



Policy Number: IV.26
Policy Level: Operating Policy
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Policy Owner: VP for Financial Affairs
Policy Implementation: VP for Financial Affairs, Business Manager

Tuition Waiver and Assistance Athens State University Employees/Dependents

I. Policy Statement and Purpose

This tuition waiver program is designed for Athens State University employees and dependents who enroll in courses at the University. In addition, Athens State provides tuition assistance for job-related graduate degree, or doctoral level degree programs for eligible faculty and staff when those programs are not otherwise available through Athens State University. Graduate and doctoral tuition assistance is not available for spouses or dependents of Athens State employees. The Athens State University Graduate and Doctoral Tuition Assistance Program is an educational assistance program pursuant to Section 127 of the Internal Revenue Code.

This policy does not apply to University employees/dependents enrolling for courses at an institution within the Alabama Community College System (ACCS). Employees/dependents enrolling in an ACCS institution must adhere to requirements as stated in [Alabama Community College System Policy 612.02 and Procedures](#) and governed by the signed Tuition Assistance Agreement between the University and ACCS.

II. Definitions

Employee: Individual employed on a non-temporary basis at the University. This program will not include temporary employees, sponsored program employees, adjunct/part-time faculty or individuals working at the University under independent contractual agreements.

Dependent: The spouse of any employee, the unmarried, natural or adopted children of any employee, residing in the household of the employee or the employee's former spouse; the unmarried stepchildren of any employee, residing in the household of the employee; a legal ward (a minor child placed by the court under the care of a guardian), who has not attained the age of 26.



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III. Undergraduate Tuition Waivers

A. Eligibility

To be eligible for a tuition waiver for undergraduate courses, employees must have been employed by the University for at least 12 consecutive months prior to the first scheduled day of class for the term for which the employee is applying. Employee eligibility will remain in effect for the duration of their employment at the University. Dependents will be eligible when said employee is eligible, and to the same degree to which the employee is eligible, except as herein modified. Further, any employee who had 10 years or more of continuous service at the University and retired is eligible to participate in the program for a five-year period commencing with the date of the employee's retirement.

Original Tuition Waiver request (certified by Human Resources) and current unofficial transcripts must be received by the Business Office no later than the last day of late registration. Student accounts may be subject to a late fee of \$35 on unpaid balances remaining at the end of regular registration.

B. Termination of Eligibility

Employees: Eligibility terminates if the employee discontinues employment at the University for any reason except on an approved leave of absence.

Dependents: Dependents will be ineligible when said employee becomes ineligible, except that dependents of any employee who has 25 years or more of continuous service at the University are eligible to participate in the program for a five-year period commencing with the date of the employee's retirement.



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C. Tuition Waivers

Years of Employment at University	Normal Schedule Work Hours	Amount of Tuition Waiver
1	40 hours	100% of 1/3 the current tuition rate
2	40 hours	100% of 2/3 the current tuition rate
3	40 hours	100% of current tuition rate
1	30-39 hours	75% of 1/3 the current tuition rate
2	30-39 hours	75% of 2/3 the current tuition rate
3	30-39 hours	75% of current tuition rate
1	20-29 hours	50% of 1/3 the current tuition rate
2	20- 29 hours	50% of 2/3 the current tuition rate
3	20-29 hours	50% of current tuition rate
1	less than 20 hours	25% of 1/3 the current tuition rate
2	less than 20 hours	25% of 2/3 the current tuition rate
3	less than 20 hours	25% of current tuition rate

All remaining tuition, fees, books and supplies will not be waived and are the responsibility of the student.

D. Limitation/Conditions

There is no limitation as to the number of credit hours taken, other than the regular academic limitations that apply.

All students will be required to abide by the academic policies that are in effect at University.

The student-employee or dependent must maintain at least a 2.00 GPA to remain eligible for tuition waiver assistance. Failure of the student-employee or dependent to meet this grade requirement will result in the employee or dependent's having to pay tuition for courses taken until



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his/her GPA is a 2.00 or better. The student-employee or dependent can then again be eligible when his/her cumulative grade point average is brought back up to the 2.00 requirement.

E. Auditing/Repeating/Re-Certifying

The student-employee or dependent will be allowed to audit one course (up to three semester hours) per semester at no cost. The student-employee or dependent must meet all attendance requirements, class participation, and assignments as required of credit-enrolled students except the final examination is not required. Failure to comply with these requirements will result in the student-employee or dependent becoming ineligible for further participation as an audit student in credit hour-producing courses reported for funding purposes.

Tuition waiver does not apply to repeated courses.

The student-employee or dependent must re-certify eligibility, prior to registering for a new term by providing verification of successful course completion.

IV. Internal Graduate Program Tuition Waivers

A. Eligibility

To be eligible for a tuition waiver for graduate courses, employees must have been employed by the University for at least 12 consecutive months prior to the first scheduled day of class for the term for which the employee is applying. Dependents become eligible when the employee is eligible. Further, any employee who had 10 years or more of continuous service at the University and retired is eligible to participate in the program for a five-year period commencing with the date of the employee's retirement.

Original Tuition Waiver request (certified by Human Resources) and current unofficial transcripts must be received by the Business Office no later than the last day of late registration. Student account may be subject to a late fee of \$35 on unpaid balances remaining at the end of regular registration.



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B. Termination of Eligibility

Employees: Eligibility terminates if the employee discontinues employment at the University for any reason except on an approved leave of absence.

Dependents: Dependents will be ineligible when said employee becomes ineligible, except that dependents of any employee who has 25 years or more of continuous service at the University are eligible to participate in the program for a five-year period commencing with the date of the employee's retirement.

C. Tuition Waiver

Full-time employees will be allowed a waiver of 100% of the current graduate tuition rate after one full year of employment.

Part-time employees will be allowed a waiver after one full year of employment. The waiver will be applied as follows based on hours of employment:

Normal Schedule Work Hours	Amount of Tuition Waiver
30-39 hours	75% of current graduate tuition rate
20-29 hours	50% of current graduate tuition rate
Less than 20 hours	25% of current graduate tuition rate

Employee Dependents will be allowed a waiver of up to 50% of the current graduate rate. The waiver will be applied as follows based on employee years of employment:

Years of Employment at University	Amount of Tuition Waiver
1	50% of 1/3 the current graduate tuition rate
2	50% of 2/3 the current graduate tuition rate
3	50% of the current graduate tuition rate

All remaining tuition, fees, books and supplies will not be waived and are the responsibility of the student.



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D. Limitations and Conditions

Tuition waiver for graduate courses will be allowed on a **maximum of 2 graduate classes (maximum of 6 semester credit hours) per semester.**

All students will be required to abide by the academic policies that are in effect at University.

The student-employee or dependent must maintain at least a 3.00 GPA to remain eligible for tuition waiver assistance. Failure of the student-employee or dependent to meet this grade requirement will result in the employee or dependent's having to pay tuition for courses taken until his/her GPA is a 3.00 or better. The student-employee or dependent can then again be eligible when his/her cumulative grade point average is brought back up to the 3.00 requirement.

E. Auditing/Repeating/Re-Certifying

The student-employee or dependent will be allowed to audit one course (up to three semester hours) per semester at no cost. The student-employee or dependent must meet all attendance requirements, class participation, and assignments as required of credit-enrolled students except the final examination is not required. Failure to comply with these requirements will result in the student-employee or dependent becoming ineligible for further participation as an audit student in credit hour-producing courses reported for funding purposes.

Tuition waiver does not apply to repeated courses.

The student-employee or dependent must re-certify eligibility, prior to registering for a new term by providing verification of successful course completion.



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V. Tuition Assistance for External Graduate and Doctoral Programs

A. Eligibility

Athens State provides tuition assistance for job-related graduate degree, or doctoral level degree programs for eligible faculty and staff when those programs are not otherwise available through Athens State University. Graduate and doctoral tuition assistance is not available for spouses or dependents of Athens State employees. The Athens State University Graduate and Doctoral Tuition Assistance Program is an educational assistance program pursuant to Section 127 of the Internal Revenue Code.

The program must be directly related to the duties of the employee's position at Athens State University. The program must be a graduate program or doctoral level program not otherwise available at Athens State University. Programs of study must be taken at an institution accredited by a US Department of Education accreditor.

To be eligible for a tuition waiver for graduate courses or doctoral courses, employees must have been employed by the University for at least 12 consecutive months prior to the first scheduled day of class for the term for which the employee is applying.

Employees wishing to participate in the Graduate and Doctoral Tuition Reimbursement Program must first submit a Tuition Assistance Program Application and a statement of support from his/her supervisor, or in the case of faculty, a statement of support from the applicable Dean or Director. The Tuition Assistance Program Application requires the signature and approval of the Supervisor, Dean/Director and the appropriate Vice President.

In order for tuition to be paid in the Graduate and Doctoral Assistance Program, the employee must complete the Graduate and Doctoral Tuition Assistance Program application for each term. Once approved, the employee will make payments directly to the approved institution and provide documentation of payment to the Business Office who will reimburse the applicable amount directly to the employee.



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B. Termination of Eligibility

Staff/faculty approved for the program will be required to complete 3 full years of employment at Athens State University after completion of the program for which reimbursement is awarded pursuant to this policy. In the event the employee ends the program early or leaves the University before the end of the three-year period described above, the following penalty provisions apply:

1. If employment separation occurs before program completion, he/she will be required to repay Athens State University 100% of the tuition paid to or on his/her behalf.
2. If employee ends the program prior to completion of the approved plan of study, he/she will be required to repay Athens State University 100% of the tuition paid to or on his/her behalf.
3. If employment separation occurs after completion of the approved plan of study, but before the completion of 3 full years of employment following the completion of the approved plan of study, the employee will be expected to repay Athens State University 100% of the tuition reimbursement amount.

C. Tuition Waiver

Tuition waiver for graduate courses or doctoral courses will be allowed on a maximum of the current graduate tuition rate (6 semester hours). The employee would be responsible for the remaining portion.

D. Limitations and Conditions

The student-employee or dependent must maintain at least a 3.00 GPA to remain eligible for tuition waiver assistance. Failure of the student-employee or dependent to meet this grade requirement will result in the employee or dependent's having to pay tuition for courses taken until his/her GPA is a 3.00 or better. The student-employee or dependent can then again be eligible when his/her cumulative grade point average is brought back up to the 3.00 requirement.



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VI. Income Tax Information

The taxability of the Tuition Assistance program is determined by federal and state law and regulations and, therefore, is subject to modification or change.

VII. Other Program Terms

In order to ensure compliance with Internal Revenue Code Section 127, the following program terms apply to the graduate Reimbursement Program at Athens State University:

- Eligible employees will be given reasonable notice of this Program
- This program does not favor highly compensated employees as defined by the IRS.

Athens State University reserves the right to modify, amend, rescind and terminate this Program. All terms and conditions of this Program are subject to interpretation by Athens State University in its sole discretion.



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VIII. Taxation of Benefits

Education benefits received by University employees and/or dependents may be taxable to the employee. Internal Revenue Service Regulations consider anything of value provided to an employee by an employer to be a form of compensation; therefore, the tuition waiver benefit may have tax withholding implications as noted in the chart below.

Course/Type	Employee	Spouse	Dependents
Undergraduate	Non-taxable	Non-taxable	Non-taxable*
Graduate <IRS limit (\$5,250)	Non-taxable	Taxable	Taxable
Graduate >IRS limit (\$5,250)	Taxable	Taxable	Taxable

**based on the Internal Revenue Service definition of a Tax Dependent.*

Exceptions may apply in limited cases based Internal Revenue Service Regulations and Guidelines. If Tuition Waiver benefit is considered taxable the employee will be notified at the time of waiver approval.

Athens State provides tuition assistance for job-related graduate degree, or doctoral level degree programs for eligible faculty and staff when those programs are not otherwise available through Athens State University. Graduate and doctoral tuition assistance is not available for spouses or dependents of Athens State employees. The Athens State University Graduate and Doctoral Tuition Assistance Program is an educational assistance program pursuant to Section 127 of the Internal Revenue Code.



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IX. Policy Owner

As part of the initial approval of this policy by the President and subsequent to the original dissemination of the policy, the President has assigned the Vice President for Financial Affairs as the policy owner for the ongoing evaluation, review, and approval of this policy. Subsequent reviews and revisions to this policy must be in accordance with approved operating policy procedures and processes.

This policy will be reviewed every three years or more frequently as needed by the Policy Owner. Revisions will be reviewed/affirmed by the Cabinet and approved by the University President. This policy will be updated/published in the University's Policy Library.

Responsibility for Policy Implementation

The President has assigned the responsibility of implementing this policy to the Vice President for Financial Affairs, and the University Business Manager.