



# Tuition Benefits Program for Salaried Employees

## No. 4800

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Faculty  
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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 education 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 waiver (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 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 academic credit (which should be differentiated from training, professional development, or continuing education courses or seminars) at Virginia Tech (tuition waiver) 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 waivers and reimbursements, will be included in the determination of financial aid eligibility by the applicable institution’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, 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 on leave without pay status are not eligible for tuition waiver and/or reimbursement, except in the case of leave without pay/layoff where the approved waiver and/or reimbursement 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 waiver 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 waiver 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 3.4.

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 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 3.4.

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 waiver 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 in 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 waiver request.

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

### 2.4.2 Other Scheduling Considerations

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

For non-exempt employees, academic class attendance during normal work hours is considered hours worked. If an employee who is non-exempt under the Fair Labor Standards Act works more than 40 hours in one work week, including time spent attending academic classes, 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 work week to avoid incurring overtime. See [Policy 4320, Guidelines for the Fair Labor Standards Act](#), for further guidance.

If not required for continued employment and the employee is exempt from FLSA, 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 Waiver

### 3.1 Qualifications, Prior Approval, and Funding

The tuition waiver program applies only to courses of instruction offered by Virginia Tech. In order to qualify for tuition waiver, 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 waiver program if a regularly enrolled student would be displaced.

The cost of the employee tuition waiver 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 waiver benefit. The university will recoup the cost of tuition waiver 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.

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 accredited institutions of higher education other than Virginia Tech or to cover VT differential tuition rates that are above the approved rate. The costs of tuition reimbursements may be



fully or partially paid by the department. However, the costs of required education 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 or use of other study materials, software, or equipment, for the purpose of performing academic assignments, by the department is not appropriate.

### 3.2 Responsibilities of the Employee, the Division of Human Resources, and the Bursar's Office

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 or a withdrawal or resignation from the course during the semester/enrollment period.

The Division of Human Resources is responsible for the administration and maintenance of the online tuition waiver request tool and for responding to questions on tuition benefits (waiver and reimbursement) submitted through the HR Service Center.

The Bursar's Office is responsible for reviewing the requests for tuition waiver that have been approved and reporting to the Controller's Office any amounts above the IRS's established excludable limit in a calendar year at or above the graduate level. Such amounts are taxable to the employee. Any employee interested in tuition waiver should consider the tax implications prior to enrollment. **(Refer to Section 2.2)**

### 3.3 How to Apply

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

### 3.4 Accelerated Virginia Tech Programs

Employees who seek to participate in one of the Accelerated Virginia Tech Programs (e.g. OMBA, EMBA, XMNR, BXBR, DAAS) must complete Form P188 Memorandum of Agreement and Promissory Note for Tuition Credits in Accordance with Tuition Waiver and Reimbursement for Salaried Employees and have the authorization of the following:

- For faculty, the required signatures include: 1) the department head or director, 2) an AVP or a Dean, **and** 3) a Vice President.
- For staff, the required signatures include: 1) the supervisor, 2) the director or senior administrator, **and** 3) an AVP for Human Resources.

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.

### 3.4.1 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 their 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.

### 3.4.2 Responsibilities of Employee

Employees enrolled in accelerated programs requiring the use of future tuition credits must complete a Form P188 Memorandum of Agreement and Promissory Note for Tuition Credits in Accordance with Tuition Waiver and Reimbursement for Salaried Employees.

Any employee interested in tuition waiver should consider the tax implications prior to enrollment.

### 3.4.3 How to Apply

Within 30 days of successful completion of the course, the employee must supply the appropriate documentation to the department for review before reimbursement of the tuition differential can be processed, which include the following documents: the academic grade report (for-credit courses), a copy of the tuition bill, and approved P126 form and executed P188 form for Accelerated Virginia Tech Programs. The employee is responsible for submitting the reimbursement request with required documents in the university's travel and expense management system for processing.

## 4.0 Tuition Reimbursement

### 4.1 Qualifications, Prior Approval, and Funding

Subject to department head approval and the availability of department funds, the tuition reimbursement program is available to qualified full- or part-time salaried employees who wish to take credit classes at accredited 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 education for all employees must be covered by the department and paid directly to the institution providing the instruction. In exceptional cases, departments may request approval from the Division of Human Resources for tuition reimbursement for a wage employee to participate in for-credit courses that address specific job-related skills.

### 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 or withdrawal or resignation from the course(s) 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)**



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The employee is responsible for completion of the course with a passing grade, however defined by the accredited institution, for undergraduate and graduate level courses and providing the supportive academic grade report.

### 4.3 How to Apply

Form P126 Memorandum of Agreement for Educational Aid Reimbursement must be completed by the employee and submitted to and approved by their supervisor. Form P126 serves as the employee's preauthorization to take the class. The department head must also approve the agreement. The form documents prior approval from the supervisor **and** the department head. Once approved, the form should be submitted to the Division of Human Resources where employee eligibility and allowable credit hours will be verified and will then be returned to the employee to maintain until the completion of the course. The Form P126 is located on the [Division of Human Resources forms website](#).

Within 30 days of successful completion of the course, the employee must supply the appropriate documentation for review and certification as part of the reimbursement process. The documentation includes: the academic grade report (for-credit courses), a copy of the tuition bill, copies of any applicable out-of-pocket costs (actual costs less financial aid, scholarships, and/or grants), and the previously approved Memorandum of Agreement for Educational Aid Reimbursement. The employee is responsible for submitting the reimbursement request and required documents in the university's travel and expense management system for processing. This system electronically stores copies of the submitted documents. Once approved by Accounts Payable, the request is forwarded to Payroll, which issues the reimbursement to the employee. If any of the required documents are not submitted, the reimbursement request will be rejected by the Controller's Office until such documents are supplied by the employee.

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 satisfactory grades as defined in Section 4.2.

### 4.4 Responsibilities of the Division of Human Resources, Controller's Office and Departments

The Division of Human Resources verifies employee classification, allowable credit hours, and department approval.

Once the employee submits the reimbursement request and required documentation, as described in Section 4.3 above, in the university's travel and expense management system, the system will route the report through the approval process. If any of the required documents are not submitted, the reimbursement request will be rejected by the Controller's Office until such documents are supplied by the employee. When the report has been approved by Accounts Payable, the report will route to Payroll for final payment.

Payroll will process the reimbursement to the employee on the next available paycheck.

The department should evaluate: whether the coursework or degree program clearly relates to the job the employee is currently performing for the university, aligns with the career development plan of the employee, and is from an accredited institution (to verify an institution's accreditation see, [Department of Education website](#)); the availability of funds; and the equitable application of the policy to other employees in the department. In addition to authorizing the employee's eligibility for the tuition reimbursement, the department will verify the employee's class schedule in comparison to their work schedule (taking into consideration any flexible work arrangement) and the successful



completion of the course, by certifying the employee has achieved the required grade(s) and indicate approval of the appropriate tuition and fees to be reimbursed.

## 5.0 References

Department of Human Resource Management (DHRM) Policy 5.0 Educational Assistance (for classified staff)  
[https://www.dhrm.virginia.gov/docs/default-source/hrpolicy/pol5-10-educational-assistance.pdf?sfvrsn=cd42c5c3\\_2](https://www.dhrm.virginia.gov/docs/default-source/hrpolicy/pol5-10-educational-assistance.pdf?sfvrsn=cd42c5c3_2)

Human Resources Forms  
<https://forms.apps.hr.vt.edu/>

Human Resources Tuition Benefits website  
<https://www.hr.vt.edu/benefits/optional-benefits/continuing-education/tuition-assistance.html>

Policy 4320, Guidelines for the Fair Labor Standards Act  
<https://www.policies.vt.edu/assets/4320.pdf>

Policy 4810, Educational Leave for Employees  
<https://www.policies.vt.edu/assets/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.
  - 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.



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- **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.
- **Revision 8**
  - Technical correction to revert to and replace the word "assistance" with "waiver" and replace the word "training" with "academic class attendance/attending academic classes" or "education" where needed throughout the policy.
  - Technical revisions to weblinks, grammar, formatting, and references to units and forms.
  - Section 2.0, updated meaning of non-degree credit to clarify academic purpose and revised the criteria upon which tuition benefit requests should be evaluated, as well as in Section 4.4.
  - Section 3.1, removed sentence related to tuition reimbursement for wage employees and integrated into Section 4.1 and added language to clarify appropriate related department purchases and uses.
  - Deleted original Section 3.2 and any references to auditing of courses.
  - Section 3.2, included language to address withdrawal from course(s), removed inapplicable language related to the financial aid office, added responsibilities of policy owners under tuition waiver, and added reference to Section 2.2.
  - Section 3.4, revised to clarify program approval requirements based on employment classification and updated program reference from "PMBA" to "OMBA" and added additional programs.
  - Section 3.4.2, removed inapplicable language related to the financial aid office.
  - Sections 3.4.3 and 4.3, replaced references to "HokieMart" with "travel and expense management system." Updated procedure for review and certification of required documentation by department, submission of documentation by employee to the Controller's Office, and reimbursement process through the Controller's Office travel and expense management system. Changed the time from completion of the course to submit appropriate documentation for reimbursement from 45 to 30 days under both tuition waiver and reimbursement to align with applicable finance procedures.
  - Section 4.1, added the language "and the availability of department funds" under tuition reimbursement.



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- Section 4.2, clarified grade requirement under tuition reimbursement to align with the same under tuition waiver included language to address withdrawal or resignation from course(s).  
Section 4.4, updated responsibilities of department and added responsibilities of policy owners and added link to Department of Education website under tuition reimbursement.

Approved November 4, 2024 by Vice President for Human Resources, Bryan Garey.