



FERRIS STATE UNIVERSITY

HUMAN RESOURCES

HR Related Policies & Procedures

Effective Date: May 10, 2013

FSU-HRPP 2013:40

Tuition Benefits Program

COVERED EMPLOYEES

- Full-Time Administrative
- Full-Time Support
- Full-Time Temporary
- Bargaining Unit Employees
- Job Share Employees

[Board of Trustees Employee Definitions](#)

Note: Bargaining unit employees are covered by the terms and agreements of the [collective bargaining agreement](#) (CBA). Please refer to the CBA for details.

BOT POLICY

Sec. 6-1001. Tuition Benefits Program:

1. The University offers two tuition benefit program options: one that complies with IRS code, Section 117 and one that complies with IRS Code 127.
2. Full-time employees may take up to nine (9) credit hours of undergraduate or graduate class work per semester at the University, not to exceed twenty-four (24) credit hours per calendar year.
3. Tuition charges for such courses will be waived and/or reimbursed as appropriate, provided that the employee is an eligible full-time employee on the first day of the semester. The waiver extends only to tuition costs that exceed the amount of any financial assistance, fellowships, or scholarships, and does not include other fees, books, etc.
4. Full-time, non-bargaining unit administrative and support personnel who are laid off or whose workload is reduced from full-time to part-time shall be eligible for tuition waiver benefits up to twenty-four (24) University credit

hours. All waivers under this subsection must be used within one (1) year of the effective lay-off date or time reduction date, and in such cases the limit of nine (9) credit hours per semester shall be waived.

5. The spouse and/or dependents of an employee who is eligible for tuition waiver benefits may receive the choice of (1) the transfer of all or the available balance of the eligible employee's nine (9) credit hours, or (2) a 30% waiver of the cost of tuition charges at the University each semester.
6. In the event that both spouses are eligible employees, in no event shall more than 60% of the tuition charges be waived nor more than eighteen (18) credit hours be transferred for a spouse or dependent per semester.
7. The President, or his or her designee, shall develop policy and procedures regarding the accumulation, use, and other administrative considerations of this benefit.
8. The Tuition Benefit Program can be used to take courses at Kendall College of Art and Design, up to a maximum value of \$1,620 per semester.

HR PROCEDURES/DESCRIPTION/DEFINITIONS

- I. The University offers two options of using the Tuition Benefit Program:
 - A. **Section 127 of the IRS Tax Code** - An employee may utilize the nine (9) tuition credit hours to take either undergraduate or graduate courses. Graduate-level courses are number 500 or above and leading to an advanced degree. Graduate-level courses will not be taxed under this IRS tax code unless the value of the graduate-level classes taken for the calendar year exceeds the IRS maximum limit (\$5,250). The value of graduate-level courses in excess of that amount will be taxable to the employee.
 - B. **Section 117 of the IRS Tax Code** - The employee, dependent and spouse may take up to nine (9) credit hours of undergraduate courses without any taxation. However, an employee using this option to take graduate-level classes will be subject to taxation based on the full value of the graduate-level credit hours.
- II. Employee must designate on the Tuition Benefits Program Application form which option he/she prefers.
- III. The employee will be taxed on the monetary value of graduate-level courses taken by a dependent/spouse.
- IV. No carry-over from semester to semester or accumulation of tuition credit hours will be permitted.

- V. Courses taken by the employee cannot interfere with regular work assignments. Supervisory approval to take a course must be secured on all employee Tuition Benefit Program Applications.
- VI. Tuition Benefits Program for spouse/dependent:
 - A. Eligibility for a spouse/dependent to use the Tuition Benefits Program is:
 - 1. That he/she is the eligible employee's natural or adopted child who is 24 years of age or less on the first day of classes for that semester; or
 - 2. That he/she is the eligible employee's stepchild who is 24 years of age or less on the first day of classes for that semester and is claimed by the employee as a dependent on his/her federal income tax return, or
 - 3. That he/she is the spouse of an eligible employee.
 - B. The spouse/dependent may be required to present evidence to Human Resources (HR) confirming his/her eligibility as defined above.
- VII. An employee, spouse or dependent shall be subject to all University academic standards and policies and may be refused admission to the University, enrollment in courses, or continued enrollment at the University the same as any other applicant or student.
- VIII. The employee must complete the [Tuition Benefit Program Application](#) and submit it to HR. Failure to submit to HR a completed application by the end of the semester will result in loss of the tuition benefit for that semester.
- IX. The Tuition Benefits Program is not available for auditing classes.
- X. An employee who is working under the provisions of the Job Share Program is eligible for four (4) credit hours per semester, for use for him/herself or to transfer to eligible dependents or spouse (instead of nine (9) credit hours).
- XI. Tuition Waiver and Financial Aid: The tuition waiver benefit for employee, spouse and/or dependent(s) shall be applied only toward tuition costs. Other financial aid will be applied to the student's account after the waiver has been applied. The benefit will be applied based upon the per credit hour rate for the tuition. Tuition waiver will not be applied to non-tuition costs. If a spouse/dependent receives a scholarship or grant for partial tuition payment, the tuition waiver benefit will provide for up to the cost of nine (9) credit hours, or full tuition, whichever is less.
- XII. For an employee and eligible spouse or dependents taking courses at Kendall College of Art and Design:

- A. If an employee or eligible spouse or dependent takes all FSU-Kendall courses, the value of the tuition benefit is \$180.00 per credit hour, to a maximum value of \$1,620 each semester. If the employee or eligible spouse or dependent takes courses at both FSU and FSU-Kendall within the same semester, the number of credit hours will be applied to FSU courses first and then any remaining credit hours converted to and valued at \$180.00 per credit hour will be applied to the FSU-Kendall courses. For example:
1. Example #1: an employee takes 6 credit hours at FSU-Kendall. The value is \$1,080 ($\180×6) for the 6 credit hours. The employee will be responsible for paying the remainder of the tuition cost.
 2. Example #2: an employee takes 5 credit hours at FSU and 3 credit hours at FSU-Kendall in the same semester. He/she will be given the 5 credit hours for the course(s) taken at FSU. The value of the 3 credit hours at FSU-Kendall will be \$540 ($\180×3). The employee will be responsible to pay the remainder of the 3 credit hours taken at FSU-Kendall.

XIII. Tuition waiver for a laid-off or time-reduced employee:

- A. Personnel who are laid off or whose workload is reduced from full-time to part-time shall be eligible for tuition waiver benefits up to twenty-four (24) University credit hours. All waivers must be used within one year of the effective lay-off date or time reduction date, and the limit of nine (9) credit hours per semester shall be waived.
- B. In order to obtain the tuition waiver, the qualified individual must obtain, complete, and process an Employee Tuition Benefits Program Application from HR; if taking more than nine (9) credit hours in one semester, a notation on the bottom of the form should be made stating that the request is pursuant to the Board-approved policy for laid-off/time reduced, full-time, and non-bargaining unit employees.

RESPONSIBILITY

Employee: Must complete an [Employee or Spouse/Dependent Tuition Benefits Program Application](#) for each semester and submit to Human Resources. An Employee Tuition Benefits Program Application requires supervisory approval.

Supervisor: Review and complete the Tuition Benefits Program Application each semester the employee requests to use the benefit.

Refer Questions To: Human Resources