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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 Human Resources 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 online application in the [HR/Payroll Portal](#) under ESS > Professional Development and obtain course authorization from supervisor in that system.
- Approved applications will automatically route to Human Resources for review and approval.

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

For waiver credit to appear on the registration bill, the application must be submitted 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 HR website.

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

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, Human Resources 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 online application in the [HR/Payroll Portal](#) under ESS > Professional Development and obtain course authorization from supervisor in that system.
- Approved applications will automatically route to Human Resources for review and approval.
- Applications must be submitted 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 Human Resources.

The employee will be notified within 15 days (after Human Resources receives the application) if the request for reimbursement is approved or denied. Applications are retained in Human Resources.
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 Human Resources to using the online application in the HR/Payroll Portal under ESS > Professional Development 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 Professional Development Services (PDS) approved institution/program, such as MSU PDS, 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 online application in the HR/Payroll Portal under ESS > Professional Development and obtain course authorization from supervisor in that system.
- Approved applications will automatically route to Human Resources for review and approval.
- Applications must be submitted 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 Human Resources.

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

PDS Courses (formerly HRD)
Employee must obtain verbal approval from their supervisor to attend a PDS course and enroll online through EBS or by contacting Professional Development Services.

IT Servicer Technology Training
Employee must obtain verbal approval from their supervisor to attend an IT Services 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 Human Resources’ Non-Credit Course Certificate of Successful Completion form) and proof of course cost (a receipt) to Human Resources using the online application in the HR/Payroll Portal under ESS > Professional Development 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 PDS 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.