Policy title	Category
NWU Graduate Tuition Remission Policy and NWU Educational Assistance Plan	Business Office Financial Aid Human Resources
Owner Human Resources	**Approved by** Ad Council

Policy statement

Graduate Course Tuition Benefits:

Nebraska Wesleyan University (NWU) will offer graduate tuition remission benefits to eligible employees, their spouse, and/or their domestic partner. The graduate tuition remission benefit does not apply to an employee's dependent child(ren) or a domestic partner's children. Application of graduate tuition benefits and related taxation for these benefits follows the Internal Revenue Code (IRC) §127 guidelines.

NWU Educational Assistance Plan

NWU has established the Educational Assistance Plan (the "Plan") to provide educational assistance to its eligible employees. It is the intention of NWU that the Plan qualify as a plan providing qualified educational assistance under Section 127(b)(1) of the Internal Revenue Code (the "Code"), and to maintain eligibility for educational assistance under the Plan for exclusion from the employees' income under Code Section 127(a). The Employer hereby adopts the Plan as the NWU Educational Assistance Plan in the form set forth below, effective May 12, 2023.

Eligibility. Eligible employees are those individuals NWU currently treats as common law employees who are classified as 1.0 FTE and have accumulated the number of worked hours to equal the equivalent of one full year of employment (2,080 hours) and meet the admission standards for the graduate program (a "Participant").

Eligible employees also include part-time employees, who are classified as less than 1.0 FTE and have accumulated the number of worked hours to equal the equivalent of one full year of employment (2,080 hours) and meet the admissions standards for the graduate program (a "Participant"). For example, part-time athletic coaches with 4 years of employment will be considered to have worked and accumulated the number of hours to equal the equivalent of one full year of employment (2,080 hours).

A Participant will cease being a Participant in the Plan if he or she no longer meets the eligibility criteria in this section. Former employees are not eligible to participate in the Plan.

Benefits. The Plan will provide benefits covering the cost of tuition for graduate levels courses taken at NWU (the "Covered Costs"), including regular academic year classes, regularly scheduled Summer Session classes, and any Winter Term classes (each, an "Educational Course"). However, the Participant must pay all associated fees, non-tuition related costs and charges, tuition assessed in addition to "full regular tuition", or summer session courses arranged to meet the needs of individual students (such as tutorials, special projects, or practicums) as these amounts **do not** qualify as Covered Costs.

The Plan will only reimburse Covered Costs incurred after an employee becomes a Participant in the Plan. A Participant who desires to receive benefits under the Plan for Covered Costs must request approval in advance of the Educational Courses.

A Participant seeking advance approval of Plan benefits for Educational Courses must submit a written request to the Plan Administrator that includes the Educational Courses the Participant will take and the Covered Costs for which benefits are requested. The Plan Administrator may request other documentation it determines is necessary or appropriate to determine whether to approve the request. The Plan Administrator will approve requests for the payment of Covered Costs in its discretion, subject to the limitations set out in the "Benefits Limits" section directly below. In considering requests, the Plan Administrator may take into account all relevant factors. For example, a Participant may not enroll in a cohort program which is filled or where enrollment would exclude a tuition-paying student. In no event shall the Plan Administrator prioritize requests in a manner that discriminates in favor of highly compensated employees, as defined in Code Section 127(b)(2).

If the Plan Administrator approves the request, it will notify the Participant. Upon the Participant's execution of a payroll deduction agreement approved by the Plan Administrator that provides for the repayment of benefits upon the occurrence of a Repayment Event, the Plan Administrator will provide direct payment for the Covered Costs.

Upon completion of the Educational Course, the Participant shall provide to the Plan Administrator evidence of completion of the Educational Course(s) and the grade attained.

Benefit Limits. Benefits shall not exceed 50% of the cost of tuition for any educational course.

In any calendar year, no Participant may receive non-taxable benefits exceeding the dollar limit set forth in Code Section 127(a)(2) ($5,250 for CY2023). Any benefits provided by the Employer that exceed the Code Section 127(a)(2) limit will be included in the Participant's income for payroll tax and reporting purposes.

In no event is a Participant entitled to receive any benefits under this Plan in lieu of any other compensation he or she is otherwise entitled to from NWU.

Repayment of Benefits. A Repayment Event occurs when: (1) a Participant fails to complete an Educational Course; or (2) a Participant's employment terminates during the Commitment Period for reasons other than the Participant's death or disability. The Commitment Period means the date the Participant completes an Educational Course for which benefits have previously been paid. Disability means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The Participant must promptly notify the Plan Administrator if, for any reason, the Participant discontinues the Educational Course or does not plan to attend classes.

Upon the occurrence of a Repayment Event, the Participant must repay to NWU:

- any benefits paid on the Participant's behalf by NWU, in the event the Participant fails to complete an Educational Course;
- a prorated portion of the benefits paid on the Participant's behalf by NWU for that course session or term, in the event the Participant voluntarily terminates employment during the Commitment Period for reasons other than his or her death or disability;
- at the Plan Administrator's discretion, either (a) no amount or (b) a prorated portion of the benefits paid on the Participant's behalf by NWU for that course session or term, in the event the Participant involuntarily terminates employment for cause or for performance reasons during the Commitment Period;
- no amount, in the event the Participant terminates employment due to a layoff or a reduction in force during the Commitment Period; or
- no amount, in the event the Participant terminates employment due to death or Disability.

Non-payment of the tuition remission benefit will result in a hold on the student's account which will also withhold transcripts/diploma until payment is made.

Funding. NWU shall contribute the amount required to pay benefits under this Plan from its general assets. NWU has not established a separate fund for the payment of Benefits. NWU retains all rights of ownership over its general assets, and in the event of insolvency, NWU's general assets are available to pay the claims of its general creditors. Neither the Plan nor Participants have any preferential claim against or any beneficial interest in the general assets of NWU. The Plan does not permit or require Participant contributions.

Plan Administration. The Vice President for Finance and Administration is hereby designated as the Plan Administrator. The Plan Administrator shall have the authority to control and manage the operation and administration of the Plan, including the authority to make and enforce rules or regulations for the efficient administration of the Plan; to interpret the Plan; and to decide all questions concerning the Plan and the eligibility of any person to participate in the Plan. The Plan Administrator shall give reasonable notice of the availability and terms of the Plan to eligible employees. The Plan Administrator shall keep accurate records of all benefits paid to Participants under the Plan and ascertain that no benefits were paid to an Employee in lieu of other compensation due a Participant.

Amendment and Termination. NWU reserves the right to amend or to terminate the Plan at any time for any reason by resolution of its Board of Directors. In the event of termination, a Participant is only entitled to benefits to the extent such benefits have been approved pursuant to the "Benefits" section above. Repayment Agreements shall survive the termination of the Plan.

Governing Law. The laws of the State of Nebraska shall govern this Plan, other than the State's laws respecting choice of law, to the extent not preempted by any federal law. Any action to enforce or interpret the terms of this Agreement or claims relating to the Plan shall be brought only in an appropriate state or federal court located in Lancaster County, Nebraska, which court shall have exclusive jurisdiction over the matters.

Graduate Course Tuition Remission for Spouses and Domestic Partners

Eligibility. A spouse or domestic partner of an eligible employee, who meets the admission standards for the applicable NWU graduate program, is eligible to receive graduate course tuition remission benefits (the "Eligible Dependent"). Eligible employees include: (1) individuals NWU currently treats as common law employees who are classified as 1.0 FTE and have accumulated the number of worked

hours to equal the equivalent of one full year of employment (2,080 hours); and (2) part-time employees, who are classified as less than 1.0 FTE and have accumulated the number of worked hours to equal the equivalent of one full year of employment (2,080 hours).

Eligibility for an Eligible Dependent to receive tuition remission benefits following an employee's termination from employment due to lay-off or a reduction in force for any subsequent term(s) ceases unless authorized by NWU's President.

Benefits. NWU will provide tuition remission benefits for a graduate level course taken at NWU (the "Covered Costs"), including regular academic year classes, regularly scheduled Summer Session classes, and any Winter Term classes (each, an "Educational Course") by the Eligible Dependent. However, the Eligible Dependent must pay all associated fees, non-tuition related costs charges, tuition assessed in addition to "full regular tuition", or summer session courses arranged to meet the needs of individual students (such as tutorials, special projects, or practicums) as these amounts **do not** qualify as Covered Costs.

An Eligible Dependent who desires to receive benefits for Covered Costs must request approval in advance of the Educational Courses.

An Eligible Dependent seeking advance approval of benefits for Educational Courses must submit a written request to the Administrator that includes the Educational Courses the Eligible Dependent will take and the Covered Costs for which benefits are requested. The Administrator may request other documentation it determines is necessary or appropriate to determine whether to approve the request. The Administrator will approve requests for the payment of Covered Costs in its discretion, subject to the limitations set out in the "Benefits Limits" section directly below. In considering requests, the Administrator may take into account all relevant factors. For example, an Eligible Dependent may not enroll in a cohort program which is filled or where enrollment would exclude a tuition-paying student.

If the Administrator approves the request, it will notify the Eligible Dependent. Upon the relevant employee's execution of a payroll deduction agreement approved by the Administrator that provides for the repayment of benefits upon the occurrence of a Repayment Event, the Administrator will provide direct payment for the Covered Costs.

Upon completion of the Educational Course, the Eligible Dependent shall provide to the Plan Administrator evidence of completion of the Educational Course(s) and the grade attained.

Benefit Limits. Benefits shall not exceed 50% of the cost of tuition for any educational course.

Repayment of Benefits. A Repayment Event occurs when: (1) an Eligible Dependent fails to complete an Educational Course; or (2) the Eligible Dependent's spouse or domestic partner, who is an eligible employee as set out above, terminates employment during the Commitment Period for reasons other than the employee's death or disability. The Commitment Period means the date the Eligible Dependent completes an Educational Course for which benefits have previously been paid. Disability means the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The Eligible Dependent must promptly notify the Administrator if, for any reason, the Eligible Dependent discontinues the Educational Course or does not plan to attend classes.

Upon the occurrence of a Repayment Event, the employee must repay to NWU:

- any benefits paid on the Eligible Dependent's behalf by NWU, in the event the Eligible Dependent fails to complete an Educational Course;
- a prorated portion of the benefits paid on the Eligible Dependent's behalf by NWU for that course session or term, in the event the Eligible Dependent's spouse or domestic partner, who is an eligible employee as set out above, voluntarily terminates employment during the Commitment Period for reasons other than the employee's death or disability;
- at the Administrator's discretion, either (a) no amount or (b) a prorated portion of the benefits paid on the Eligible Dependent's behalf by NWU for that course session or term, in the event the Eligible Dependent's spouse or domestic partner, who is an eligible employee as set out above, involuntarily terminates employment for cause or for performance reasons during the Commitment Period;
- no amount, in the event the Eligible Dependent's spouse or domestic partner, who is an eligible employee as set out above, terminates employment due to a layoff or a reduction in force during the Commitment Period; or
- no amount, in the event the Eligible Dependent's spouse or domestic partner, who is an eligible employee as set out above, terminates employment due to death or Disability.

Non-payment of the tuition remission benefit will result in a hold on the student's account which will also withhold transcripts/diploma until payment is made.

Tax Liability. Graduate tuition remission benefits provided to any spouse or domestic partner through an eligible employee are considered a taxable benefit to the employee. The value of the tuition remission benefit for a spouse or domestic partner is calculated by adding the imputed sum amount for the remission benefit received each semester to the employee's income to be taxed during standard payroll processing for the period the benefit is received. Imputed income to an employee tied to graduate tuition remission benefits provided to any spouse or domestic partner is excluded from compensation under the terms of the NWU Retirement Plan.

Employees receiving the tuition remission benefits in relation to any spouse or domestic partner will be required to sign a payroll reduction / taxation agreement for any required repayment or taxation necessary in accordance with this policy.

Last revised date
May 5, 2023