

UNIVERSITY OF ROCHESTER
TUITION BENEFITS PLAN FOR FACULTY AND STAFF
Application for Job-Related Credit Courses Taken at Other Colleges or Universities

(and Approved Non-Credit Courses Taken at the University of Rochester or at Other Colleges or Universities)

Questions: Call 275-0476

Tuition Reimbursement Procedure

Step # 1 Employee:

- ♦ Completes Application for Tuition Reimbursement (one application per individual for each term)
 - Completes Employee Section
 - Lists all courses for which tuition reimbursement is requested (maximum of two (2) courses for full-time faculty/staff)
- ♦ If taking a graduate course or a non-credit course, employee reviews the attached flow chart on **page 4** for determining whether the course(s) will be taxable and checks the appropriate box under the “Employee Section” of the application. If not taxable, employee completes the *University of Rochester Graduate Tuition Waiver/Reimbursement Tax Exemption Form* on **page 5**.
- ♦ Takes Application for Tuition Reimbursement (and tax exemption form (page 5), if not taxable) to supervisor or department head

Step # 2 Supervisor or Department Head:

- ♦ Reviews application in terms of whether the course is job-related and the employee’s ability to complete course(s) without interfering with normal work schedule; completes Department Certification section and signs and dates application
- ♦ Completes and signs Supervisor/Dept. Head Certification section of the tax exemption form on page 5, if applicable
- ♦ Returns application (and tax exemption form, if applicable) to employee

Step # 3 Employee:

- ♦ Keeps a copy of the completed application (and tax exemption form, if applicable) for their records and returns completed application to the Benefits Office.* **It is recommended that applications be completed and approved prior to the start of the course. (Completed applications must be received by the Benefits Office for authorization no later than 30 days after the start of the course(s).)**

Step # 4 Benefits Office:

- ♦ Confirms eligibility, authorizes the Application for Tuition Reimbursement and sends verification to the faculty or staff member. **Please allow two weeks for the Benefits Office to process and authorize application.**

Step # 5 Employee:

- ♦ Upon successful completion of course, sends course documentation (grades, proof of tuition cost and proof of payment) to Benefits Office.* Reimbursement will not be made if the course documentation is not received within 90 days of course completion.

Step # 6 Benefits Office:

- ♦ Verifies successful completion of course and authorizes tuition reimbursement payment to employee through the regular payroll system. For taxable tuition benefits, authorizes applicable Federal and State income taxes and FICA taxes to be deducted from the employee’s paycheck when the reimbursement is paid. **Please allow 1-2 pay periods after providing the required documentation for reimbursement to the Benefits Office for your tuition reimbursement to be processed with the regular payroll and paid to you in your paycheck or directly deposited into your bank account if you have elected direct deposit for your paycheck. (If you have elected more than one bank account for your direct deposit, your reimbursement will be distributed according to your account allocations.)**

*Completed application (and tax exemption form, if applicable), copies of grades and proof of cost and payment can be submitted to the Benefits Office by:

-Email- haley.schultz@rochester.edu

- Inter-office mail- P.O. Box 270453

-Fax-585-273-1054

**- Regular mail-44 Celebration Dr., Suite 2300,
P.O. Box 270453
Rochester, NY 14627**

Tuition Reimbursement Information

- If the supervisor **requires** an hourly paid staff member to take job-related course(s), class time is considered as working time and will be paid as such by the staff member's department. If a course occurs outside the normal work hours, additional pay will be required for hourly paid staff (including overtime premium) if work exceeds 40 hours in a week.
- Tuition benefits are provided for the cost of tuition for credit-bearing courses.* Cost of supplies, textbooks and the like will not be covered. Courses taken on audit basis will not be covered.
- ***In all instances, tuition benefits are contingent upon successful completion of the course and continuation of eligibility for tuition benefits based on employment status with the University. If these criteria are not met, the employee will be responsible for payment of the course and any related fees, i.e., late fees. The approved reimbursement is only for the course(s) listed. Any change in course(s) listed (add/drop/withdrawal), must be forwarded in writing to the Benefits Office.***
- In no instance is an employee eligible for more than 2 courses per semester or quarter (The limit applies to all courses taken at a given time, whether at other colleges or universities or the U of R.).

**Non-credit courses are not covered unless they meet the criteria of being directly job-related, having at least 15 contact hours, having outside readings and assignments, and having a formal evaluation based on a final exam. It is recommended that the documentation that the course meets these requirements be provided to the Benefits Office prior to the start of the course.*

Tuition Benefits for Graduate Courses and/or Non-Credit Courses May be Taxable and Require Additional Taxes to be Deducted from your Paycheck

Graduate tuition assistance benefits and/or tuition reimbursement for non-credit courses up to \$5,250 in a calendar year are not taxable. Graduate tuition assistance benefits and/or tuition reimbursement for non-credit courses that exceed \$5,250 in a calendar year are **taxable wages** unless the course satisfies the requirements for a tax deductible job-related course under IRS rules.* Generally, a job-related course will satisfy these IRS requirements if it *maintains or improves skills for the individual's present job, or if the course meets the employer's express requirements for retaining the job, and the course is not part of a program that will qualify the individual for a new trade or business.* Please refer to the flow chart on **page 4** for assistance in determining whether the graduate tuition benefits and/or tuition reimbursement for non-credit courses you anticipate receiving will be taxable.

If you believe that your proposed graduate level course(s) and/or non-credit course(s) satisfies the requirements for a tax deductible job-related course under IRS rules, please complete the *University of Rochester Graduate Tuition Waiver/Reimbursement Tax Exemption Form* on **pages 5**. For **taxable** tuition benefits, applicable Federal and State income taxes and FICA taxes (*approximately 42.27% of the taxable tuition amount*) will be deducted from the employee's paycheck **when the reimbursement is paid**. In addition, the taxable income will be reflected on the W-2 for the calendar year when the tuition benefit is reimbursed to the employee. Below is an example of a calculation:

Total yearly tuition amount = \$19,980 - \$5,250 (tax-free amount) = \$14,730 x 42.27% = **\$6,226.37** (estimated amount that will be **deducted from the employee's paychecks** during the calendar year)

* If you worked at one of the members of the University's controlled group during this calendar year (Highland Hospital, Highlands at Brighton, Highlands at Pittsford, Highlands Living Center, UR Medicine Home Care (VNS), Visiting Nurse Signature Care, High Tech Rochester, Nicholas H. Noyes Memorial Hospital, and Jones Memorial Hospital), and utilized employee tuition benefits, please advise the University's Benefits Office of the amount of that tuition benefit.

**APPLICATION FOR TUITION REIMBURSEMENT
FOR JOB-RELATED COURSES TAKEN AT OTHER COLLEGES OR UNIVERSITIES
(and Approved Non-Credit Courses Taken at the University of Rochester or at Other Colleges or Universities)**

(Before completing application, please read pages 1 & 2 for instructions and important information)

Revised 6/17

EMPLOYEE SECTION (PLEASE PRINT)

Name _____ University/Home Telephone _____
 Home Address _____ Pay frequency Bi-weekly Semi-monthly Monthly
 City, State & Zip _____ Employee ID _____
 Job Title _____ Full-time/Part-time _____
 Division/Department _____ E-mail Address _____

NAME OF COLLEGE OR UNIVERSITY

	FALL	WINTER	SPRING	SUMMER	Start Date _____	End Date _____
Course # and Title	Credit Hours	Tuition per Credit Hr	Graduate Level Course?	Yes*	No	
1. _____						
2. _____						

Are the above courses part of an accelerated program? Yes No

I hereby acknowledge that tuition benefits will be provided to me contingent upon successful completion of the course and continuation of my eligibility for tuition benefits based upon my employment status with the University. I realize that if I do not satisfy these criteria, I will be responsible for payment of the course and any related fees, i.e., late fees.

Signature of Employee **Date**

***I certify that I reviewed the flow chart on page 4 and determined that: (Please check ONE)**

The graduate course(s)/non-credit course(s) I am currently enrolled in (listed above) are **TAXABLE**.

The graduate course(s)/non-credit course(s) I am currently enrolled in (listed above) are **NOT TAXABLE**. (Complete **page 5**)

Signature of Employee **Date**

DEPARTMENT CERTIFICATION

(To be completed by Supervisor/Department Head)

Please answer the following questions:

1. Is the course(s) job-related? Yes No

(The University defines a course as job-related if it is directly related to the employee's job at the University.)

2. Will the course(s) interfere with work? Yes No

Signature of Supervisor/Dept. Head **Date**

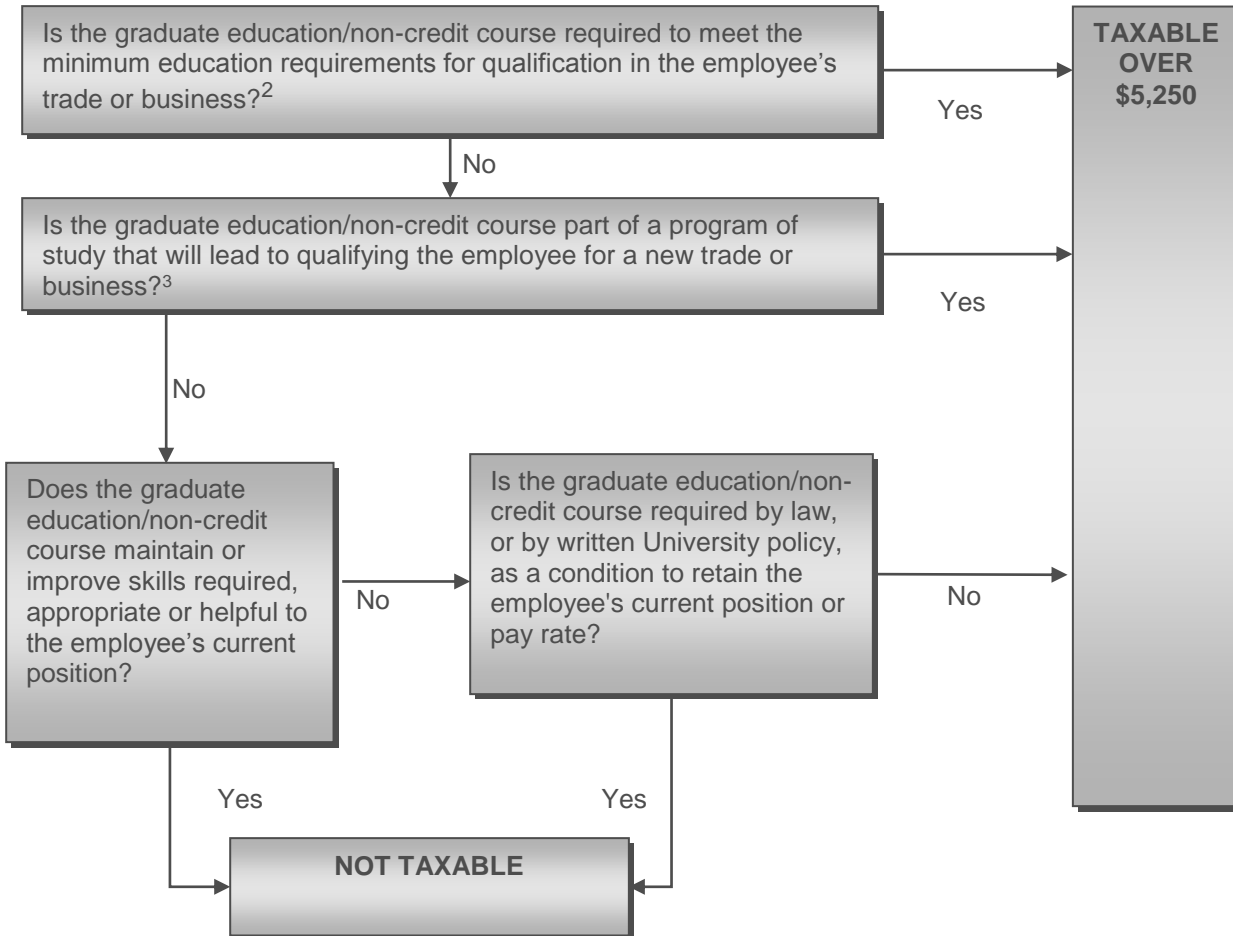
Print Name of Supervisor/Dept. Head

BENEFITS OFFICE USE ONLY Upon proof of satisfactory completion of the above () course (s), tuition for the appropriate number of credit hours, as noted on the term bill, will be reimbursed at 70%.

Benefits Office Authorization

Date

**University of Rochester Graduate Tuition Waiver/Reimbursement Benefits
 Determination Whether Graduate Tuition Assistance Benefits and/or Tuition
 Reimbursement for Non-Credit Courses Exceeding \$5,250 in a Calendar Year are Taxable¹**



- 1. About this Chart:** Ordinarily, employer-provided graduate tuition assistance benefits and/or tuition reimbursement for non-credit courses that exceed \$5,250 are taxable wages, while benefits up to \$5,250 are not taxable. However, certain job-related education is not taxable over \$5,250. This chart is intended to assist in determining whether an educational benefit sought by an employee meets the exception to taxability. **This does not constitute tax advice to employees, and employees should consult their personal tax advisors.**
- 2. Minimum Required Education:** For example, suppose an employee, who holds a bachelor's degree, obtains temporary employment as an instructor at the University and undertakes graduate courses as a candidate for a graduate degree. Also, suppose the employee may become a faculty member only if he/she obtains a graduate degree and may continue as an instructor only so long as he/she shows satisfactory progress towards obtaining his/her graduate degree. The graduate courses taken by the employee constitute education required to meet the minimum educational requirements for qualification in the employee's trade or business and, thus, the expenditures for such courses in excess of \$5,250 are not deductible.
- 3. New Trade or Business.** For example, a program of study qualifies an employee for a new trade or business if successful completion of the program would qualify the employee to: (1) meet a new category of professional licensure or certification required to perform a particular job (e.g. nurse practitioner certification); or (2) be employed in a position that has a different educational requirement than his/her current position, either within or outside the University. NOTE: Intention or actual job change is irrelevant; even if the employee does not intend to change positions, or does not take a new position, the tuition benefit is taxable if the employee becomes qualified to do so.

University of Rochester Graduate Tuition Waiver/Reimbursement Tax Exemption Form

(You should consult with your tax advisor before completing this form).

Employee Information (please print)

Name:	University Telephone:
Student ID #:	Home Telephone:
Employee ID #:	
Job Title:	

Course Information – Please complete a separate form for each course.

College/University	Course #	Course Title	Course Start Date	Course End Date

To the Employee: Please answer **ALL FOUR** questions to indicate whether the above course is job-related.

- | | | |
|---|-----|----|
| 1. Is the course required to meet the minimum education requirements of my position? | Yes | No |
| 2. Is the course part of a program of study that will qualify me for a new trade or business? | Yes | No |
| 3. Will the course help me maintain or improve skills in my current position? | Yes | No |
| 4. Is the course required as a condition to retain my current position or pay rate? | Yes | No |

For the course to qualify as a tax exempt job-related course, the answers to the first two questions must be “No”, and the answer to either the third or fourth question must be “Yes”.

By signing below, I certify that I have answered the above questions accurately. I understand that if the course is found not to be job-related, I may have to pay taxes on the value of the course. If the value of the course is taxable, I also understand that I may owe income tax, FICA payments, and/or penalties and interest, and I agree to assume responsibility for paying these amounts.

Signature of Employee

Date

Supervisor/Dept. Head Certification

To the Supervisor: Please answer **ALL FOUR** questions to indicate whether the above course is job-related.

- | | | |
|---|-----|----|
| 1. Is the course required to meet the minimum education requirements of the employee’s position? | Yes | No |
| 2. Is the course part of a program of study that will qualify the employee for a new trade or business? | Yes | No |
| 3. Will the course help the employee maintain or improve skills in his/her current position? | Yes | No |
| 4. Is the course required as a condition for the employee to retain his/her current position or pay rate? | Yes | No |

For the course to qualify as a tax exempt job-related course, the answers to the first two questions must be “No”, and the answer to either the third or fourth question must be “Yes”.

By signing below, I certify that I have answered the above questions accurately.

Signature of Supervisor/Dept. Head

Date

Extension

Print Name of Supervisor/Dept. Head

Reviewed by the Benefits Office

Date