

<u>Document:</u>	<u>Title:</u> Tuition Reimbursement – Administrative Guidelines & Procedures	<u>Effective Date:</u> 10/01/2016
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<u>Standard:</u> IRC §127	<u>Approved By:</u> Ricky Bransford, Interim Chief HR Officer Bret Waters, County Administrator	<u>Superseded Date:</u> 10/01/2022 01/31/2024

Mandate: Internal Revenue Code (IRC) §127 – Educational assistance programs.

Purpose: El Paso County has an established Educational Assistance Plan to provide tax-free reimbursements for educational assistance payments pursuant to IRC §127 of the Internal Revenue Code. The plan is available to employees under these guidelines and limitations.

Scope: This guideline applies to all El Paso County employees. Elected Offices may have guidelines or policies which may vary from these. Any alternative procedures must be provided in writing to Human Resources.

Responsibilities: El Paso County expects employees to follow these guidelines and to abide by the regulations set forth under IRC §127 in accordance with Internal Revenue Service’s Publication 15B.

1 Purpose

- 1.1 El Paso County has an established Educational Assistance Plan to provide tax-free reimbursements for educational assistance payments pursuant to IRC §127 of the Internal Revenue Code. The plan is available to employees under these guidelines and limitations.

2 Eligibility

2.1 Eligible Applicants

- 2.1.1 Full-time employees who have not been placed on a Corrective Action Plan (CAP) or undergone disciplinary measures (as outlined in Chapter 7) within the last 12 months are entitled to participate in the Employee Tuition Program contingent upon available funding. Elected Officials are excluded from program eligibility. Additionally, payback obligations are applicable if an employee resigns or is terminated for any reason. Oversight of the Employee Tuition Program falls under the purview of the Employee Benefits Division within the HR Department.

2.2 Eligible Educational Institution

- 2.2.1 An accredited educational institution or program is required in order to be eligible for tuition reimbursement. To determine whether an educational institution is accredited and eligible for tuition assistance, visit the U.S. Department of Education's website: <http://ope.ed.gov/accreditation/>.

2.3 Coursework and Eligible Courses/Certifications

- 2.3.1 Courses that are required for professional certificates, associates, bachelors, masters, or doctorate degrees that relate to a field in which the County normally recruits employees are eligible for reimbursement. Doctoral degrees must have the approval of the employee's Department Director (or designee) and the County Administrator.
- 2.3.2 Courses for obtaining and maintaining a professional certificate that is not through an accredited college or university (as stated in section 2.2) must be approved by the Department Director (or designee) and paid for out of that department's budget. The cost for any test to obtain the professional certificate will be treated the same.
 - 2.3.2.1 Any testing fee to obtain a professional certificate will also be at Department Director (or designee) discretion.
- 2.3.3 Coursework completed must be on the employee's own time and not during work hours.

2.4 Application and Allocation of Funds and Verification of the Use of Funds

- 2.4.1 Employees may apply for Tuition Reimbursement after completion of the course. Employees may also submit for pre-approval prior to enrollment in the course.
- 2.4.2 Employees must provide the following to the El Paso County Employee Benefits Division for consideration of reimbursement:

- 2.4.2.1 Completed and/or signed copies of the El Paso County Tuition Reimbursement Request Form, Terms and Conditions, and Commitment Form.
- 2.4.2.2 Verification of satisfactory completion of the course(s) (i.e., an unofficial transcript from the educational institution). A minimum grade of “C” is required for course reimbursement. Failure to meet this requirement disqualifies the employee from receiving reimbursement for the course. A review will occur for satisfactory completion of each course. For example, if an employee takes two courses in one semester and receives an “A” in one course and a “D” in another course, only the course in which the employee receives an “A” is considered for reimbursement. In the case of courses graded on “pass” or “fail” criteria, a “fail” score will disqualify the employee from receiving tuition reimbursement for the course.
- 2.4.2.3 A copy of the completed course(s) syllabus.
- 2.4.2.4 A copy of the employee’s receipt from the university, documenting an itemized list of all expenses incurred and paid by the employee.
- 2.4.3 For consideration of reimbursement, documentation must be received within 60 days of completion of the course, based on the dates outlined in the El Paso County Tuition Reimbursement Request Form. Applications submitted after the 60-day deadline will be ineligible for tuition reimbursement.
- 2.4.4 In the event an employee completes a course(s) but does not receive their final grade(s) from the educational institution before the end of the deadline, the employee remains eligible to receive tuition reimbursement as long as the Employee Benefits Division receives all other required documentation prior to the application deadline. Distribution of reimbursement will occur after submitted grade(s), if the grade(s) met minimum requirements and the packet met all other required guidelines.
- 2.5 Tuition Reimbursement Amount and Eligible Use of Funds
 - 2.5.1 Employees may be eligible to receive the following maximum reimbursement amounts per calendar year:
 - 2.5.1.1 Up to \$5,250 per calendar year (with a maximum of \$2,625 per semester, \$1,750 per trimester and \$1,312.50 per quarter).
 - 2.5.1.2 Tuition reimbursement is entirely dependent on the amount appropriated in the calendar year’s budget; in the event all funds are distributed before the end of the calendar year, applications are held for review for consideration in the next calendar year.
 - 2.5.2 Employees are encouraged to submit their completed applications as early as possible. The date of submission determines the order of your reimbursement approval.
 - 2.5.3 The calendar year payment maximum for each employee is determined by the course completion date.
 - 2.5.4 In the event an employee completes a course and the final grade received is after a given calendar year, the employee will remain eligible to receive tuition reimbursement. Reimbursement will count for the calendar year in which the employee took the course, provided all other required documentation was provided to the Employee Benefits Division within 60 days of completion of the course. For example, if an employee completes an eligible course on 10 December 2017 but the grade is received on or after 1

January 2018 AND the employee submitted required documents in 2017 prior to the application deadline, the employee will remain eligible to receive tuition reimbursement for the 2017 reimbursement year, subject to receiving a minimum of a “C” grade.

- 2.5.5 Tuition reimbursement is for the cost of tuition (cost per credit hour) and required textbooks (or equivalent) only. These amounts do not include any taxes or fees incurred. Tuition and other expenses for which the employee receives a scholarship, grant, or any other reimbursement that covers the cost of tuition and books are not eligible for reimbursement under this program.
- 2.5.6 School supplies (e.g., computer, tablet, notebooks, pencils, pens, or comparable items), transportation (e.g., parking pass or equivalent), and room and board are the responsibility of the employee and do not qualify for tuition reimbursement. These are non-reimbursable expenses. Under no circumstances will reimbursement exceed the maximum amount in a calendar year. The EPC Tuition Reimbursement Program does not cover pre-existing student loans. Employees may only apply for tuition reimbursement for the calendar year in which they attended a course.
- 2.5.7 There is no guaranteed distribution of funds; it is expressly subject to availability.

3 Repayment

- 3.1 As an express condition of receiving tuition reimbursement, the employee must acknowledge in writing that if they separate from full-time employment with the County at any time and for any reason within twelve (12) months of receiving a reimbursement, the employee will repay the 100% of the most current reimbursement received within three (3) days of separation and will repay 50% if he or she separates between twelve (12) months and twenty-four (24) months of receiving a reimbursement. The employee must also agree that if repayment is required due to separation and if the employee does not make the payment within three days after separation, the employee authorizes El Paso County to deduct the amount owed from the employee’s final paycheck.

4 Terms of Agreement

- 4.1 Employees participating in the El Paso County Tuition Reimbursement Program remain bound by the terms of any agreement signed regarding participation in the program, including any provisions conditioning payment upon remaining in the County's employ, notwithstanding any contrary terms stated prior.