

Policy 1402
Waiver of Tuition Program for Faculty and Staff Course Work

Date of Current Revision: August 2018
Primary Responsible Officer: Director of University Business Office
Secondary Responsible Officer: Director of Human Resources

1. PURPOSE

The purpose of this policy is to outline the university's waiver of tuition 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 student employees or graduate assistants. This policy is only applicable to tuition and course work 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.

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

The following eligibility guidelines and restrictions apply:

5.1.1 Full-time instructional and administrative & professional faculty are eligible to apply for waiver of tuition for two courses and one lab per semester upon employment.

5.1.2 Full-time classified employees are eligible to apply for waiver of tuition 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 in the 12 months prior to being hired as full-time classified may waive the six-month probationary period requirement.

5.1.3 Adjunct faculty are eligible to apply for waiver of tuition 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.

5.1.4 Wage employees are eligible to apply for waiver of tuition for one course and one lab after 1,000 hours of employment and may apply for another waiver of tuition after each subsequent 1,000 hours.

5.1.5 Wage employees, who have been continuously employed for at least two years and who have worked at least 2,000 hours over the course of the previous two years, are eligible to apply for waiver of tuition for two courses and two labs per calendar year (limited to one course and one lab per semester) beginning the semester after the two-year anniversary is reached.

5.1.6 Other part-time employees are eligible to apply for waiver of tuition. Contact [HR Benefits](#).

5.1.7 Emeritus faculty and staff are eligible to apply for waiver of tuition for two courses and one lab per semester upon being granted emeritus status.

5.1.8 Chart depicting eligibility:

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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 or above at 6 months

Wage to Full-time Classified Employee	2 Courses, 1 Lab per semester	Upon full-time employment (No 6-month probationary period requirement if criteria met)	No break in service Worked at least 1,000 hours in the 12 months prior
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
1,000 Hour Wage Employee	1 Course, 1 Lab	After 1,000 hours of employment Any semester in which they are actively employed	Must accrue another 1,000 hours each request
2,000 Hour Wage Employee	2 Courses, 2 Labs per calendar year (Limited to 1 Course, 1 Lab per semester)	After 2,000 hours of employment Any semester in which they are actively employed	Worked at least 2,000 hours in the 24 months prior
Other Part-time Employee	Contact HR Benefits	Any semester in which they are actively employed	None

Emeritus Faculty	2 Courses, 1 Lab per semester	Upon being granted emeritus status	See Policy 2105 Emeritus Faculty
Emeritus Staff	2 Courses, 1 Lab per semester	Upon being granted emeritus status	See Policy 1318 Emeritus Staff

5.2 Limitations

5.2.1 Employees enrolled in the iMBA program may have tuition waived for three courses per semester.

5.2.2 Waiver of tuition is not authorized for private vocal or instrumental instruction, or for non-credit courses.

5.2.3 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.

5.2.4 Approval to register for a course and receive waiver of tuition 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 does not 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.

5.2.5 Departments cannot pay for or reimburse an employee for more courses than allowable per policy.

5.2.6 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.

5.2.7 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 waiver of tuition has been approved for the course.

5.2.8 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 Outreach and Engagement.

5.2.9 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 his/her 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 waiver of tuition for an online course does not qualify for full waiver.

6. PROCEDURES

Employees must complete the online student application through [Outreach and Engagement](#). Persons seeking a waiver of tuition for courses taken under this policy will:

6.1. Prepare the [Request for Waiver of Tuition](#). Careful review and timely submission of the Request for Waiver of Tuition is imperative. Request for Waiver of Tuition 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.***

6.1.1 The following is an exception to the required signature approvals on the Request for Waiver of Tuition form:

- Emeritus faculty and staff who are not employed by the university must have their Request for Waiver of Tuition signed by the provost and senior vice president for academic affairs or designee.
- Wage employees who are eligible for two courses and two labs per calendar year must have the signature of their AVP or VP on each Request for Waiver of Tuition as one of the three required signatures.

6.2 Human Resources will verify that the employee qualifies for waiver of tuition and will then forward the processed Request for Waiver of Tuition to the University Business Office for final processing and approval of the waiver to be applied to the employee's account.

6.2.1 Human Resources will forward a copy of all approved Request for Waiver of Tuition 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 waiver of tuition will have his/her account adjusted by the number of courses for which he/she qualifies.

6.6 The employee will be emailed a copy of the Request for Waiver of Tuition processed by Human Resources to retain for his/her records.

6.7 Annually, the University Business Office will provide Payroll Services a listing of persons who received waiver of tuition 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 his/her 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 waiver of tuition 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 Waiver of Tuition 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 Waiver of Tuition 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.

Waiver of tuition does not apply to individual courses offered through Outreach and Engagement or other self-supporting programs.

Waiver of tuition 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.

Student employees and graduate assistants are not eligible for waiver of tuition.

Employees of outsourced service providers such as Aramark, Follett, or Pitney Bowes are not eligible for waiver of tuition.

10. INTERPRETATION

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

Previous version: January 2017

Approved by the President: February 2008