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DOC 2010-02 Changes in Tuition Remission Policy (from Benefits Handbook)

University of Dayton. Office of Human Resources

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PROPOSAL TO THE ACADEMIC SENATE

Title: **Change in Tuition Remission Policy
(from Benefits Handbook)**

Submitted By: **Office of Human Resources**

Date: **March 26, 2010**

Amended by Office of Human Resources June 17, 2010 to retain the original age maximum of 25. Thus, the Tuition Remission Policy states "Individuals eligible for undergraduate tuition remission are the employee's spouse as well as natural or adopted children or stepchildren who are considered dependents for the purpose of the Internal Revenue Code and who are under age 25 at the beginning of the academic year, regardless of marital status. If the child turns 25 after the beginning of the academic year, such child will be eligible for tuition remission throughout the entire academic year in which the child or stepchild reaches 25."

Action: **Consultation**

Reference: **Art. II. B. 3.e**

Rationale

UD/HR regularly reviews each UD benefit to ensure it is competitive. For example, about three years ago it looked at the adoption assistance program and, based upon survey data, increased the University support to adoptive parents from \$2500 to \$5000. In the same vein, HR ensures that it consistently provides adequate health care, vacation, and other benefits on a scale that makes UD an attractive employer and maintains its stewardship obligations. Upon review of the tuition remission benefits offered at our peer institutions, HR found that the UD's tuition remission policy is very rich. Furthermore, the current policy's eligibility time-table encourages someone to seek UD employment for the sole purpose of securing tuition remission for their dependents.

The changes suggested to the President's Council and Provost still allow our employees' dependents to attend UD with free tuition, but cap the student's age and the number of free credit hours. Also of significance is the change in number of years of service before accessing this benefit. Current employees are grandfathered under the old schedule, but new employees hired following the policy's implementation will fall under the new schedule. Finally, given that scholarship dollars to recruit new students (especially diverse students) are at a premium, the policy will stipulate that students making use of tuition remission will not be eligible for additional UD scholarships or other support.

Proposed Revised Policy

6.4 Undergraduate Tuition Remission for Children and Spouse of Current and Deceased Employees

Individuals eligible for undergraduate tuition remission are the employee's spouse as well as natural or adopted children or stepchildren who are considered dependents for the purpose of the Internal Revenue Code and who are under age 24 at the beginning of the academic year, regardless of marital status. If the child turns 24 after the beginning of the academic year, such child will be eligible for tuition remission throughout the entire academic year in which the child or stepchild reaches 24.

Continued eligibility for tuition remission benefits is contingent upon the student achieving satisfactory academic progress. Employees hired prior to January 1, 2011:

- *Children and the spouse of an employee:* Eligible for undergraduate tuition remission according to the following schedule:

Completed Years of Continuous Service in a Full Time Benefits Eligible Classification	Percent Tuition Remission
Less than 1	0%
1 but less than 2	50%
2 or more	100%

Children and the spouse of an employee are eligible for a maximum tuition remission benefit of up to 175 attempted undergraduate credits per student or the attainment of one baccalaureate degree, whichever comes first.

Employees hired on or after January 1, 2011:

- *Children and the spouse of an employee:* Eligible for undergraduate tuition remission according to the following schedule:

Completed Years of Continuous Service in a Full Time Benefits Eligible Classification	Percent Tuition Remission
Less than 2 years	0%
2 but less than 3	50%

3 but less than 4	75%
4 or more	100%

Children and the spouse of an employee are eligible for a maximum tuition remission benefit of up to 175 attempted undergraduate credits per student or the attainment of one baccalaureate degree, whichever comes first.

- *Children and the spouse of a deceased employee:* Eligible for tuition remission provided that the individual died while an employee of the University and had completed at least five years of full-time active service. This benefit is 100% tuition remission for undergraduate courses.

Regardless of the number of years of service, in the event that a full-time staff member dies while his or her children or spouse are enrolled as full-time undergraduate students at the University, tuition remission will be continued at the remission level for which the children or the spouse was eligible at the employee's death. This benefit will continue through the completion of the children's or spouse's graduation.

Children or the spouse of an employee receive no reduction of fees including application fees, basic university fee, room and board and other fees and costs of being a student at the University.

Procedure:

- a. Application for undergraduate tuition remission for each child or spouse of current or deceased employee is required each academic year. Tuition remission will be credited to the student's bill automatically in accordance with University policy. The employee will receive a bill for each child or spouse for the balance of tuition owed after remission credit and for all lab and special fees.
- b. A student who wishes to withdraw from a course should do so as soon as possible after the beginning of the semester. Since charges are made to the tuition remission budget on a sliding scale according to when the course is dropped, an early withdrawal results in lower charges.
- c. If a student receives dependent tuition remission, this precludes the student from receiving a merit scholarship, athletic scholarship, or other university-funded scholarships/grants. Current students will retain university-funded scholarships/grants that have previously been awarded. Employees who may be eligible for governmental aid are encouraged to investigate these programs by contacting the Financial Aid Office (937-229-4311). Any aid received from the federal or state government or aid from private, external sources can be applied to room and board or to other educational expenditures.

- d. Travel and expenses (other than tuition) for overseas programs, study abroad or other credit work at locations away from the main campus are not covered by the tuition remission benefit.

6.5 Graduate/Law School Tuition Remission for Children and Spouse of Current and Deceased Employees

Individuals eligible for graduate/law school tuition remission are the employee's spouse as well as natural or adopted children or stepchildren who are considered dependents for the purpose of the Internal Revenue Code and who are under age 24 at the beginning of the academic year, regardless of marital status. If the child turns 24 after the beginning of the academic year, such child will be eligible for tuition remission throughout the entire academic year in which the child or stepchild reaches 24. An exception exists for dependents who are enrolled in the School of Law; children or stepchildren who are considered dependents may receive tuition remission up to age 25 because of the duration of the program.

Continued eligibility for tuition remission benefits is contingent upon the student achieving satisfactory academic progress. Graduate tuition remission is available to degree seeking students and provides a benefit of one graduate degree per dependent. Graduate tuition remission is also available for those courses that are required to maintain licensure and or other certification requirements.

- Hired on or after January 1, 1994: no tuition remission for children or spouse.
- Hired on or after January 1, 1983 and before January 1, 1994:
 - Children - no tuition remission
 - Spouse – 70% (this benefit is not available to Research Institute technicians).
- Hired before January 1, 1983:
 - Children - 70% tuition remission.
 - Spouse - 70% tuition remission

Graduate tuition remission for the spouse and children of an employee is considered to be taxable income by the IRS. The amount of graduate tuition remission will be added to the employee's gross pay each applicable term and all taxes will be withheld (based on the employee's taxation option selected upon the application for graduate tuition remission). Taxation will continue at that level until the employee selects a new tax option. Forms are available in the office of human resources. Shortly after the beginning of the term, the employee will be notified in writing of the amount that will be taxed and the number of pays over which the tax will be deducted. If courses are dropped, the employee will be taxed on the cost assessed to the staff benefits account.

Children or the spouse of an employee receive no reduction of fees.

Procedure:

- a. Application for graduate tuition remission for each child or spouse of employee is required each academic year. Tuition remission will be credited to the student's bill automatically in accordance with University policy. The employee will receive a bill for each child or the spouse for the balance of tuition owed after remission credit and for all lab and special fees.
- b. A student who wishes to withdraw from a course should do so as soon as possible after the beginning of the semester. Since charges are made to the tuition remission budget on a sliding scale according to when the course is dropped, an early withdrawal results in lower charges.
- c. Scholarships and Financial Aid –If a student received dependent tuition remission, this precludes the student from receiving university-funded scholarships/grants. Current students will retain university-funded scholarships/grants that have previously been awarded. Low interest educational loans are available to all students. For more information contact the Financial Aid Office (937-229-4311).

6.6 Tuition Remission Extension For Dependents Involuntarily Called to Active Duty

When an eligible employee's dependent under age 24 is involuntarily called to active duty in any of the armed forces and that dependent would otherwise have been eligible to receive tuition remission during the period of duty, the dependent should be given tuition remission benefits for a period of time equal to the length of the active duty service.

This period of time of eligibility will begin immediately following return from active duty and continue for the period of time stated above, as long as the parent remains employed at UD or is a retiree from the University of Dayton in a tuition remission eligible classification and the student continues to make satisfactory academic progress.