



Department of Human Resources

TO: Employee Supervisor
FROM: Fred Cratty, Chief Human Resources Officer
RE: Graduate Tuition Waivers

As you are most likely aware, the following employee categories are eligible for tuition waiver benefits for themselves, their spouse, and any dependent children under the age of 25.

- Management & Confidential Professional Personnel
American Association of University Professors (AAUP)
State University Organization of Administrative Faculty (SUOAF)

In accordance with section 127 of the internal revenue code, graduate level courses for spouses and dependent children are to be treated as a taxable benefit on the employee's W-2. However, with regard to the employee, we are permitted to exclude from an employee's gross wages \$5,250 of educational assistance each year, whether the courses are job related or non-job related. If the value of the educational assistance exceeds the annual \$5,250 limit, the excess value attributable to graduate level courses is excludible only if the courses are considered to be job related. Below are the tests that are to be used in order to determine the eligibility.

Job-Related Tests (The Below Sections are to be Completed by the Employee's Supervisor)

The job-related tests are not satisfied unless BOTH of the following tests are met.

FIRST, the education assistance must equal "yes" for at least one of the following requirements. Please check either "yes" or "no" next to all of the statements below.

Yes ___ No ___ Does the education maintain or improve skills required by the employee in his/her job?

Yes ___ No ___ Does the education meet the express requirements of the CSCU System imposed as a condition of retaining the job? Please note, the requirement must have a bona fide business purpose, and only the minimum education necessary for retention of employment, status or salary may be considered as undertaken to meet the employer's requirement.

SECOND, the educational assistance must equal "no" for both of the following requirements:

Yes ___ No ___ Does this education constitute a minimum educational requirement to qualify for obtaining employment?

Yes ___ No ___ Will this education lead to qualifying the individual for a new trade or business? Please note, a change in duties does not constitute a new trade or business if the new duties involve the same general work as is involved in the employee's present work.

Please sign below, attesting to the fact that the lines you checked above are true and accurate statements.

Employee's Name

Supervisor's Signature

Print Name

Date