



OAKLAND CITY UNIVERSITY

ENTER TO LEARN / GO FORTH TO SERVE

Oakland City University offers tuition grants to full-time employees for undergraduate and master level courses/degrees. This benefit applies only to tuition and does not cover any books or fees. For complete guidelines, please refer to the Employee Handbook.

According to University policy, Employee Tuition grants will be awarded as follows:

After six months of full-time employment at the University, all full-time employees, their spouses, and all claimed as dependents for Federal Income Tax purpose are provided free OCU **undergraduate tuition** for traditional programs/degrees, as well as non-traditional undergraduate degree programs including Adult & Professional Studies at no tuition cap. All full-time employees are provided free tuition for OCU master-level degrees/programs with a Federal Tax limitation (See Section B)

- A. Undergraduate students: To apply for the Employee Tuition Grant, the qualifying employee, their spouse, or those claimed as dependents for Federal Income Tax purpose must complete the following steps:
1. Complete the Admissions Application (Student)
<https://myocu.wufoo.com/forms/employeedependent-admissions-application/>
 2. Meet the criteria as outlined in the employee handbook. (Employee)
 3. Complete the Employee Tuition Grant Application. (Employee)
 4. Degree seeking students need to complete the Free Application for Federal Student Aid (FAFSA) each year. (Student)
- B. Master level students: To apply for the Employee Tuition Grant for a master level degree or courses, the qualifying employee must complete the following steps:
1. Complete the Admissions Application. (Student)
<https://myocu.wufoo.com/forms/employeedependent-admissions-application/>
 2. Meet the criteria as outlined in the employee handbook. (Employee)
 3. Complete the Employee Tuition Grant Application every semester. (Student)

Graduate level tuition above \$5250 per year is taxable per IRS guidance. Amounts received above this amount will be reported as taxable income every year in October/November and will be deducted from the last 3-5 pay periods of the year. See the Appendix for more information.

Once the Human Resources office has verified employee eligibility and all other steps for application have been completed, the Financial Aid office will process the grant.

Please keep in mind you MUST apply for the tuition grant each academic semester or payment period.

Employee's Name: <u>Sulon maddy</u>	Department: <u>IT</u>	Student's Name: <u>Jacob maddy</u>
Student's Address: <u>522 Sherman St</u>		
Student's Phone: <u>812-215-1722</u>	Relationship to Employee: <u>Employee</u>	
Student Plans on taking: Non-		
Traditional <input type="checkbox"/>		
Traditional Semester Based <input checked="" type="checkbox"/>		



OAKLAND CITY UNIVERSITY

ENTER TO LEARN / GO FORTH TO SERVE

HUMAN RESOURCE DEPARTMENT

Employee Name:	
Student Name:	
Relationship to Employee:	
Date Request Received:	
Qualifies for Grant due to:	
Approved by:	
Rejected by:	
Reason for Rejection:	
Date Completed:	

FINANCIAL AID DEPARTMENT

Grant Applied to Account by:	
Date grant applied:	
Academic Year:	
Amount of Grant awarded:	



OAKLAND CITY UNIVERSITY

ENTER TO LEARN / GO FORTH TO SERVE

Appendix

Taxable income on Employee Tuition Grants for Graduate Level Courses.

Pursuant to the IRS Tax Code IRC Section 117 (d) and IRC Section 132 (h): Section 170(b)(1)(A)(ii) describes an educational organization as one that normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

The exclusion from income provided by Section 117(d) is generally limited to education “below the graduate level.” Tuition reductions for graduate education are considered qualified and are excludable only if they are provided by an eligible educational institution to a graduate student performing teaching or research activities for the educational institution. The employee must include in income any other tuition reductions received for graduate education. (IRC Section 117(d)(5)(4))

Section 117(d)(3) of the Code provides that the exclusion from income of a qualified tuition reduction will apply to highly compensated employees only if such reduction is available on substantially the same terms to each member of a group of employees that is defined under a reasonable classification set up by the employer that does not discriminate in favor of highly compensated employees (within the meaning of Section 414(q)).

It is with this understanding that no employee can go over the allotted \$5,250.00 annual for graduate programs. If you do go over, the overage will be taxed.

What Can I do to avoid Taxation?

1. Ensure that you do not exceed your tuition limits or class load each year.
2. Contact Dr. JC Campbell, Assistant VP for Diversity and Inclusion/Compliance if there are any questions or concerns regarding this matter.
3. Dr. Campbell will communicate with each employee who is awarded the Tuition grant for graduate studies to discuss this policy in further detail.
4. Be aware that in Oct or Nov, the Business Office and Financial Aid will assess your account and take taxes from any overage accordingly per Federal regulation.
5. It is the recommendation of the Compliance Department, that IF there is a need to be in excess of the allotted \$5,250.00, then the employee needs to be prepared for taxation at the end of the year or can voluntarily set aside a savings account to offset the cost. Average Taxation for 2021 was \$1,500.00.