

<b><i>EAST PENN manufacturing co., inc.</i></b>			
<b>EAST PENN POLICIES AND PROCEDURES MANUAL</b>			
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Approved By: Robert D. Harrop		Document No.: EPPM\PERS\SEC1\23A.DOC	

## **TUITION REIMBURSEMENT POLICY**

EAST PENN encourages its employees to further their education in order to maintain or update their existing knowledge or skills. In order to aid our employees to develop themselves to their fullest potential, EAST PENN has adopted the following Tuition Reimbursement Policy.

### **ELIGIBILITY:**

Any full-time active employee in the following areas: IT (Information Technology), Maintenance, Marketing, Engineering, Sales, Management, Office, Supervision, and Technical areas. Consideration will be given to everyone, but the number of applicants, East Penn's need for the education, cost, timeliness, and business climate will influence final approval. Total cost not to exceed \$5,250 per year without VP approval.

### **INSTITUTIONAL ACCEPTABILITY:**

All colleges, universities, home study, high schools, and vocation/technical institutions which are accepted by the Department of Education will be considered for tuition reimbursement. The fact that the Department of Education deems an institution acceptable does not automatically make it appropriate for approval under this policy.

### **COURSE APPROVAL:**

A course of study must relate to the employees present job or to promotable jobs (subject to approval) at EAST PENN. A course catalog outlining degree/course requirements, electives, and specific course descriptions must be submitted for review. All courses, requirements, and electives must be approved prior to enrollment by the employee's Manager, Learning & Development Coordinator, and Divisional VP to be considered for reimbursement. Approval of a course, course of study, and/or degree completion is not a guarantee or promise of continued employment or promotion.

### **EMPLOYMENT STATUS:**

The employee must maintain full-time employment status while taking approved courses. An employee's overall attendance record (Doctor's excuses, unexcused absences, etc.) will be taken into consideration by management for the purpose of final approval.

### **REIMBURSEMENT OF FUNDS:**

EAST PENN will reimburse 75% of the cost of the course and required materials (required materials are those materials listed by the course instructor as necessary for course completion i.e., textbooks, lab supplies, etc.) upon completion of the approved course with a grade of "C" or better. Reimbursement will be processed upon submission of a completed Tuition Reimbursement Application Form with attached copies of final grade, required materials receipts, and evidence of payment from the Educational Institution.

### **EAST PENN REQUIRED COURSES:**

If a course is necessary and directly related to performance of current duties and responsibilities, East Penn will reimburse 100% of the cost of the pre-approved course and required materials upon satisfactory completion of the course.

EAST PENN will reimburse the eligible employee 100% for all College-Level Examination Program (CLEP) tests and challenge exams taken for any undergraduate programs.

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Eligible employees who have education benefits under the G.I. Bill or Rehabilitation Laws are eligible to receive 75% reimbursement for the portion not paid providing all other requirements of this policy are met.

In the case of a NO-CREDIT course, AUDIT course, or SEMINAR, the employee must submit a form of proof of completion in order to receive reimbursement.

Federal, state, and local tax will not be withheld from reimbursement payments. Federal law allows employees to exclude from their taxable income up to \$5,250 of employer-provided employee educational assistance. [On June 2, 2001, President Bush signed in to law the Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16.) The new law extends the exclusion for employer-provided educational assistance to graduate education and makes the exclusion (as applied to both undergraduate and graduate school) permanent, effective with respect to courses beginning after December 31, 2001.] Please contact the Learning and Development Coordinator for additional details and guidelines regarding tax implications of tuition reimbursement.

EAST PENN is not responsible for any educational costs incurred by a student who has failed to consult with his/her Department Head, as well as the Learning & Development Coordinator to determine whether the costs are reimbursable under the terms of this Policy.

**REPAYMENT OF REIMBURSEMENTS:**

Forfeit of tuition reimbursement by the employee is determined as follows:

1. If the employee leaves EAST PENN within one (1) year of the date of reimbursement, the employee will be subject to repayment of 100% of said reimbursement.
2. The year is determined by the employee's separation date from East Penn. Any reimbursement payments made during the twelve months prior to the date of separation will be subject to 100% repayment.

**\*Employees will be asked to sign an agreement to Repayment of Reimbursement on the Tuition Reimbursement Application.**

**EAST PENN reserves the right to interpret and revise this policy without prior notification.**

**Record of Revisions**

Revision #	Revision Date	Description