payment must be submitted within the fiscal year when the courses were taken.
7. Full-time faculty/staff may not be reimbursed for taking the identical class(es) for their undergraduate or postgraduate studies.

8. Full-time faculty/staff who have made deferred payment option arrangements with the college/university they are attending, will need to submit a check request addressed to the school they are attending along with a student bill that details the tuition amount owed. An employee must submit the approved Tuition Reimbursement Form and final grade along with the check request to HR. Payment will be processed by Financial Services upon HR review and approval of the submitted information.
9. Full-time faculty/staff are eligible for undergraduate study reimbursement at other institutions up to the prevailing Rutgers College (New Brunswick Campus-School of Arts & Sciences) rates on a per credit basis for up to twelve (12) successfully completed credit hours per fiscal year (July 1 to June 30).
10. Full-time faculty/staff are eligible for postgraduate study reimbursement at other institutions up to the prevailing Rutgers University (New Brunswick Graduate School of Education) rates on a per credit basis for up to twelve (12) successfully completed credit hours per fiscal year (July 1 to June 30).
11. Reimbursement for undergraduate courses is contingent on achievement of a grade “C” or better and for postgraduate courses, a grade “B” or better.
12. All undergraduate and postgraduate courses are subject to approval by the President, or his/her designee.

Repayment Criteria

As the policy states, “Full-time faculty/staff participating in the tuition reimbursement program must agree to remain continuously employed full-time with the College for a period of two (2) years following the conferring of the degree or as of the most recent tuition reimbursement check, whichever comes first”.

In the event a full-time faculty/staff member leaves voluntarily or is terminated for just cause prior to completing the two (2) full years of continuous full-time employment, the required repayment procedure is follows:

- **100%** of the tuition reimbursement from the previous two (2) years must be repaid to the College, if separation occurs within (1) one year;
- **50%** of the tuition reimbursement from the previous two (2) years must be repaid to the College, if separation occurs more than (1) one year, but less than two (2) years;
- **0%** of the tuition reimbursement is due to the College, if separation occurs two (2) full years or more from the last tuition reimbursement date.

At the time of separation, the HR department will confirm the amount owed to the College with the employee.

The Financial Services Department will send the employee the repayment schedule. Repayment is interest free and follows a flexible payout schedule that can have a maximum of sixty (60) equal monthly payments. Monthly payments will start sixty (60) days after separating from the College.

Former full-time faculty/staff that do not honor the repayment agreement will be subject to the following action for missed payments or defaults:

- If the monthly payment is late or missed, the former full-time faculty/staff will receive a late notice (*First Notice*);
- If two (2) consecutive monthly payments are not made and there is no response to the *First Notice*, a second letter (*Second Notice*) will be sent warning the former full-time faculty/staff that the account will be forwarded to an outside agency in thirty (30) days, if the account is not made current;
- If there is no response from the former full-time faculty/staff to the *Second Notice* within thirty (30) days, delinquent accounts will be placed with the College's third-party collection agency.

The College reserves the right as provided in the "payment contract" to pursue all legal and equitable means at its disposal to collect any balance due including the cost of litigation and reasonable attorney fees.

IMPORTANT IRS GUIDANCE

In order for tuition reimbursement to be exempt from tax, 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/her present salary, status, or job; or
- The education maintains or improves skills needed in the job.

However, even if the education meets one or both of the above tests, it isn't 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.

As of 2016, any tuition reimbursement above \$5250 is considered a fringe benefit and must therefore be claimed on the employee's W-2.

Note: The College will not be responsible for providing additional IRS guidance. Each employee is responsible for the impact of tuition reimbursement on his/her own taxes and should consult with a tax professional.

Full-time Faculty and Staff RCSJ Tuition Waiver

1. Full-time faculty/staff and their dependents (children up to age 23) are eligible.
2. Adjunct faculty members are eligible, but their dependents are not covered under this benefit.
3. Represented regular part-time staff working twenty or more hours per week are eligible, but their dependents are not covered under this benefit.
4. Individuals must obtain a signed Tuition Waiver Certification Form from Human Resources (HR) and submit it to the Business Office upon course registration, but no later than the payment due date.
5. Students are responsible for the cost of course fees, equipment, materials and textbooks, and any other non-per credit fees.
6. Any grants and/or scholarships received as a result of Financial Aid eligibility, unless otherwise noted, will be applied to tuition first before covering the cost of any item mentioned above. This may reduce or eliminate the waiver.
7. *Qualitative Grade Point Average (GPA) Requirements:* In order to qualify for tuition waiver, participants must maintain the following minimum GPA depending upon the number of hours attempted, subject to the Warning Status provisions set forth below. Tuition waiver shall apply to all remedial courses. Remedial courses will be exempt from the minimum GPA standards below.

<u>Credits Attempted</u>	<u>Minimum GPA Standard</u>
12-24 credit	1.5
25-66+	2.0

8. *Warning Status:* Each participant will be afforded one active semester of "warning" before becoming ineligible due to inability to maintain the applicable minimum GPA standard set forth above. An active semester will be defined as one in which the participant is enrolled in one or more courses. Each participant who is placed in warning status will receive an email sent to the RCSJ email account explaining her/his current academic status, as well as a summary of the many services the College offers to assist students with getting back on track. If the participant fails to meet the applicable minimum GPA standard at the end of the warning period, she/he will become ineligible for tuition waiver during subsequent semesters until the overall GPA meets or exceeds the applicable minimum GPA standard provided above. Upon meeting or exceeding the

applicable minimum GPA standard, the participant will become eligible for tuition waiver once again.

9. Waiver amount is calculated and applied by the Bursar and/or designee. As previously stated, the waiver covers tuition only. The student is responsible for student fees, course or laboratory fees, or other educational expenses. The waiver is reduced by any grants/scholarships received by Financial Aid.

In the event these procedures are in conflict with a collective bargaining agreement, the collective bargaining agreement will govern. Contact HR with any questions.

Area: Human Resources
Approved: 06/09/20
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President's Authorization:  _____

References:

Rowan College of South Jersey Board of Trustees Policy Manual, *7113 Tuition Reimbursement and Waivers*