

Policy No. 340
October 1, 1995
Revised August 2008

EMPLOYEE TUITION BENEFIT PROGRAM

PURPOSE

To help employees and their immediate family to obtain additional education or training.

SCOPE

This policy applies to all full-time and half-time employees at ACU.

POLICY

Eligibility

Important notes for all eligible classes:

1. The tuition benefit may be combined with other merit or achievement scholarships awarded (such as the Trustee Scholarship). However, in no event will the total scholarships awarded exceed the total amount of institutional charges each semester. The faculty/staff tuition benefit will always be applied first, and in some cases other academic awards may need to be reduced in order to meet this requirement. Institutional charges are defined as tuition, required fees (not course fees), and on-campus room (excluding University Park) for purposes of awarding this program.
2. Faculty and staff are responsible for determining tax implications of this benefit.

Full-time employees of ACU are eligible to apply for a discount in tuition for courses taken at ACU for up to six hours during any fall or spring semester or six hours during the combined summer term, which includes Maymester, Summer I and Summer II. If classes will take place during employee's scheduled working hours, the employee's supervisor must approve all classes before enrollment. Time spent in class will not be counted as part of the employee's work schedule, unless approved in advance by the employee's supervisor and vice president of the employee's area. The course must be taken outside scheduled working hours or an equivalent adjustment must be made in the employee's work schedule.

Spouses – For classes taken at ACU, a full-time employee may apply for a tuition discount for up to six semester hours for his or her spouse. After two years of continuous employment, for classes taken at ACU the employee may apply for a tuition discount for

his or her spouse for up to 18 hours per fall or spring semester and six hours during the combined summer term, which includes Maymester, Summer I and Summer II.

Children – For classes taken at ACU, full-time employees may apply for a tuition discount for up to 18 hours per fall or spring semester and six hours during the combined summer term, which includes Maymester, Summer I and Summer II.

Half-time employees (those who work between 20-39 hours a week or who are half-time faculty members) are eligible after five years of continuous employment for a prorated tuition discount based on their university full-time equivalency. Example: A staff member in his or her sixth year of service, who works 20 hours a week would be eligible for half the 75% tuition discount.

Retirees - When a full-time employee retires from the university, that retiree, his or her spouse and children will continue to be eligible to apply for tuition scholarships. The amount of such discount shall be based on the university's program for such tuition discounts at the time or times they are awarded.

If a full-time employee dies while employed by ACU, his or her spouse and children will continue to be eligible for the tuition discounts as listed for retirees.

Benefits

All full-time faculty and staff are eligible as follows:

1st year of employment – 50% discount on tuition

2nd year of employment and thereafter - 75% discount on tuition

Explanation: Employees are eligible for a 50% discount if they are employed by ACU before or in the first month of the term for which they are applying. As an employee begins his or her second year of employment, the 75% discount will apply.

**Faculty and staff hired before May 1, 1993, and continuously employed, are eligible for an 80% discount on tuition. The 80% discount does not apply to ACU Online degree programs.*

ACU Online Degree Programs

The benefit applies to programs in existence as of August 2008.

1st year of employment - 50% discount on tuition

2nd year of employment and thereafter - 75% discount on tuition

Employees and dependents must meet the admissions requirements and be enrolled in a degree program, not just taking individual classes, in order to receive the benefit.

Limitation of Benefits

Full-time employees and retirees are eligible to apply for a tuition discount for their children until the semester after the child's 25th birthday.

In addition, for students (employee, spouse or child) enrolling for the first time after the spring 1993 semester, benefits will be limited to the lesser of 175 attempted hours or one baccalaureate degree and one post-baccalaureate degree.

No financial benefit will accrue to the benefit of an ACU employee or to any member of the employee's family for withdrawn courses. Any repeated class is not eligible for the tuition discount. Employees, spouses and children enrolled in degree seeking programs must maintain satisfactory academic progress to qualify for this tuition benefit. Students who fall below the minimum cumulative GPA will be placed on academic and financial probation. For financial aid purposes, the first such semester is considered a "grace" semester and the student is eligible for financial aid. The student must reach the required minimum cumulative GPA at the end of the grace period in order to qualify for the tuition benefit. Only one such grace semester is allowed in a student's career.

Graduate Studies

Employees

As of August 15, 2008, ACU has an Educational Assistance Plan that qualifies as a plan providing educational assistance to employees under IRS Code Section 127(b)(1). This plan enables employees to exclude from income up to \$5,250 per calendar year (or such greater or lesser amount as may be subsequently permitted under the IRS Code Section 127) of graduate tuition benefit. Consequently, employees who receive a tuition discount for graduate courses will not be taxed for up to \$5,250 of this benefit.

Spouses and Dependents

In keeping with IRS requirements, this Educational Assistance Plan is not available to spouses or dependents of employees. In keeping with current law, the graduate tuition benefit for spouses and dependents will be reported as income to the employee for the calendar quarter ending immediately following the end of the semester for which the benefit was given. Social Security and federal income tax will be withheld on the benefit. Employees whose family members participate in graduate programs should be prepared for a reduced paycheck at the time the income is reported.

Auditing Courses

Undergraduate

Students who wish to audit a course should see the chair of the department (of the course) on the first day of class in order to request permission to audit the course. An approved request to audit a course must be submitted to the Registrar's Office by Friday of the second week of the long term or the equivalent date of a summer term or intensive courses. Some courses are not available as audit courses. The fee for auditing a course is usually \$35. However, certain courses may have additional fees for auditors. Check with the department of the course offered to get course-specific information.

Graduate

Students who audit a class are normally charged the audit fee according to the university billing practice. Students are not allowed to later change the audit to a course grade.

PROCEDURE

Employees interested in the tuition discount for residential programs should apply in The Depot located in the Campus Center. Employees interested in the tuition discount for ACU Online programs should contact Graduate Admissions before applying for any programs in order to obtain appropriate instructions.