

# Educational Benefit Plan Frequently Asked Questions

## 1. Who is eligible for the USA Educational Benefit Plan (tuition credit)?

If you are a regular, full-time (1.0 FTE) employee and you have completed six months of employment on the first day of classes per the University Academic Calendar, you and your eligible spouse/dependents enrolled at the University of South Alabama may qualify for the educational benefit.

## 2. What requirements determine dependent eligibility for the Educational Benefit Plan (tuition credit)?

The educational benefit is also available to eligible spouses and unmarried dependent children of employees. For educational benefit purposes, eligible spouses and dependent children are defined as follows:

1. Spouse as recognized by the State of Alabama
2. Unmarried children include the biological, legally-adopted, step-, foster, or any other legally dependent children of the employee who are under 25 years of age on the first day of classes

## 3. What is the tuition credit for an employee applying for the benefit?

Employees *may* receive tuition credit for up to 5 semester hours and applicable fees each semester. For employees employed on or after January 1, 2013, the tuition credit rate is based on the prevailing College of Arts and Sciences undergraduate tuition rate for all course levels.

Employees who wish to take advantage of this benefit will be electronically verified as eligible by the Student Accounting Office. The benefit will be applied to student accounts automatically, prior to the fee payment deadline.

Employees must maintain at least a 2.0 institutional grade point average for **undergraduate** coursework taken at the University of South Alabama for continued eligibility. Employees must maintain at least a 3.0 institutional grade point average for **graduate** coursework taken at the University of South Alabama for continued eligibility.

## 4. What is the tuition credit for my spouse and/or dependent child?

Eligible spouses and unmarried dependent children may be credited 50% of the tuition rate with no hour maximum at the beginning of each academic semester, prior to the fee payment deadline. Fees are not included.

The tuition credit rate is based on the employee's date of employment and degree program. For employees employed on or after January 1, 2013, the tuition credit rate is based on the prevailing College of Arts and Sciences undergraduate tuition rate for all course levels.

Eligible spouses and dependent children must maintain at least a 2.0 institutional grade point average for **undergraduate** coursework taken at the University of South Alabama for continued eligibility. Eligible spouses

and dependent children must maintain at least a 3.0 institutional grade point average for **graduate** coursework taken at the University of South Alabama for continued eligibility.

**5. What documentation is required from the employee to apply for the tuition credit?**

Employees who wish to take advantage of this benefit will be electronically verified as eligible by the Student Accounting Office.

**6. What documentation is required from the employee for the eligible dependent to apply for the tuition credit?**

For eligible spouses and unmarried dependent children to be eligible for a tuition credit, employees must submit a completed Educational Benefit Certification form to Human Resources by the applicable deadline.

**7. Do I need to complete an Educational Benefit Certification per eligible dependent?**

No. The Educational Benefit Certification form provides additional space to apply for the benefit for the eligible spouse, and up to three eligible dependent children. An additional form may be completed, if applicable.

**8. What is the deadline for the Educational Benefit Certification to be submitted?**

The annual Educational Benefit Certification must be submitted to Human Resources as early as the first day of registration for the applicable semester and **no later than the first day of classes per the Academic Calendar** each academic year.

The Educational Benefit Certification is submitted once each academic year unless the spouse/dependent child begins classes in the spring or summer semesters. In such cases, the certification is required to be submitted to Human Resources as early as the first day of registration for the applicable semester and **no later than the first day of classes** per the Academic Calendar for the spring or summer semester, and again for the following academic year.

**9. Where do I send the Educational Benefit Certification form once completed?**

The Educational Benefit Certification must be submitted to Human Resources at the following locations:

Campus Office	USA Medical Center – HR	USA Children’s and Women’s Hospital - HR
650 Clinic Drive	2451 Fillingim St.	1700 Center Street
TRP Bldg. III, Suite 2200	Mobile, AL 36617-2293	Mobile, AL 36604-3301
Mobile, AL 36688-0002	251-471-7325	251-415-1604
251-460-6133	Fax: 251-471-7075	Fax: 251-415-1606
Fax: 251-460-7483		

**10. Will my tuition credit be affected by my academic performance? Will the tuition credit for my eligible spouse/dependent children be affected by their academic performance?**

Employees must maintain at least a 2.0 institutional grade point average for **undergraduate** coursework taken at the University of South Alabama for continued eligibility. Employees must maintain at least a 3.0 institutional grade point average for **graduate** coursework taken at the University of South Alabama for continued eligibility.

Eligible spouses and dependent children must maintain at least a 2.0 institutional grade point average for **undergraduate** coursework taken at the University of South Alabama for continued eligibility. Eligible spouses and dependent children must maintain at least a 3.0 institutional grade point average for **graduate** coursework taken at the University of South Alabama for continued eligibility.

After the first semester, the student must have a minimum cumulative institutional grade point average of 2.0 undergraduate or 3.0 graduate at the end of each term to be eligible to receive educational benefits for following terms. If the student fails to maintain the appropriate grade point average, he or she will not be able to participate in this benefit until his or her grade point average reaches the appropriate level.

**11. Will scholarships and/or financial aid affect my tuition credit? Will scholarships and/or financial aid affect the tuition credit of my eligible spouse and dependent children?**

Employees, eligible spouses and dependent children who have applied for financial aid (including student loans) must disclose educational benefits as a resource. Failure to include this in your financial aid application could result in required repayment of Federal Financial Aid grants or loans.

Beginning Fall Term 2015 (academic year 2015-2016), USA funded tuition scholarships and the employee/dependent educational benefit will be applied up to a maximum of \$15,950 per academic year. If the total combined amount of the USA funded tuition scholarship and the employee educational benefit exceeds \$15,950, the employee educational benefit will be reduced by the excess amount. This policy is applicable to all employees of the University of South Alabama who are recipients of the employee/dependent educational benefit.

**12. Am I required to repay the tuition credit if I drop a class or withdraw from the University? Am I required to repay the tuition credit if my eligible spouse and/or dependent child drop a class or withdraw from the University?**

Tuition credits will be reversed from student accounts **only** for courses dropped during the refund period (first two weeks of classes).

**13. Am I required to repay the tuition credit if I terminate employment in the middle of a semester?**

No. Tuition credits will be reversed from student accounts **only** for courses dropped during the refund period (first two weeks of class).

**14. Can I submit an Education Benefit Certification for prior academic years?**

Tuition credits will **not** be applied retroactively. To receive the educational benefit, it is required that Educational Benefit Certification be submitted to Human Resources by the applicable deadline.

**15. As a University retiree, will I remain eligible for the Educational Benefit? As a University retiree, will my eligible spouse and/or dependent children remain eligible for the Educational Benefit?**

Yes. The University's Educational Benefit Plan will continue for the life of the University retiree if the University retiree was eligible for this benefit at the time of retirement. All other conditions of the Educational Benefit Plan apply.

**16. Are graduate and doctoral programs eligible for the tuition credit?**

Yes. The benefit applies **only** to enrollment at the University of South Alabama. Employees and eligible dependents adhere to the same admissions related requirements and procedures as all students enrolled in classes at the University.

**Exceptions** - the Mitchell College of Business Doctoral Program is excluded from the Employee Educational Benefit. Tuition and fee charges paid by a Graduate Assistantship will not be eligible for the Employee Educational Benefit.

The tuition rate is based on the employee’s date of employment and the degree program.

**17. Is tuition credit a taxable event?**

In accordance with current Internal Revenue Service regulations, educational benefits received for an individual classified as a graduate student, including a medical student, who is a dependent of a University employee are typically treated as taxable income to the employee.

Educational benefits received for a child of an employee, classified as an undergraduate, who is not the employee’s dependent for purposes of the federal income tax dependent’s exemption will be taxable to the employee.

However, in the case of divorced parents, refer to the following grid to determine taxable status of the educational benefit:

Is the employee the custodial parent?	Has the custodial parent given the right to claim the dependent’s exemption to the other parent?	Is the educational benefit taxable to the employee?
Yes	No	No
Yes	Yes	No
No	Yes	No
No	No	Yes

For those educational benefits which are taxable, Federal, State and Social Security taxes will be withheld from the employee’s payroll check prior to the end of the calendar quarter in which the semester began for each semester the eligible dependent was enrolled and received the educational benefit.

**18. Can I attend classes during working hours?**

To ensure that daily operations are not interrupted, all time off for exempt and non-exempt employees to attend classes during working hours **must be approved in writing in advance** at the discretion of department heads. If you are a non-exempt employee, all time off during working hours, including time spent traveling to and from class, must be made up during the same work week; vacation time or PTO may be used for this purpose only with the pre-approval of your supervisor.

**19. When will the tuition credit be applied to the student's account?**

The applicable tuition credit will be applied to the student's account before the final fee payment deadline for the academic semester. The student may periodically check his/her account to determine if the tuition credit has been applied.

**20. If the student has a tuition credit balance, how and when will the refund be processed?**

Credit refunds will be processed approximately two weeks after the first day of classes for the semester per the University Academic Calendar.

Credits will be posted to the student's account and subsequently refunded to the student by direct deposit to the one bank account the student has on file. (Note: students without direct deposits are strongly encouraged to sign up for direct deposit on PAWS and students may change bank accounts for direct deposit purposes).

If there is no direct deposit authorization on file for the student, a check will be issued to the student's home address on file.

**21. If the student receives tuition payment from several sources such as Veteran's Administration (VA), PACT, federal financial aid, private scholarships, etc., how and when will these amounts be applied to the student's account?**

All external payments will be applied to the student's account when received by the Student Accounting Office. All applicable USA Educational Benefit tuition credits will be applied to the student's account before the final fee payment deadline for the semester. Any other scholarship or federal financial aid is credited to the student's account just prior to the beginning of classes, or when the application and award process is completed. If payments from various sources result in an overpayment of tuition, the overpayment will be managed against the specific policies of that source or agency. If the excess is eligible for refund to the student, the refund will be processed in accordance with the Office of Student Accounting policies.

**22. If the student paid a 15% tuition deposit by credit card, and anticipates a tuition refund, how will the refund be paid to the student?**

The amount paid with a credit card will be refunded to the credit card. If multiple credit cards are used, the refund will go back to the last credit card used.

**23. Can an employee receive a tuition refund for his/her dependent or spouse?**

Any applicable tuition refund, due to an overpayment, is applied to the student's account. A student may have only one bank account associated with his/her student account. However, a student may voluntarily change bank accounts at any time. This includes the student changing the account to a parent's account.

**24. What fees are covered by the Educational Benefit Plan for employees taking undergraduate courses?**

The Educational Benefit Plan provides a waiver of the \$150 University registration fee each semester for undergraduate programs only when the course load is less than 15 semester hours.