

5.13 Tuition Remission and Tuition Exchange Benefits

Regular full-time employees, their legal spouses, dependent children, and part-time employees may apply for tuition remission benefits at Loyola University Maryland. The tuition remission benefit applies only to tuition charges. The employee is responsible for all other charges, such as books, fees, special charges, housing and independent studies. Programs to which this benefit does not apply include but are not limited to Ph.D. programs, Executive MBA program, Emerging Leaders program, Full Time Master of Theological Studies program, Full Time Speech Pathology program, Full Time Montessori program, continuing education units, International Study Tours, courses that have not met minimum enrollment, and courses over maximum enrollment levels are not covered.

Loyola University Maryland reserves the right to determine, without notice, that other schools or programs are eligible or ineligible for purposes of this benefit. Prior to enrollment, eligible employees should check with Human Resources to confirm that the Tuition Remission benefit is applicable to the school and program in which they plan to enroll.

All prospective students must meet the criteria established by the University for admission. Specific information regarding admission criteria may be obtained from the admission office (ext. 5012 – undergraduate or ext. 5020 – graduate).

The provisions herein regarding the taxation of the various tuition remission and exchange benefits do not constitute and should not be construed as tax advice. The tax treatment of tuition benefits is subject to change and employees are advised to consult their tax advisors with respect to questions regarding individual tax obligations. Employees are solely responsible for tax liabilities incurred for remission or exchange benefits received under this Policy.

5.13.1 Full-time Employee Eligibility

Regular full-time employees receive 100 percent tuition remission effective the first full semester following the completion of 6 months of continuous employment and successful completion of provisional period. To continue in the tuition remission program, employees must remain in an eligible academic and employment status. This benefit is extended to retirees. For Employee Graduate Degree Program Tuition Remission, if full-time employment terminates (except in the case of layoff) prior to or less than one year after completion of the program, the employee will be required to repay* the University all of the tuition costs incurred up to that point. *The repayment provision applies to Employees entering a new Graduate Degree Program on or after July 1, 2023.

5.13.2 Part-time Employee Eligibility

Regular part-time employees with a minimum of 6 months of continuous employment and successful completion of provisional period receive tuition remission on a prorated basis. For example, someone working 40 percent of a regular full-time schedule would be eligible for 40 percent tuition remission. Spouses and children of part-time employees are not eligible for tuition remission benefits. For Employee Graduate Degree Program Tuition Remission, if part-time employment terminates (except in the case of layoff) prior to or less than one year after completion of the program, the employee will be required to repay* the University all of the tuition costs incurred up to that point. *The repayment provision applies to Employees entering a new Graduate Degree Program on or after July 1, 2023.

5.13.3 Course and Credit Guidelines for Employees

Tuition remission for eligible employees is limited to a maximum of two undergraduate or graduate courses or six credit hours per fall, spring and summer semesters, whichever is less. For purposes of this

policy, the various summer sessions will be treated as one semester. There is no limit on the number of undergraduate and graduate degrees obtained by employees through tuition remission.

5.13.4 Flex Schedule for Staff Employees

The University encourages supervisors/department chairs to support the professional development of staff employees by allowing flexible work schedules, as long as the workflow of the department is not affected. Employees may attend one course per semester (fall/spring) during the normal workday without being required to use vacation or personal leave provided that:

- the course is not offered at a time outside regular working hours; and
- the employee obtains the supervisor/department chair's approval by completing a Flexible Schedule Form (for the employee to attach to the tuition remission application) prior to registration.

The Flexible Schedule Form may be obtained from the human resources office Web site at www.loyola.edu/hr/forms.

5.13.5 Taxation of Tuition Remission Benefits for Employees

Tuition remission benefits for employees for undergraduate courses should be excluded from the employee's income and non-taxable. Employee tuition remission benefits for graduate-level coursework up to \$5,250 per year also should be excluded from the employee's income and non-taxable. Graduate tuition remission benefits received by an employee that exceed \$5,250 in any given year will be added to the employee's taxable wages and subject to income and employment tax withholding unless the excess benefits qualify as a "working condition fringe" benefit. Among the requirements for "working condition fringe" treatment is a determination that a course enhances the employee's ability to perform their current job (i.e., does not qualify the employee for a new job or enable them to meet the minimum educational requirements for the employee's current position). The "working condition fringe" analysis will be conducted on a course-by-course basis by the human resources office.

5.13.6 Employee Separation from the University

If an employee separates from Loyola University Maryland prior to the end of the semester or summer session, payment of the prorated balance of the tuition is the employee's responsibility. The same is true of an employee who loses eligibility. In addition, if an employee separates from the University (except in the case of layoff) prior to or less than one year after completion of an Employee Graduate Tuition Remission program, the employee will be required to repay* the University all of the tuition costs incurred up to that point. *The repayment provision applies to Employees entering a new Graduate Degree Program on or after July 1, 2023.

5.13.7 Application Process

Applications for tuition remission benefits are available on the human resources Web site at www.loyola.edu/hr/forms and must be completed, authorized and returned prior to the beginning of the semester or summer session. Completed applications for tuition remission and an authorized Flexible Schedule Form, if applicable, are to be forwarded or delivered to the human resources office for approval. Approval from human resources requires a 24 -hour turn-around-time. It is the employee's responsibility to arrange adequate time to complete the application and approval process prior to the start of classes.

5.13.8 Spouse

Tuition remission benefits for a spouse apply to tuition charges for undergraduate and graduate level credit courses listed in the University catalogue, except as limited by Section 5.13.8.5. All prospective students must meet normal criteria for admission. Specific information regarding admission criteria may be obtained from the admissions office (ext. 5012 – undergraduate or ext. 5020 – graduate).

5.13.8.1 Eligibility

An eligible spouse of a regular full-time employee is entitled to 100 percent tuition remission benefits effective the first full semester following the employee's completion of two full years of continuous employment.

5.13.8.2 Taxation of Tuition Remission Benefits for Spouse

A tuition remission benefit for an eligible spouse taking undergraduate level courses should not be considered taxable. Currently, spousal tuition remission at the graduate level is taxable to the employee. Regulations are revised and published annually by the IRS. Please check the IRS criteria for taxation of tuition remission benefits with the IRS or your tax advisor annually.

5.13.8.3 Separation from the University

If an employee separates from Loyola University Maryland prior to the end of the semester or summer session, the prorated balance of the spouse's tuition will be the employee's responsibility. The same is true if an employee loses eligibility.

5.13.8.4 Application Process

Applications for tuition remission benefits are available on the human resources Web site at www.loyola.edu/hr/forms. Completed applications for tuition remission are sent or delivered to the human resources office for approval. Approval from the human resources office requires a 24-hour turn-around-time. It is the applicant's responsibility to arrange adequate time to complete the application and the approval process prior to the start of classes. If the spouse is attending Loyola University Maryland on a full-time basis only one tuition remission application should be completed, and both fall and spring semesters should be checked on the application.

5.13.8.5 Charges

The tuition remission benefit for spouses only covers the cost of tuition; it is the employee's responsibility to pay for charges, such as books, fees, special charges, and independent studies. Ph.D. programs, Executive MBA program, Emerging Leaders program, Full Time Master of Theological Studies program, Full Time Speech Pathology program, Full Time Montessori program, continuing education units, International Study Tours, courses that have not met minimum enrollment, and courses over maximum enrollment levels are not covered.

5.13.9 Dependent Children

"Dependent child" is defined by the Internal Revenue Service. If for any reason the parents of the child requesting remission do not file a joint return for the year in which remission is granted, the child must be claimed as a dependent on the tax return of the regular full-time Loyola-employed parent or retiree. Stepchildren will also be granted remission if they are claimed as dependents for tax purposes. Regular full-time employees applying for tuition remission benefits for dependent children or stepchildren must provide a copy of their most recent federal tax return (Form 1040) for each year in which the child receives remission to verify dependency or a court order awarding full custody to the Loyola employee/parent for the school year covered. The employed person may be charged retroactively and required to pay the cost of the tuition to the University if tax returns or court documentation is not submitted on time or if the employee's tax returns do not claim the child as a dependent. Tuition remission benefits for a dependent child apply only to tuition charges for undergraduate level credit courses listed in the University catalogue as further limited by Section 5.13.9.5. All prospective students must meet normal criteria for admission. Specific information regarding admission criteria may be obtained from the admissions office (ext. 5012).

5.13.9.1 Eligibility

An eligible dependent child of a regular full-time employee is entitled to 100 percent tuition remission benefits effective the beginning of the first full academic year (not semester) following the employee's completion of three full years of continuous employment. If an employee has satisfied this requirement (three or more years of continuous employment) at an accredited four year institution of higher education immediately preceding their employment at Loyola, upon waiver submission and approval, they would be eligible for dependent tuition remission immediately.

5.13.9.2 Taxation

The tuition remission benefit provided to dependent children under this section, Section 5.13.9, should not be taxable.

5.13.9.3 Course and Credit Guidelines

An eligible dependent child may take courses at Loyola University Maryland toward one undergraduate degree. The tuition benefit for dependent children is limited to 10 semesters (5 academic years) for an undergraduate degree. Therefore, dependent children are encouraged to attend Loyola University Maryland on a full-time basis. Dependent children may also take general undergraduate level courses during the academic year and/or summer sessions not related to obtaining a degree.

5.13.9.4 Separation from the University

If an employee separates from Loyola University Maryland prior to the end of the semester or summer session, payment of the prorated balance of the child's tuition will be the employee's responsibility. The same is true if an employee loses eligibility.

5.13.9.5 Application Process

Applications for tuition remission benefits are available on the human resources Web site at www.loyola.edu/hr/forms. Forms for incoming full-time undergraduate students should be submitted by March 1 in advance of the next academic year. Part-time student forms must be completed and authorized prior to the beginning of the applicable term and must be completed and authorized prior to the beginning of the semester or summer session. Completed applications for tuition remission are sent or delivered to the human resources office for approval. Approval from the human resources office requires a 24-hour turn-around-time. It is the employee's responsibility to allow adequate time to complete the application and approval process prior to the start of classes. If the child is attending Loyola University Maryland on a full-time basis, one tuition remission application should be completed, and both fall and spring semesters should be checked on the application.

5.13.9.6 Charges

The tuition remission benefit only covers the cost of tuition; it is the employee's responsibility to pay for all other charges, such as books, fees, special charges, and independent studies. In addition, continuing education units, International Study Tours, courses that have not met minimum enrollment, and courses over maximum enrollment levels will not be covered.

5.13.9.7 Tuition Remission Death Benefits

The spouse and dependent children of a full-time employee who dies while employed by Loyola University Maryland will be granted prorated tuition remission benefits at Loyola University Maryland based on the employee's length of service. An eligible spouse may receive 10 percent of tuition remission for each completed year of the employee's continuous full-time service beyond the employee's two-year qualifying period (up to 100 percent). Eligible dependent children also receive 10 percent of tuition remission for each completed year of the employee's continuous full-time service beyond the employee's three-year qualifying period. Dependent children's tuition remission death benefits are limited to

undergraduate level course work at Loyola. The tuition remission death benefit does not apply to high school tuition, FACHEX or The Tuition Exchange, Inc. programs.

5.13.10 Faculty, Administrators and Staff Exchange (FACHEX) Program

The University participates in a Jesuit Faculty and Staff Children Exchange Program (FACHEX). FACHEX is an undergraduate tuition remission program for dependent children of eligible full-time employees. It permits a limited number of dependent children who are eligible for tuition remission at Loyola University Maryland to receive the same benefit from a majority of Jesuit colleges and universities. Benefits are subject to the individual student applying and meeting the full-time admission criteria at the given school. A list of participating schools may be obtained at <https://telo.tuitionexchange.org/schools.cfm>. Specific information regarding admission procedures and criteria may also be obtained directly from the schools participating in the FACHEX program.

5.13.10.1 Eligibility

Eligibility for FACHEX tuition remission for dependent children of full-time employees is effective the first full academic year following the employee's completion of three full years of continuous service. The employee must continue to meet Loyola's eligibility criteria to remain eligible.

5.13.10.2 Value of FACHEX Tuition Remission

The amount of the full FACHEX remission is defined by the terms and conditions set by the host institution.

5.13.10.3 Course and Credit Guidelines

FACHEX tuition remission pertains to full-time enrollment during the regular academic semesters. Summer courses, prerequisite courses, and mini-semester courses are not covered by this benefit. Loyola reserves the right to limit the number of FACHEX tuition scholarships it offers in order to maintain a balance between the number of exported students and imported students.

5.13.10.4 Taxation of FACHEX Tuition Remission Benefits

FACHEX tuition remission for a dependent child should not be taxable.

5.13.10.5 Application Process

The dependent child applies for admission to one or more of the FACHEX schools. At the same time, the eligible employee completes the Tuition Scholarship Preliminary Application. The Tuition Scholarship Preliminary Application may be obtained on the human resources office Web site at www.loyola.edu/hr/forms. The most recent 1040 tax form must be attached and forwarded with the completed Tuition Scholarship Preliminary Application to the Loyola human resources office. The human resources office contacts the individual school(s) to verify eligibility once the completed paperwork is received and approved. Each year it is the employee's responsibility to verify to the human resources office that the student will be returning to the school. The human resources office must submit a re-certification form each year to the school for returning students. If the human resources office does not receive notification each year, the re-certification will not be submitted, and the tuition remission benefit may be forfeited. There are no guarantees given to eligible employees that their dependent children will be received into the FACHEX program at the college or university of their choice. Each FACHEX school determines the maximum number of FACHEX awards available and sets its own criteria for deciding who is going to receive the benefit. Students should contact the schools directly concerning the possibility of any openings that might be available.

5.13.10.6 Separation from the University

If an eligible employee separates from Loyola University Maryland or loses eligibility prior to the end of the semester, the student may be allowed to continue through the end of the semester but loses eligibility for the next term.

5.13.10.7 Charges

Students participating in the FACHEX program are expected to pay all fees assigned by the institution receiving the student. These fees may include but are not limited to books, lab fees, and room and board charges.

5.13.11 Tuition Exchange, Inc. (TE) Program

Loyola University Maryland belongs to Tuition Exchange, Inc., a national network of over 530 higher education institutions. Membership includes private as well as public institutions, liberal arts colleges and comprehensive institutions of higher education, and specialized schools. Dependent children of eligible employees may apply for undergraduate admission to one of the participating institutions. If the eligible dependent child is accepted, they are eligible for tuition remission subject to the terms and conditions set by the admitting institution. All prospective students must apply and meet the full-time criteria for admission. There are no guarantees given to eligible employees that their dependent children will be awarded a TE scholarship at the college or university of their choice. Each TE school determines the maximum number of awards available and sets its own criteria for deciding who is going to receive the benefit. Students should contact the schools directly concerning the possibility of available TE scholarships, admission procedures, and criteria.

5.13.11.1 Eligibility

Eligibility for TE remission for dependent children of full-time employees is effective the first full semester coinciding with or following completion of three years of continuous service. The eligible employee whose employment conveyed eligibility for tuition remission must continue to also meet Loyola's eligibility criteria.

5.13.11.2 Value of TE Tuition Remission

Tuition Exchange, Inc. sets a minimum rate of tuition remission each year for participating schools. The host institution sets the amount of TE remission to award each year. Most member schools offer a basic award of full tuition or the minimum rate. Schools have the option to charge students the difference between their tuition and the minimum rate. Some schools with tuition less than the minimum set rate may offer more than basic tuition awards. Information regarding rates may be obtained from the human resources office.

5.13.11.3 Course and Credit Guidelines

Tuition remission pertains to full-time, undergraduate enrollment during regular academic semesters. No summer courses or prerequisite courses are included in this benefit. There is a limit of eight semesters to receive TE remission. Even dependents eligible for TE scholarships are not guaranteed an award. The fact that an institution belongs to TE only allows eligible employees the right to apply for a scholarship. Loyola may have to limit the number of TE scholarships it offers in order to maintain the required balance between the number of exported students and imported students.

5.13.11.4 Taxation of TE Tuition Remission Benefits

TE tuition remission scholarships received by a dependent child should not be taxable.

5.13.11.5 Application Process

When an eligible child begins thinking about applying to TE colleges, they should request that Loyola University Maryland send a notice of eligibility to those participating schools by completing the Tuition Scholarship Preliminary Application. This form may be obtained from the human resources Web site at www.loyola.edu/hr/forms. The completed form and the most recent 1040 tax form should be forwarded to the human resources office. It will be the responsibility of the human resources office to contact the individual schools to verify eligibility once the completed paperwork is received. Tuition Exchange scholarships are competitive. Applicants must first meet all regular admittance requirements of the college or university to which they have applied. Only then may an applicant be considered for a Tuition Exchange scholarship. More competitive institutions may receive a higher number of applications from qualified students than they can accept. These institutions take additional steps to select among qualified candidates, establishing a lottery system, higher academic standards, or a rolling acceptance policy. To avoid disappointment, applicants should apply early and apply to one or two less competitive institutions as well as to their first choice.

5.13.11.6 Retaining Scholarships

Tuition Exchange students must meet the institution's standards for academic performance and personal conduct to retain their scholarship. The employee related to the student must also continue to meet eligibility criteria. Each year it is the employee's responsibility to verify to the human resources office that the student will be returning to the school. The human resources office then submits a re-certification form to the TE school for the student returning that year. If the human resources office does not receive notification from the eligible employee each year, the re-certification will not be submitted, and the tuition remission benefit may be forfeited.

5.13.11.7 Separation from the University

If an eligible employee separates from Loyola University Maryland or loses their eligibility status prior to the end of the semester, the student may be allowed to continue through the end of the semester but loses eligibility for the next semester. The employee should contact the high school or importing college/university regarding tuition payments.

5.13.11.8 Charges

Students participating in the TE program are expected to pay for all books, fees and room and board charges assigned by the institution receiving the student, unless those items are specified as a part of the award. Questions about the TE and FACHEX benefits may be directed to the benefits and wellness unit (ext. 1368).

LC Approved 4/25/2023

Revisions to this policy are effective July 1, 2023.