



## Tuition Benefits Program for Salaried Employees

### No. 4800

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#### 1.0 Purpose

#### 2.0 Policy

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### 1.0 Purpose

The Tuition Benefits Program is designed to increase the career opportunities available to employees, enhance performance, and promote the professional development of the university's workforce. This policy and Policy 4810, Educational Leave for Employees, outline a variety of educational options for employees.

The Tuition Benefits Program is designed to accomplish one or more of the following:

- increase employees' knowledge and abilities so that they may take on greater responsibility and prepare for advancement opportunities within the university workforce
- assist employees in obtaining advanced degrees when such degrees are required for continued employment
- enable employees to undertake research or advanced study necessary to meet specific needs of their programs/departments

The Tuition Benefits program includes tuition assistance (for coursework taken at Virginia Tech) and tuition reimbursement (for coursework taken at other accredited institutions). The policy outlines program options, eligibility requirements, guidelines for supervisor approval, fee information, and employee obligations for the Tuition Benefits Program.

### 2.0 Policy

The Tuition Benefits program is designed to support the training or further education of full- and part-time salaried employees who are expected to continue employment with the university for a period that would justify such investment.

The program applies to full- and part-time salaried employees who take courses offered for degree or non-degree credit at Virginia Tech (tuition assistance) or other accredited institutions (tuition reimbursement). Participation in the program is contingent upon acceptance as a student by the university or other institution and compliance with academic requirements. Educational aid, including tuition assistance and reimbursements, will be included in the determination of financial aid eligibility by the university's financial aid office in accordance with federal and state regulations and university policy. Tuition benefit requests should be evaluated based on the relevance of the program to the employee's position, alignment with the career development plan of the employee, likelihood of the employee continuing employment with the university, availability of funds, and equitable application of the policy to other employees in the department.



## 2.1 Eligibility Requirements

Full and part time salaried employees who have satisfactorily completed their three-month waiting period (90 days employment in a salaried appointment) are eligible for tuition benefits. Department heads have the authority to waive the 90-day waiting period if exceptional circumstances are documented. Courses taken prior to employment will not be covered under this policy.

Employees must meet all admissions requirements, registration, and payment deadlines associated with their course of study. Student regulations may further limit the credit hour maximums cited in this policy.

Employees in a leave without pay status are not eligible for tuition assistance, except in the case of leave without pay/layoff where the approved assistance would be continued through the semester in which the layoff occurred. A department head may approve tuition benefits for an employee on approved Educational Leave.

## 2.2 Tax Implications

Per IRS requirements, tuition assistance and/or reimbursement in excess of the established excludable limit in a calendar year at or above the graduate level is taxable. The taxable value as determined by tuition assessments will be added as non-cash earnings for W-2 reporting and taxes will be withheld from the employee's pay. Employees should consider this tax implication when requesting assistance and/or reimbursement.

## 2.3 Limitation on Number of Hours of Tuition Benefit

If approved by the supervisor and department head, full-time salaried employees may receive a benefit of up to a total of twelve (12) hours per academic year (Fall through Summer), and no more than six (6) credit hours in an enrollment period (Fall, Winter, Spring, Summer). Exception may be made for the Accelerated Programs as outlined in Section 3.5.

With supervisor and department head approval, part-time salaried employees are limited to a maximum of six (6) credits per academic year with no more than three (3) credit hours in an enrollment period (Fall, Winter, Spring, Summer).

All credits, including audited courses and courses dropped after the first day of the semester, will count toward the maximum allowance of twelve credit hours (six credit hours for part-time salaried employees). Payment of tuition for hours over the allowable maximum is the responsibility of the employee with the exception of accelerated Virginia Tech programs as noted in Section 3.5.

Employees may be simultaneously enrolled in courses eligible under this policy, and in courses ineligible for the tuition benefit. Courses not covered by this program do not count towards the maximum credit hours allowed under this policy.



## 2.4 Work Schedule Implications

### 2.4.1 Qualifications and Prior Approval

If tuition assistance or reimbursement and class schedule are approved by the supervisor and department head, full-time salaried employees may enroll in a maximum of five (5) credit hours or as the number of hours required by a VT cohort-based program during their normal work schedule. Exceptions to take courses with required laboratory sections requiring more than five credit hours during the normal work schedule must be approved by the department head, and the Dean or Vice President, prior to submission of the assistance request.

Additional credit hours may be taken outside the normal work schedule, though no exceptions will be made to the assistance/reimbursable limitations established in Section 2.3.

### 2.4.2 Other Scheduling Considerations

Employees participating in the tuition assistance and reimbursement program must use time outside the normal work schedule to complete study assignments or research projects, or use the appropriate leave category.

If required for continued employment, such training time is considered hours worked. If an employee who is non-exempt under the Fair Labor Standards Act works more than 40 hours in one workweek, including time spent in training, that employee must be paid overtime at the rate of one and one-half times the regular rate of pay for all hours over 40. The employee's schedule may be adjusted within the same workweek to avoid incurring overtime. See [Policy 4320, Guidelines for the Fair Labor Standards Act](#), for further guidance.

If not required for continued employment, time used to attend courses during normal work hours must either be made up on an hour-for-hour basis or the employee must submit use of the appropriate leave as approved by the department head or supervisor.

## 3.0 Tuition Assistance

### 3.1 Qualifications, Prior Approval, and Funding

The tuition assistance program applies only to courses of instruction offered by Virginia Tech. In order to qualify for tuition assistance, specific courses or degree programs must be approved by the employee's supervisor and the department head, or designee, prior to enrollment. The courses should not interrupt or impede the normal work schedule or operational effectiveness of the unit/department.

Employees may not be enrolled in any class section under the tuition assistance program if a regularly enrolled student would be displaced.

The cost of the employee tuition assistance benefit is funded in a manner consistent with the employee's salary funding. For employees with salaries paid by educational and general funds (Agency 208, Agency 229 Cooperative Extension, or Agency 229 Agriculture Experiment Station), sponsored programs or overhead, central accounts external to departmental funds provide the employee tuition assistance benefit. The university will recoup the cost of tuition assistance for employees on grants and contracts from sponsors through the fringe benefit rate charged to grants and contracts, if applicable. Since the Commonwealth requires auxiliary enterprises to be 100% self-supporting, a separate cost allocation is made to support this program for auxiliary enterprise employees.



Tuition reimbursements are funded by the department. Subject to department head approval, the tuition reimbursement program is available to full- or part-time salaried employees who wish to take credit classes at institutions of higher education other than Virginia Tech or to cover VT differential tuition rates that are above the approved rate. In exceptional cases, departments may request approval from the Department of Human Resources for tuition reimbursement for a wage employee to participate in for-credit courses that address specific job-related skills. The costs of tuition reimbursements may be fully or partially paid by the department. However, the costs of required training must be covered by the department and paid directly to the institution providing the instruction.

Books may be paid for by the department; however, they must remain the property of the department. The purchase of other study materials or equipment by the department is not appropriate.

### **3.2 Auditing a Course under Tuition Assistance**

Salaried employees may audit courses upon meeting the admission and application requirements and with signature approval of supervisor and department head.

### **3.3 Responsibilities of the Employee**

The employee will be responsible for timely request for approval of requested coursework as outlined in the procedures. Additionally, an employee is responsible for tuition and fees on a pro-rated basis should there be a separation from university employment prior to the completion of the course.

If the employee has applied for financial aid, the employee is responsible for promptly reporting tuition assistance to the financial aid office.

Any employee interested in tuition assistance should consider the tax implication prior to enrollment.

### **3.4 How to Apply**

An [online tuition request \(waiver\)](#) can be completed on the Human Resources website (requires PID and password). The employee should complete the electronic request and submit to the appropriate supervisor(s). Supervisor(s) approval must be obtained no later than the first class day of the semester for consideration of tuition assistance.

### **3.5 Accelerated Virginia Tech Programs**

Employees who seek to participate in one of the Accelerated Virginia Tech Programs (e.g. PMBA, EMBA, XMNR) must have the authorization of a Vice President. These accelerated programs involve up to 24 credit hours per year with a program schedule specifically designed to accommodate full-time employment, and the cohort requirement does not allow part-time participation. By utilizing future educational benefits for the hours in excess of 12 credits per year, the employee will have a period of time after completion of the program in which the tuition benefit would not be available. If an employee separates from VT employment during the period in which future hours were applied (12 credit hours per academic year) the employee must repay that prorated portion of the tuition at the time of separation.

#### **3.5.1 Differential Tuition**

Accelerated Virginia Tech programs require a tuition differential to be paid by the employee at the time of enrollment. The employee may request reimbursement from his/her department for this tuition differential by



completing the Tuition Reimbursement Agreement form (P126) and filling out the VT Differential Tuition box at the top of the form. The form documents prior approval from the supervisor and the department head.

### 3.5.2 Responsibilities of Employee

Employees enrolled in accelerated programs requiring the use of future tuition credits must complete a Memorandum of Agreement and Promissory Note for Tuition Credit.

If the employee has applied for financial aid, the employee is responsible for promptly reporting tuition assistance or reimbursements to the financial aid office.

Any employee interested in tuition assistance should consider the tax implication prior to enrollment.

### 3.5.3 How to Apply

Within 45 days of successful completion of the course, the employee must supply the appropriate documentation to the department for reimbursement of the tuition differential. Upon receipt from the employee, the department will review the following documents: the academic grade report (for-credit courses), a copy of the tuition bill, and documentation of the reimbursement request. The department will then submit the reimbursement request with required documents in HokieMart.

## 4.0 Tuition Reimbursement

### 4.1 Qualifications, Prior Approval, and Funding

Subject to department head approval, the tuition reimbursement program is available to qualified full- or part-time salaried employees who wish to take credit classes at institutions of higher education other than Virginia Tech. The costs of tuition reimbursements may be fully or partially paid by the department. However, the costs of required training for all employees must be covered by the department and paid directly to the institution providing the instruction.

### 4.2 Responsibilities of Employee

The employee must secure approval from the supervisor and department head prior to taking the class. The employee will be responsible for the cost of the course should there be a separation from employment during the semester/enrollment period. If an employee voluntarily transfers from one university department to another in the middle of an enrollment period, the new department may choose to partially or fully reimburse the employee for the tuition; otherwise, the employee will assume full responsibility.

Any employee interested in tuition reimbursement should consider the tax implication prior to enrollment. (**Refer to Section 2.2**)

### 4.3 How to Apply

[A Form P126: Tuition Reimbursement Agreement](#) must be completed by the employee and submitted to their supervisor, where employee eligibility and allowable credit hours will be verified. The department head must also approve the agreement, which will then be returned to the employee to maintain until the completion of the course.



## Virginia Polytechnic Institute and State University

The form documents prior approval from the supervisor **and** the department head. The form is located on the HR Resource Guide under the Forms Library; a PID and password are required to access the form.

Within 45 days of successful completion of the course, the employee must supply the appropriate documentation to the department for review and certification. The department will also initiate a reimbursement request utilizing HokieMart. The documentation includes: the academic grade report (for-credit courses), a copy of the tuition bill, documentation of the reimbursement request (as processed through the university's payment system) to the appropriate departmental account, and the previously approved Memorandum of Agreement for Educational Aid Reimbursement.

Payment for approved tuition expenses will be in the form of full or partial reimbursement to the employee contingent upon completion of the course with a grade of C or better, or Pass in a pass/fail system for undergraduate courses. A grade of B or better is required for a graduate level course, or a Pass in a pass/fail system.

### 4.4 Responsibilities of Department

Upon receipt from the employee, the department will certify the employee has achieved the required grade(s) and indicate approval of the appropriate tuition and fees to be reimbursed. All documentation is then routed to the Controller's office for reimbursement.

### 5.0 References

Human Resources, Resource Guide

<https://hrapps.hr.vt.edu/resourceguide>

Policy 4320, *Guidelines for the Fair Labor Standards Act*

<http://www.policies.vt.edu/4320.pdf>

Policy 4810, *Educational Leave for Employees*

<http://www.policies.vt.edu/4810.pdf>

### 6.0 Approval and Revisions

Policy 4800: Educational Aid for Full-time Faculty and Staff replaced with Policy 4800: Tuition Waiver Program for Salaried Employees.

Approved July 12, 2001, by Vice President for Budget and Financial Management, M. Dwight Shelton, Jr.

October 10, 2001: Technical corrections to update policy links.

- Revision 1
  - Minor changes for clarification.



## Virginia Polytechnic Institute and State University

- Deletion of Section 3.1.8: Taxation of Employees Who Have Earned a Four-Year Undergraduate Degree. Due to change in tax laws effective January 1, 2002, employees using the tuition waiver and tuition reimbursement will no longer be taxed.

Approved March 14, 2002 by Vice President for Budget and Financial Management, M. Dwight Shelton, Jr.

- Revision 2

- Minor changes for clarification.
- Added provisions for tuition reimbursement for credit courses and non-credit programs.
- Added references to 4410

Approved February 24, 2006 by Vice President for Business Affairs, Kurt Krause

- Revision 3

September 1, 2006 – Technical revisions to include University Staff in accordance with resolution approved by the Virginia Tech Board of Visitors June 12, 2006 to cover University Staff under policies identical to the current human resources policies until the new human resources system is developed.

- Revision 4

Update to web links. Changed Leadership Development to Organizational and Professional Development. Approved February 19, 2010 by Vice President for Administrative Services, Sherwood G. Wilson.

- Revision 5

Updated references and links. Technical corrections and slight re-organization for clarity. Updated Section 3.1.1 to reflect the establishment of a tuition waiver fund for the auxiliary units.

Approved October 14, 2013 by Vice President for Administration, Sherwood G. Wilson.

- Revision 6

Updated to better accommodate differential pricing and executive education programs. Technical correction to replace the word "waiver" with the more accurate "assistance."

Approved October 6, 2015 by Vice President for Administration, Sherwood G. Wilson.

- Revision 7

Update terminology – "tuition benefits" to encapsulate both tuition assistance and tuition reimbursement. Update links. Revise "Purpose" section. Add section on tax implications. Restructure for clarity. Updated sections 3.5.1, 3.5.2 and 3.5.3 to clarify accelerated programs processes.

Approved January 7, 2019 by Vice President for Human Resources, Bryan Garey.