



## EDUCATIONAL ASSISTANCE PLAN

- 1. Plan.** On July 1, 2019, the University established an Educational Assistance Plan (the Plan) to provide educational benefits under Section 127 of the Internal Revenue Code to all benefits eligible full-time and part-time employees of the University. This document sets forth the Plan.
- 2. Employment status.** Employees qualify for the Plan and earn the benefits after working a minimum of 1,040 hours for two consecutive calendar years. Employees are eligible for reimbursement of courses of instruction only while actively employed. This benefit ceases upon termination of employment status.
- 3. Plan benefits.** The University will reimburse the employee no more than \$5,250 a year for qualified educational programs. Should lawmakers enact a decrease to the \$5,250 ceiling, this Plan automatically adopts the new ceiling on its effective date. Under Section 127 of the Internal Revenue Code, the employee receives the reimbursements under this Plan as tax-free fringe benefits. If the Participant is less than full time, then the maximum benefit will be pro-rated based on percentage of employment provided the Participant works a minimum of 1,040 hours per calendar year.
- 4. Plan termination.** The University reserves the right to change or terminate the Plan without prior notice. If the University does end the Plan, the University will reimburse courses in process and approved for reimbursement prior to termination, but it will not reimburse any classes that begin after the Plan termination and notification.
- 5. Funding.** The University will pay educational benefits out of its general assets. The University does not maintain a special fund to cover the benefits. Further, the University does not require participants to make contributions as a condition of receiving benefits.
- 6. Prohibited payments.** This Plan prohibits payments to those in the highly compensated group when such payments violate the discrimination clause as set forth in Internal Revenue Code Section 127(b)(3).
- 7. Prohibited choices.** This Plan prohibits the University from offering eligible employees a choice between educational assistance and other compensation.
- 8. Covered educational expenses.** This Plan reimburses costs for tuition and required fees for classes taken at a regionally accredited university as part of a degree program leading to a graduate degree related to Higher Education. The Plan does not reimburse costs for books, tools, supplies, meals, lodging, or transportation.
- 9. Notification to Employer.** Employees who plan to take advantage of the Educational Assistance Plan shall notify the University in writing in such form as provided by the University, which will include the course of study along with expected reimbursement amounts and dates. This notification will be made each semester prior to the first day of class

for the courses they are seeking reimbursement. The notification will include a letter of support from the employee's supervisor with a satisfactory explanation that the course will not interfere with their job duties.

**10. Reimbursements.** Upon completion of the courses, the participant must provide an official transcript of grades and original receipts for all items for which he or she seeks reimbursement. Further, the University will not reimburse any amounts already reimbursed by any financial assistance, scholarship, or any other financial benefit derived from public or private programs. The participant must also attain a grade of "B" or better to qualify for benefits under the Plan. The University shall reimburse the participant within 60 days of request and proper submission of the supporting documents.

**11. Required Employment Period Following Reimbursement.** The participant is required to maintain active employment status for a period of 24 months following the reimbursement date. If employment is terminated for any reason prior to completion of this reimbursement period, then the amount of the reimbursement will be withheld from the final payroll check pro-rated based on the number of months remaining in the reimbursement period. Any additional reimbursement amount due from the Participant above the final paycheck amount will be paid directly by the Participant to the University within 60 days of the end of employment.