
EDUCATIONAL ASSISTANCE PROGRAM

ISSUED
06/08

*MSU is an affirmative-action,
equal-opportunity employer.*

**MICHIGAN STATE
UNIVERSITY**

Human Resource Development

Michigan State University

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Benefit-in-Brief:

Eligibility

Regular full-time and part-time support staff with 12 FTE months of service at MSU; Part-time employees are eligible on a proportional basis of their employment. Applies to on- and off-campus employees.

Benefit is applied/calculated by academic year.

Application

An application is required and must be submitted to Human Resource Development by posted deadlines and prior to the start of the course(s). Application is available on the HR Web site (www.hr.msu.edu).

Coverage

No more than 14 semester credits in an academic year (16 for FOP and AP confidential employees).

Maximum rate: Prevailing MSU Lifelong Education rate per credit. Contact HRD for further information.

Total value of benefit must not exceed the product of 14 (or 16, if applicable) semester credits times the prevailing MSU resident Lifelong Education rate.

All MSU credit courses are processed as waivers. Courses at other institutions are processed as reimbursements.

Up to \$800 of the total value can be used for job-related, non-credit courses.

Limitations of Coverage

A grade of 2.0 or higher is required for MSU tuition waiver or reimbursement.

Visited or audited courses are not covered.

Coverage of additional fees

MSU: Matriculation fee is covered.

Other institutions: Matriculation/registration fees are not covered.

All other fees, such as student taxes, surcharges, late enrollment fees or books at any institution are not covered.

Information

HRD Web site: www.hr.msu.edu/HRsite/ProDev/Staff/

Phone: 517-355-0183 or 517-884-0177

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.

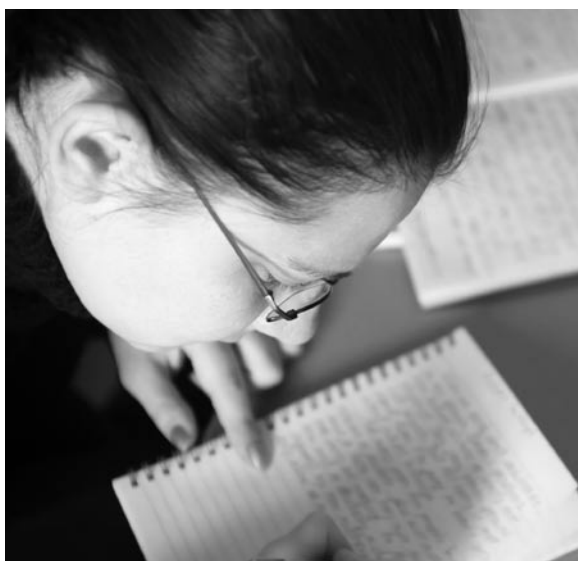
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TABLE OF CONTENTS

TOPIC	PAGE
A. INTRODUCTION	3
B. ELIGIBILITY	3
Who Is Eligible.....	3
When Eligibility Begins	3
Eligible Types of Courses	3
Courses Not Eligible for Benefit Coverage	4
C. BENEFIT COVERAGE	4
Credit Courses.....	4
Non-Credit Courses.....	4
Tuition Waiver/Reimbursement Rates	4
D. COORDINATION OF BENEFITS	4
Coordination of Credit and Non-Credit Portions of the Benefit	4
E. FINANCIAL AID.....	5
F. CREDIT COURSES AT MSU.....	5
Conditions of Eligibility.....	5
MSU Credit Courses Tuition Waiver	5
MSU Fees, Costs and Charges Not Waived or Reimbursed	5
Application Process	6
Waiver Payment Process	7
Unsuccessful Credit Course Completion.....	7
Incomplete Courses.....	7
Deferred Courses	7
Taxation of Graduate Degree Benefits	7
G. CREDIT COURSES AT OTHER INSTITUTIONS	8
Conditions of Eligibility.....	8
What Institutions Are Covered?	8

continued on pg. 2

Tuition Reimbursement at Other Institutions	8
Amount of Reimbursement.....	8
Fees, Cost and Charges Not Reimbursed.....	9
Application Process	9
Reimbursement Process	9
Unsuccessful Credit Course Completion.....	9
Out-of-State Fees	10
Taxation	10
H. NON-CREDIT COURSES	10
Conditions of Eligibility.....	10
What Institutions Are Covered?	10
Application Process	11
Non-Credit Courses	11
HRD Courses.....	11
LCTTP Courses	11
Reimbursement Payment.....	11
Unsuccessful Non-Credit Course Completion	12
I. ADDITIONAL PROVISIONS.....	12
Release Time.....	12
Flexible Appointments	12



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 547 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 LCTTP, 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 (16 credits for FOP, AP Confidential) at the prevailing MSU resident Lifelong Education rate for both credit and non-credit courses. If employees do not take more than the credit course maximum, employees may still be eligible for all or part 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, and
- Meet the minimum requirement of 12 full-time equivalent (FTE) service months.*

***Note:** Local 547 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 in line with the employee's student academic level for both degree-related and Lifelong Education courses and may not exceed the maximum prevailing MSU resident Lifelong Education rate. MSU matriculation fee is also covered.

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 Web site (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 547 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 30 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 Web site.

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 below 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 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.

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, and
- Meet the minimum requirement of 12 full-time equivalent (FTE) service months.*

***Note:** Local 547 union employees are eligible the first day of full-time continuous employment.

What Institutions Are Covered?

Credit courses may be taken from any accredited educational institution (such as LCC). The Educational Assistance Program accepts institutions approved under such government training programs as the G.I. Bill of Rights.

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 up to the prevailing MSU resident Lifelong Education rate. 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 of the prevailing MSU resident Lifelong Education rate.

Amount of Reimbursement

Reimbursement will include the actual fee per credit only at a rate up to the prevailing MSU resident Lifelong Education rate.

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 Web site (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 547 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 showing the employee's name) and proof of cost and payment (a receipt) to the HRD office within 15 working days of course completion or receipt of grades. Reimbursement for successfully completed courses will be sent to the employee's department address on record.

Note: Benefits for graduate-level, degree-related courses in excess of \$5,250 in a tax year are subject to taxation (see page 10 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 pay no more than the equivalent in-state tuition rate for the student's current education level. 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 LCTTP, LCC or any other employer-approved institution/program.

***Note:** Local 547 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 Web site (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 547 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 a verbal approval to attend an HRD course and enroll on the Web or by contacting the HRD office. HRD will send the employee a confirmation/invoice that the employee must return to HRD, completed and signed, prior to or at the time he/she attends the class.

LCTTP Courses

Employee must follow the approval and enrollment procedures and submit the appropriate LCTTP enrollment form to LCTTP within specified timelines.

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 Certification of Successful Completion form), and proof of course cost and payment (a receipt) to the HRD office within 15 working days of course completion. Reimbursement will be sent to the employee's department address on record.

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 LCTTP 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 courses. Eligible employees may request release time for non-credit classes. All release time is subject to departmental approval. Please see your collective bargaining agreement for details regarding release time.

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.

