

## **Policy 1402**

### **Tuition Waiver Program for Faculty and Staff Course Work Taken at James Madison University**

**Date of Current Revision: April 2022**

**Primary Responsible Officers: AVP for Finance; Director of Human Resources**

#### **1. PURPOSE**

The purpose of this policy is to outline the university's tuition waiver program for course work taken at James Madison University in support of the university's commitment to employee personal and professional development.

#### **2. AUTHORITY**

The Board of Visitors has been authorized by the Commonwealth of Virginia to govern James Madison University. See Code of Virginia § 23.1-1600; § 23.1-1301. The Board has delegated the authority to manage the university to the president.

#### **STATE OR FEDERAL STATUTE AND/OR REGULATION**

Refer to Internal Revenue Code sections 117, 127, 132, and 170. The Internal Revenue Service (IRS) allows eligible educational institutions to offer tuition reduction to employees. Qualified tuition reductions are excluded from income if the reductions are for education below the graduate level. Education at the graduate level is not considered a qualified tuition reduction except in cases where graduate students are performing teaching or research activities for the educational institution. Additionally, the IRS does not consider graduate-level courses to be job-related. Therefore, the first \$5,250 of graduate tuition waivers per calendar year would be considered tax-free and the value of any graduate courses beyond that dollar amount would be considered taxable to the employee.

#### **3. DEFINITIONS**

##### **Differential Tuition**

An additional tuition charge over the standard JMU tuition.

#### **4. APPLICABILITY**

This policy applies to full-time and part-time faculty and staff, and emeritus faculty and staff. It does not apply to affiliates, student employees, or graduate assistants. This policy is only applicable to tuition and course work taken at James Madison University.

#### **5. POLICY**

In support of the university's commitment to employee personal and professional development, full-time and part-time faculty and staff, and emeritus faculty and staff may enroll in JMU credit courses of instruction and have current tuition including differential tuition or tuition deposit fees waived within the terms of this policy. See the [Benefits website](#) and your employment classification for detailed information related to tuition assistance/ reimbursement.

The taxability or non-taxability of tuition waivers is based on the Internal Revenue Code and is subject to change. The IRS does not consider graduate-level courses to be job related. Therefore, the first \$5,250 of graduate tuition waivers per calendar year would be considered tax-free and **the value of any graduate courses beyond that dollar amount would be considered taxable to the employee.**

### 5.1 Eligibility

- a. Full-time instructional and administrative & professional faculty are eligible to apply for tuition waiver for two courses and one lab per semester upon employment.
- b. Full-time classified employees are eligible to apply for tuition waiver for two courses and one lab per semester after six months of employment and a rating of Contributor on their six-month Probationary Progress Review. Former wage employees with no break in service who have worked at least 1,000 hours prior to being hired as full-time classified may waive the six-month probationary period requirement. Employees transferring into JMU from another state agency without a break in service may waive the probationary progress review requirement.
- c. Adjunct faculty are eligible to apply for tuition waiver for one course and one lab taken in any semester in which they have an active teaching assignment, or in any semester that begins within six months of the last day of their teaching assignment.
- d. Wage employees are eligible to apply for tuition waiver for one course and one lab per semester after 1,000 hours of employment but not to exceed two courses and two labs per calendar year.
- e. Other part-time employees are eligible to apply for waiver of tuition. Contact [HR Benefits](#).
- f. Emeritus faculty and staff are eligible to apply for tuition waiver for two courses and one lab per semester upon being granted emeritus status.
- g. Chart depicting eligibility:

Employee Type	How Much?	When?	Other criteria?
Full-time Instructional Faculty	2 Courses, 1 Lab per semester	Upon employment	None
Full-time Administrative & Professional Faculty	2 Courses, 1 Lab per semester	Upon employment	None
Full-time Classified Employee	2 Courses, 1 Lab per semester	After six months of employment	With Contributor rating on six-month probationary progress review

Wage to Full-time Classified Employee	2 Courses, 1 Lab per semester	Upon full-time employment  (No 6-month probationary progress period requirement if criteria met)	No break in service and worked at least 1,000 hours
Adjunct Faculty	1 Course, 1 Lab	Any semester they have an active teaching assignment, or any semester that begins within six months of the last day of their teaching assignment	None
Wage Employee	1 Course, 1 Lab	After 1,000 hours of continuous employment  Any semester in which they are actively employed	One course and one lab per semester, not to exceed two courses and two labs per calendar year
Other Part-time Employee	Contact HR Benefits	Any semester in which they are actively employed	None
Emeritus Faculty and Emeritus Staff	2 Courses, 1 Lab per semester	Upon being granted emeritus status	See Policy <a href="#">2105</a> - Emeritus Faculty  See Policy <a href="#">1318</a> - Emeritus Staff

## 5.2 Limitations

- a. Employees enrolled in a program that does not offer summer courses may have tuition waived for three courses in the spring semester and three courses in the fall semester.
- b. Tuition waiver is not authorized for private vocal or instrumental instruction, or for non-credit courses.
- c. Under this policy, employees may not enroll in any class section if they displace regularly enrolled students. Class sizes will not be increased to allow for the enrollment of employees.
- d. Approval to register for a course and receive tuition waiver is not authorized for courses offered during normal working hours, except when the employee's supervisor has determined that the following criteria are met:
  - The course relates directly to the individual's assigned duties or is required for a degree-seeking student.
  - Absence from work to attend classes is subject to supervisor's approval but cannot exceed a total of four working hours per week, regardless of whether one or two courses are taken per semester.
  - Courses taken for personal development and not related to an individual's assigned duties or the needs of the university should be taken outside of normal working

hours. Exceptions may be granted at the supervisor's discretion, provided an employee makes up missed work time or uses leave time.

- e. Departments cannot pay for or reimburse an employee for more courses than allowable per policy.
- f. Employees working multiple jobs receive waiver, but not to exceed the maximum for their job classification which provides the most benefit. Having multiple jobs does not mean that multiple waivers will be applied.
- g. Occasionally, a course may require an extended leave of absence. This applies to such courses as practicums or internships. Tuition may be waived for such courses with the supervisor's and dean/AVP approval of the leave of absence and if the employee returns to work following the completion of the course.
- h. An employee who resigns from employment or is terminated for cause while a course is being taken will be responsible for the full payment of all tuition and associated fees, regardless of whether a tuition waiver has been approved for the course.
- i. Waivers can be used for employees who are fully accepted into the Adult Degree Program. Waivers can also be used for employees who are fully accepted into a certificate program or a degree program if space is available and with approval from the School of Professional & Continuing Education.
- j. The Board of Visitors has approved a special tuition rate for online courses as outlined below:
  - An employee taking an online course that the employee has the option of taking in a classroom setting (at the standard tuition rate) will *not* have 100% of tuition waived. Instead, tuition will be waived up to the standard in-state rate.
  - An employee taking an online course that is not a required element of the particular degree program will *not* have 100% of tuition waived. Instead, tuition will be waived up to the standard in-state rate.
  - An employee taking an online course that is *only* offered online and is required for the completion of the degree will have full waiver of tuition.
  - An employee taking an online course that has been required by the employee's supervisor will have full waiver of tuition for that course.

The employee will be responsible for payment of the remaining balance in the event the request for tuition waiver for an online course does not qualify for full waiver.

## **6. PROCEDURES**

Employees must complete the online student application through the School of Professional & Continuing Education.

Persons seeking tuition waiver for courses taken under this policy will:

- 6.1 Prepare the [Request for Tuition Waiver](#). Careful review and timely submission of the Request for Tuition Waiver is imperative. Request for Tuition Waiver forms must be received by Human Resources before 5:00 p.m. the last day of the add/drop period. ***Late requests for waiver of tuition will be denied.***
- a. Emeritus faculty and staff who are not employed by the university must have their Request for Tuition Waiver signed by the provost and senior vice president for academic affairs or designee.
- 6.2 Human Resources will verify that the employee qualifies for tuition waiver and will then forward the processed Request for Tuition Waiver to the University Business Office for final processing and approval of the waiver to be applied to the employee's account.
- a. Human Resources will forward a copy of all approved Request for Tuition Waiver forms related to emeritus faculty and staff to Accounting Technology for processing of required tax forms (e.g., 1099) in compliance with the applicable Internal Revenue Code.
- 6.3 Tuition waivers will only be processed after the university's semester census date.
- 6.4 Taxable waivers are subject to state and federal withholding and social security and Medicare taxes, and they are based on the employee's taxable income.
- 6.5 The employee receiving a balance due bill after submitting a tuition waiver will have their account adjusted by the number of courses for which the employee qualifies.
- 6.6 The employee will receive a confirmation email when their waiver has been processed by Human Resources.
- 6.7 Quarterly, the University Business Office will provide Payroll Services a listing of persons who received tuition waiver under this policy, including amounts. This listing will be used by Payroll Services and Accounting Technology in determining taxability as required by the applicable Internal Revenue Code.
- 6.8 Each quarter, over two pay periods, Payroll Services will collect the appropriate taxes from each employee who exceeds the annual \$5,250 value set forth by the IRS for graduate courses. The employee's W-2 will include taxable waivers.
- 6.9 Accounting Technology will issue the required tax form (e.g., 1099) to those individuals who are not issued W-2's.

## **7. RESPONSIBILITIES**

It is the responsibility of the employee and the employee's supervisor to ensure that the requirements of this policy have been followed.

It is the responsibility of the employee to know and understand this policy, to submit their request before 5:00 p.m. the last day of the add/drop period, and to pay application fees, special course or departmental fees, and readmission fees.

In the event the employee requests tuition waiver for a course that does not qualify for full waiver under this policy, the employee will be responsible for payment of the balance of the tuition not waived.

Human Resources will verify the employee's relationship with the university and approve or deny the Request for Tuition Waiver based on eligibility requirements and ensure that the guidelines of this policy have been addressed.

The University Business Office is responsible for applying approved Requests for Tuition Waiver to the employee's student account.

Payroll Services is responsible for collecting the appropriate taxes from each employee's pay when the employee exceeds the annual \$5,250 value set forth by the IRS for graduate courses.

All departments, offices and employees that generate, receive or maintain public records are responsible for compliance with Policy [1109](#) - Records Management.

## **8. SANCTIONS**

Sanctions will be commensurate with the severity and/or frequency of the offense and may include termination of employment.

## **9. EXCLUSIONS**

Application fees, special course or departmental fees, and readmission fees are to be paid by the employee.

This policy does not apply to nor address classes or courses taken at an institution other than JMU. For information about such courses, see Policy [1401](#) - Work-Related Education or Training from an External Source.

Tuition waiver does not apply to individual courses offered through the School of Professional & Continuing Education or other non-credit courses.

Tuition waiver does not apply to the fee for GRAD 597. This course is considered a placeholder (a course with no academic course work required, which is used only to retain continuous enrollment in the graduate program) and does not apply towards degree progress or requirements.

Affiliates, student employees, and graduate assistants are not eligible for tuition waiver.

## **10. INTERPRETATION**

The authority to interpret this policy rests with the president and is generally delegated to the AVP for Finance and director of human resources.

**Previous version:** August 2018

**Approved by the president:** February 2008