

Title/Subject: **TUITION BENEFIT PLAN**

Applies to:  faculty  staff  students  student employees  visitors  contractors

Effective Date of This Revision: August 1, 2023

Contact for More Information: Human Resources

Board Policy  Administrative Policy  Procedure  Guideline

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**BACKGROUND:**

This program is intended to provide eligible staff, faculty, Military Science staff, and in some cases, their spouse, Other Eligible Individual (OEI) and dependent child(ren), and CMU Retirees with the opportunity of furthering their educational/career development or pursuing their vocational interests by making undergraduate and graduate courses available to them at reduced cost.

The privilege of participation in this plan is extended to all full and part-time staff in regular and provisional appointments, regular faculty and medical faculty.

**ELIGIBILITY:**

All eligibility is determined as of the official day classes begin for the applicable semester on CMU's main campus (Mount Pleasant). The academic calendar can be found in the CMU Main Campus Undergraduate Academic Bulletin.

**EMPLOYEE:** An eligible employee is defined as an active, benefit eligible employee in paid status. The plan also applies to medical and fixed-term faculty members who are at least three-quarter (3/4) time pro-rated based on FTE. Tuition benefit credit hours for part-time employees with appointments of at least one half time (50%) will be pro-rated based on their FTE appointment.

*Exception:* For employees who are eligible for tuition benefits and who go on an unpaid leave of absence as a result of a terminal illness: at the time the unpaid leave of absence begins, tuition benefits will be continued for dependents according to the [Survivor Benefit Policy](#). Terminal illness means a life expectancy of 12 months or less.

**DEPENDENT:**

**Relationship Test -** An eligible dependent is defined as the employee's spouse, OEI (taxable), and/or dependent child(ren). Dependent child(ren) will include child(ren), stepchild(ren) and legally adopted child(ren) of employee, employee's spouse, or employee's OEI (taxable) for purposes of this plan.

**IRS Test for Dependent Child(ren) -** Following fulfillment of the Relationship Test, the dependent child(ren) must meet one of the following criteria as listed in IRS code section 152(a) for income tax purposes as described in [IRS Publication 501](#):

- a. qualifying child
- b. qualifying child – meets IRS criteria; however, student is filing joint tax return with spouse (taxable)
- c. qualifying relative
- d. qualifying relative - meets IRS criteria; however, student is filing joint tax return with spouse (taxable)

A copy of the applicable year's tax return will be required for all dependents qualified under dependent relative criteria.

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Dependents of Divorced Parents - Dependency status for a child of divorced parents will be determined under the Internal Revenue Code 152(e). If both parents are employees of the University and are eligible under the plan, the allowance available to their dependent child(ren) will be the sum of the unused allowances of the parents.

RETIREE: Retirees who have been granted CMU Retiree or CMU Emeritus Retiree status are eligible. Spouses, Other Eligible Individuals and dependent children of CMU retirees are not eligible to participate in this program.

**POLICY:**

Full-time eligible employees and retirees are limited to a maximum of twenty-four (24) tuition benefit credit hours in any one benefit year which will follow a 12-month tuition benefit cycle. The tuition benefit year will follow the main campus calendar and commence with the start of the Fall semester, continue through the Spring semester, and conclude at the end of the Summer semester. The deadline to submit an online Tuition Benefit Request form for courses taken will be the last day of the applicable semester on CMU's main campus (Mount Pleasant). The academic calendar can be found in the CMU Main Campus Undergraduate Academic Bulletin.

Abuse of the plan by an individual may result in the loss of employee privilege of participation. An example of abuse would be employee or dependent repeated enrollment in the same class(es) after failing to earn credit, indicating lack of a serious commitment to furthering their education.

Employees must receive permission of their supervisor to attend classes during working hours and all time missed must be charged to leave time or made up. An exception to the regular vacation utilization policy is allowed which provides for hourly employees, with the approval of their supervisor, to take vacation in increments of less than one-half day, but not less than one hour.

**TUITION BENEFIT PLAN FOR CMU CLASSES**

The plan applies to all courses offered for credit by the University; by whatever means and in whatever location they may be offered. Courses offered by an institution affiliated with, but not part of the University, are not considered University courses. The plan covers tuition costs by an amount not to exceed the on-campus tuition rates charged for undergraduate and/or graduate credit hours set by the Board of Trustees; the tuition cost covered for College of Medicine courses will be at an amount not to exceed the set on-campus tuition rates for doctoral credit hours.

The Student Activity Center fee, and any special course fees or incidental fees, such as the late registration fee, parking fee, etc., and any tuition costs in excess of on-campus tuition are not covered by the tuition benefit.

The student must have earned the normal credits for the course taken. The Credit/No Credit grading option is allowed. A class may not have the tuition benefit applied to it more than once per student (i.e., retakes, repeats). Reimbursement will not be made for staff, fixed-term faculty or medical faculty who audit classes. Regular faculty will be allowed to audit classes.

Courses with a 619 designator for Continuous Registration are covered once per student.

Once the student is admitted and enrolled in University courses following the procedures outlined in the Course Offering Guide or Class Schedule, the employee must complete the online Tuition Benefit Request form each semester, which is available on the Human Resources website [here](#). If the employee has an unused credit allowance which will be used by a spouse, OEI or dependent child(ren), the employee must complete the online Tuition Benefit Request form indicating that they are aware of how their allowance is being used.

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Application of Tuition Benefits with Other Financial Assistance - The tuition benefit plan is considered a financial aid resource and must be reported to the Office of Scholarships and Financial Aid (OSFA). The OSFA will review the financial aid award and revise the award as appropriate, which may include reduction or cancellation of a CMU need-based grant.

Unless otherwise specified, any tuition specific scholarship, graduate assistantship, tuition remission, or award (including payments for dual-enrolled students) will be applied before the tuition benefit. This also applies to dependent child(ren) who are dual-enrolled at CMU through their high school where the tuition is paid for by the high school. Use of the Tuition Benefit Plan will not result in a cash refund to the student from the Tuition Benefit; however, when combined with another non-tuition based award(s), in some circumstances a refund might occur from the non-tuition based award funding.

Taxability - Whether or not courses taken by employees, spouses, Other Eligible Individual and/or dependent child(ren) are taxable income to the employee is determined by the ever-changing Internal Revenue Service law and regulations. Sometimes the taxability of the benefit will vary from employee to employee or between undergraduate and graduate courses. The University will regularly review income tax laws and regulations and will withhold tax on the value of the tuition benefit and report it on the employee's W-2 when it has a duty to do so. The University may require supporting affidavits from the employee to exclude the applicable amount from income.

Current taxability provisions are available through CMU's Payroll website [here](#).

*Central Michigan University reserves the right to make exceptions to, modify or eliminate this policy and or its content. This document supersedes all previous policies, procedures or guidelines relative to this subject.*