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# Educational Assistance Program

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## Table of Contents

TOPIC	PAGE
<b>A. INTRODUCTION</b>	Page 3
<b>B. ELIGIBILITY</b>	Page 3
• Who Is Eligible?	Page 3
• When Eligibility Begins	Page 3
• Eligible Types of Courses	Page 3
• Courses Not Eligible for Benefit Coverage	Page 3
<b>C. BENEFIT COVERAGE</b>	Page 4
• Credit Courses	Page 4
• Non-Credit Courses	Page 4
• Tuition Waiver/Reimbursement Rates	Page 4
<b>D. COORDINATION OF BENEFITS</b>	Page 4
• Coordination of Credit and Non-Credit Portions of the Benefit	Page 4
<b>E. FINANCIAL AID</b>	Page 4
<b>F. CREDIT COURSES AT MSU</b>	Page 4
• Conditions of Eligibility	Page 4
• MSU Credit Courses Tuition Waiver	Page 5
• MSU Fees, Costs and Charges Not Waived or Reimbursed	Page 5
• Application Process	Page 5
• Waiver Payment Process	Page 6
• Unsuccessful Credit Course Completion	Page 6
• Incomplete Courses	Page 6
• Deferred Courses	Page 7
• Taxation of Graduate Degree Benefits	Page 7
<b>G. CREDIT COURSES AT OTHER INSTITUTIONS</b>	Page 7
• Conditions of Eligibility	Page 7
• What Institutions Are Covered?	Page 7
• Tuition Reimbursement at Other Institutions	Page 7
• Amount of Reimbursement	Page 7

• Fees, Costs and Charges Not Reimbursed	Page 8
• Application Process	Page 8
• Reimbursement Process	Page 8
• Unsuccessful Credit Course Completion	Page 8
• Out-of-State Fees	Page 8
• Taxation	Page 8
<b>H. NON-CREDIT COURSES</b>	Page 9
• Conditions of Eligibility	Page 9
• What Institutions Are Covered?	Page 9
• Application Process	Page 9
○ Non-Credit Courses	Page 9
○ HRD Courses	Page 9
○ IT Services Technology Training (formally LCTTP)	Page 10
• Reimbursement Payment	Page 10
• Unsuccessful Non-Credit Course Completion	Page 10
<b>I. ADDITIONAL PROVISIONS</b>	Page 10
• Release Time	Page 10
• Flexible Appointments	Page 10

# Michigan State University Educational Assistance Program

## A. INTRODUCTION

In its commitment to advancing knowledge, Michigan State University provides the Educational Assistance benefit to help regular, full- and part-time support staff employees reach their educational and career goals. The Educational Assistance benefit may be used for college credit course work or for job-related, non-credit courses.

## B. ELIGIBILITY

### Who Is Eligible?

The Educational Assistance Program is available to all regular, full-time (90-100%), part-time (50-89.9%) or flex-appointment University support staff employees. Part-time employees are eligible on a proportional basis of their employment status. (See Benefit Coverage example on Page 4.)

This benefit also applies to regular, non-union, off-campus or cooperative extension support staff employees.

### When Eligibility Begins

Educational Assistance benefits are available the first day of the month after accrual of 12 FTE (Full-time equivalent) service months\*.

**\*Note:** Local 324 union employees are eligible the first day of full-time continuous employment.

Eligible employees must be actively working when the course or non-credit program begins to qualify for tuition waiver/reimbursement payment.

### Eligible Types of Courses

- Job-related courses regarding current work or preparing for a higher-level MSU position;
- Degree-related courses as part of a degree-granting program, or a requirement for a class in a degree-granting program;
- Career/professional development courses reasonably related to an employee's stated goals at MSU.

### Courses Not Eligible for Benefit Coverage

- Audited or visited classes.
- Courses designed as a preparation for an exam. (Example: Kaplan GMAT Review course, review for a license exam)
- Conferences. Please contact the HRD office regarding conference coverage.

## C. BENEFIT COVERAGE

### Credit Courses

Eligible full-time employees may have, subject to benefit maximum, up to 14 semester credits (16 semester credits for FOP and AP Confidential) or 20 term credits per academic year waived or reimbursed through the program. Part-time employees are covered on a proportional basis of employment.

**Example:** A 50% time employee is eligible for up to 7 semester credits in an academic year.

If courses are taken from both semester and term institutions, term credits will be converted to semester credits to determine the maximum number of credits allowed. A semester credit is 1.5 times a term credit.

### Non-Credit Courses

The maximum benefit for non-credit courses, such as those offered by HRD or IT Services, is \$800 in an academic year for full-time employees. Part-time employees are covered on a proportional basis of employment.

### Tuition Waiver/Reimbursement Rates

Waiver/ Reimbursement rates are set by the MSU Board of Trustees.

## D. COORDINATION OF BENEFITS

### Coordination of Credit and Non-Credit Portions of the Benefit

Maximum benefit may not exceed the total value of up to 14 credits per academic year (16 credits for FOP, AP Confidential) at the rate set for the employees collective bargaining agreement for both credit and non-credit courses. If the employee does not take the maximum credit limit allowed in an academic year they may still be eligible for all or a portion of the non-credit course benefit amount.

## E. FINANCIAL AID

If an employee is receiving financial aid through the Course Fee Courtesy program, a scholarship, fellowship aid, GI Benefits, grants or similar programs, Educational Assistance benefits cover only the tuition costs that exceed the amount of these other benefits. This benefit may not go over the allowed credit maximum.

## F. CREDIT COURSES AT MSU

### Conditions of Eligibility

To apply for Educational Assistance benefits, eligible employees must:

- Be admitted to an approved institution (s) where the courses are offered (see collective bargaining agreement specific to the employee for eligible institutions), and
- Meet the minimum requirement of 12 full-time equivalent (FTE) service months.

**\*Note:** Local 324 union employees are eligible the first day of full-time continuous employment.

### **MSU Credit Courses Tuition Waiver**

Waiver for MSU credit courses is paid at the rate set by the employee's collective bargaining agreement for both degree-related and Lifelong Education courses. This amount may not exceed the maximum fee per credit rate set by such agreements.

### **MSU Fees, Costs and Charges Not Waived or Reimbursed**

Other costs, such as the energy fee, lab fees, online surcharges or fees, books, student taxes, mileage, late fees, and parking are not eligible for waiver or reimbursement.



### **Application Process**

MSU credit courses that are approved for Educational Assistance benefits (including Lifelong Education courses) and billed through the Student Accounts office are eligible for tuition waiver. This benefit allows MSU waiver of tuition payment and matriculation fees at the time of billing.

#### **To receive tuition waiver benefits, the employee must:**

- Complete the Employee Educational Assistance Application from the HR website ([www.hr.msu.edu](http://www.hr.msu.edu)) or from the HRD office,
- Obtain course approval from supervisor and/or department/unit administrator\* prior to the start of any course,
- Submit the signed application to the HRD office for approval prior to the posted deadline.

**\*Note:** For Local 324 union employees, employer approval is needed by the Director of Power and Water and final approval by the HRD office.

For waiver credit to appear on the registration bill, the application must be turned in 60 days before the billing deadline set by the Student Fees, Sponsored Aid, and Fellowships office (as published). Applications will be accepted up to 15 days before regular MSU classes begin and approved waivers will be processed as time permits.

Applications received after regular MSU classes begin may be processed only on a limited basis.

MSU tuition waiver deadlines will be printed in Source and posted on the HRD website.

The employee will be notified within 15 days (after the HRD office receives the application) if the request for tuition waiver is approved or denied. Applications are retained in the HRD office.

If an employee drops a class after enrollment or prior to the full refund deadline, the waiver is cancelled. The student is billed for any balance that may be due.

### **Waiver Payment Process**

At the end of each semester, the HRD office requests proof of successful course completion (a grade of 2.0 or better) from the Registrar's office for approved MSU credit courses. When successful course completion is confirmed, the tuition waiver is processed.

**Note:** Benefits for graduate-level, degree-related courses in excess of \$5,250 in a tax year are subject to taxation (see page 7 for taxation details).

### **Unsuccessful Credit Course Completion**

If an employee receives a grade below 2.0, the employee must pay back the University for the original waiver amount, including the matriculation fee. This is normally done through payroll deduction.

### **Incomplete Courses**

If an employee receives an incomplete (I) for a MSU course, the waiver is still processed. The employee must provide "proof of successful course completion" within 90 days (of receipt of the incomplete), or the employee must pay back the University for the original waiver amount, including the matriculation fee. This is normally done through payroll deduction.

## **Deferred Courses**

If a non-dissertation MSU credit course is deferred, tuition waiver is processed. The employee must provide “proof of successful course completion” within the University's completion timeline rules, or the employee must pay back the University for the original waiver amount. This is normally done through payroll deduction.

A deferred dissertation credit (MSU course number 899 or 999) is considered “successfully completed” and tuition waiver is processed.

## **Taxation of Graduate Degree Benefits**

Internal Revenue Code (IRC) Section 127 provides an exemption of up to \$5,250 in a tax (calendar) year for graduate-level, degree-related courses reimbursed/waived through employer educational assistance programs. The benefit includes tuition and matriculation fees, if such fees are provided. Any amount of the benefit in excess of the \$5,250 exclusion for degree-related graduate-level courses is considered taxable income. Waived fees for MSU courses are considered received at the time classes begin at MSU. Reimbursed fees for courses taken at other institutions are considered received at the time the reimbursement check is issued. Once the receipt of benefits over the \$5,250 exclusion is determined, appropriate tax withholdings will be made and the amount added to the employee's gross wages.

## **G. CREDIT COURSES AT OTHER INSTITUTIONS**

### **Conditions of Eligibility**

To apply for Educational Assistance benefits, eligible employees must:

- Be admitted to an approved institution (s) where the courses are offered (see collective bargaining agreement specific to the employee for eligible institutions)
- Meet the minimum requirement of 12 full-time equivalent (FTE) service months.

**\*Note:** Local 324 union employees are eligible the first day of full-time continuous employment.

### **What Institutions Are Covered?**

See collective bargaining agreements specific to the employee for eligible institutions.

### **Tuition Reimbursement at Other Institutions**

Credit courses taken at semester institutions other than Michigan State University are reimbursed (within a maximum number of credits provided) at a rate set for the employee's collective bargaining agreement. If the institution is a term school, the employee may be reimbursed (within a maximum number of credits) at a rate up to 2/3 the amount of a semester credit. The maximum fee per credit rate is specific to the employee's collective bargaining agreement.

### **Amount of Reimbursement**

Reimbursement will include the maximum fee per credit rate specific to the employee's collective bargaining agreement.

### **Fees, Costs and Charges Not Reimbursed**

Registration fees, matriculation fees, lab fees, online surcharges or fees, course fees, books, student taxes, mileage, late fees, meals, and parking are not eligible for reimbursement.

### **Application Process**

To receive reimbursement for non-MSU credit courses, the employee must:

- Complete the Employee Educational Assistance Application available on the HR website ([www.hr.msu.edu](http://www.hr.msu.edu)) or at the HRD office,
- Obtain course approval and signature from supervisor and/or departmental/unit administrator\* prior to the start of any course,
- Submit the signed application to the HRD office for approval, 30 days prior to the first day of class or start of the program.

**\*Note:** For Local 324 union employees, employer approval is needed by the Director of Power and Water and final approval by the HRD office.

The employee will be notified within 15 days (after the HRD office receives the application) if the request for reimbursement is approved or denied. Applications are retained in the HRD office.

### **Reimbursement Process**

After completing a non-MSU credit course, the employee must forward proof of successful course completion (a grade report of 2.0 or better indicating the employee's name) and proof of tuition paid (such as a billing statement) to the HRD office within 15 working days of course completion or receipt of grades. Reimbursement for successfully completed courses will be direct deposited provided the employee has MSU payroll direct deposit. If the employee does not have direct deposit other provisions will be made.

**Note:** Benefits for graduate-level, degree-related courses in excess of \$5,250 in a tax year are subject to taxation (see below for taxation details).

### **Unsuccessful Credit Course Completion**

If an employee receives a grade below 2.0 for a non-MSU credit course, no reimbursement will be made.

### **Out-of-State Fees**

Under this program, Michigan State University will not pay out-of-state fees. The employee is responsible for the difference between in-state and out-of-state fees.

### **Taxation**

Internal Revenue Code (IRC) Section 127 provides an exemption of up to \$5,250 in a tax (calendar) year for graduate-level, degree-related courses reimbursed/waived through employer educational assistance programs. The benefit includes tuition and matriculation fees, if such fees are also provided. Any amount of the benefit in excess of the \$5,250

exclusion for degree-related graduate-level courses is considered taxable income. Waived fees for MSU courses are considered received at the time classes begin at MSU. Reimbursed fees for courses taken at other institutions are considered received at the time the reimbursement check is issued. Once the receipt of benefits over the \$5,250 exclusion is determined, appropriate tax withholdings will be made and the amount added to the employee's gross wages.

## **H. NON-CREDIT COURSES**

### **Conditions of Eligibility**

To apply for Educational Assistance benefits, eligible employees must: meet the minimum requirement of 12 full-time equivalent (FTE) service months.\*

### **What Institutions Are Covered?**

Non-credit courses must be job-related and may be taken from any Human Resource Development (HRD) approved institution/program, such as MSU HRD, MSU IT Services, LCC or any other employer-approved institution/program.

**\*Note:** Local 324 union employees are eligible the first day of full-time continuous employment.

### **Application Process**

#### **Non-Credit Courses**

To receive reimbursement for non-credit courses, the employee must:

- Complete the Employee Educational Assistance Application available on the HR website ([www.hr.msu.edu](http://www.hr.msu.edu)) or at the HRD office
- Obtain course approval and signature from supervisor and/or departmental/unit administrator\* prior to the start of the course
- Submit the signed application to the HRD office for approval, 30 days prior to the first day of class or start of the program.

**\*Note:** For Local 324 union employees, employer approval is needed by the Director of Power and Water and final approval by the HRD office.

The employee will be notified within 15 days (after the HRD office receives the application) if the request for reimbursement is approved or denied. Applications are retained in the HRD office.

#### **HRD Courses**

Employee must obtain verbal approval from their supervisor to attend an HRD course and enroll online through EBS or by contacting HRD.

## **IT Servicer Technology Training (formerly LCTTP)**

Employee must obtain verbal approval from their supervisor to attend an LCT course and enroll online through EBS or by contacting IT services.

### **Reimbursement Payment**

After completing an approved non-credit course, the employee must forward proof of successful course completion (a course certificate signed by the instructor or HRD's Non-Credit Course Certificate of Successful Completion form) and proof of course cost (a receipt) to the HRD office within 15 working days of course completion. Reimbursement for successfully completed courses will be direct deposited provided the employee has MSU payroll direct deposit. If the employee does not have direct deposit other provisions will be made.

### **Unsuccessful Non-Credit Course Completion**

If the employee does not attend or complete a non-credit course or does not provide proof of course completion, reimbursement will not be processed. In case of an uncompleted HRD or IT Services course, the employee's department will be charged.

## **I. ADDITIONAL PROVISIONS**

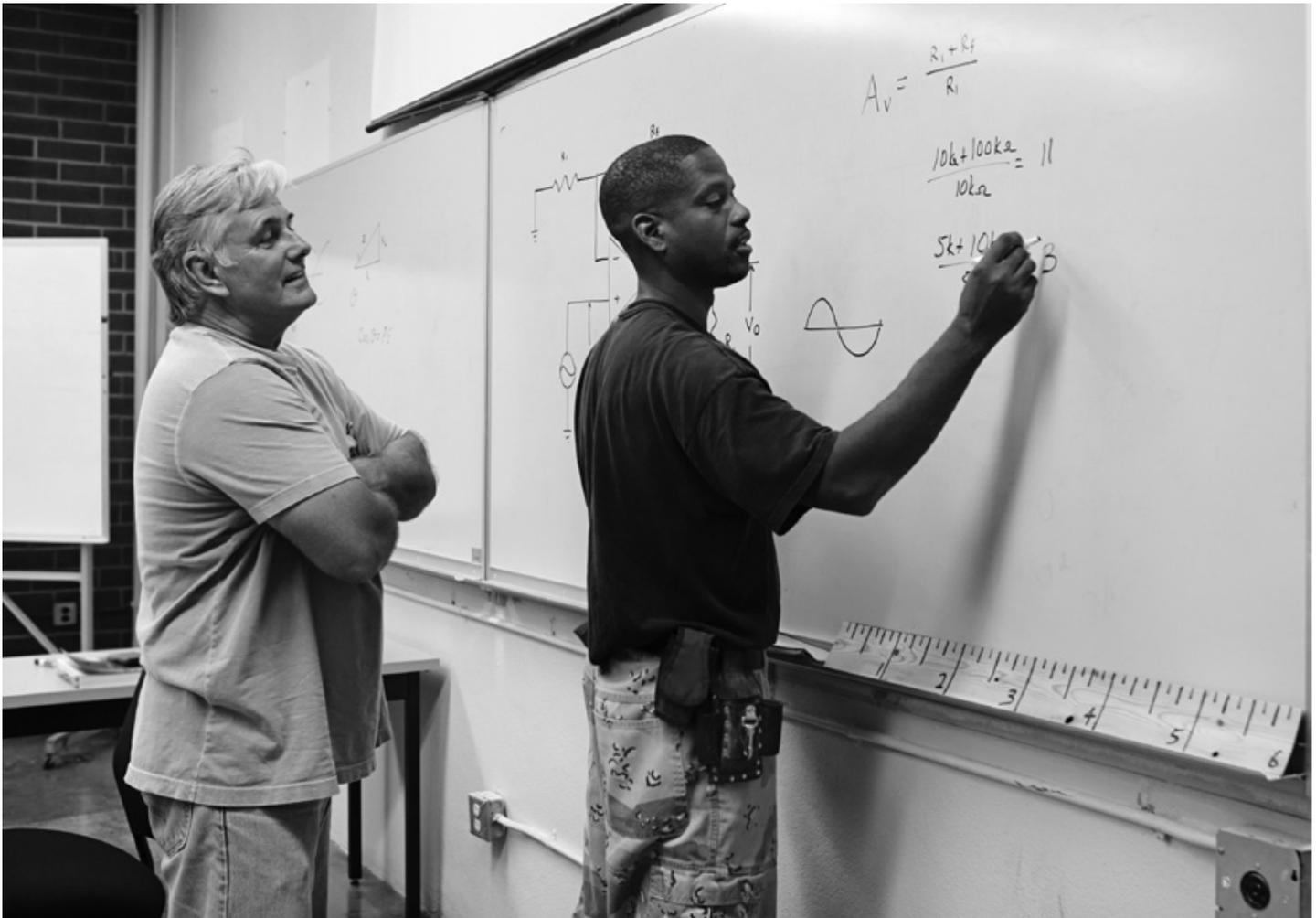
### **Release Time**

Eligible employees may request release time with pay up to 5 hours per week to attend credit and or non-credit courses. All release time is subject to departmental approval. Please see your collective bargaining agreement for details.

### **Flexible Appointments**

MSU allows APA, APSA and confidential employees, who have Type 1 flexible appointments, to "bank" educational assistance during the semesters of active work for use during non-work, flexible periods. The total number of credits allowed may be banked (up to a maximum of 14 credits per academic year). When using banked benefits, the Educational Assistance Application must show the employee is a flexible appointee on flexible leave.

Employees with Type 2 flexible appointments are eligible for the same benefits as their regular co-workers.



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