

TUITION REDUCTION BENEFITS FOR DEPENDENT CHILDREN

SUMMARY

The University provides tuition reduction benefits for a first undergraduate degree by dependent children of eligible faculty and staff as approved by the Trustees of the University and documented in the Tuition Reduction Plan for Dependent Children contained in the Board of Trustees Handbook. This policy provides guidance with regard to administration of tuition reduction benefits for dependent children.

It is intended that this policy conform to the provisions of Section 117 of the Internal Revenue Code.

ELIGIBILITY

Active faculty and staff hired prior to January 1, 2014 who are regularly scheduled to work full-time (a minimum of 1,096 or 1,400 hours per year respectively), will be eligible for the tuition reduction benefits for eligible dependents after reaching their 3rd year of full-time continuous service. A faculty or staff member's anniversary date will determine if the 1st eligible semester will be Fall or Spring of a given year. If the anniversary date is on or before October 1, then the benefit is available for the Fall semester (February 1 for Spring semester). Summer is not included as the 1st eligible semester.

Active faculty and staff hired January 1, 2014 or later who are regularly scheduled to work full-time (a minimum of 1,096 or 1,560 hours per year respectively), will be eligible for the tuition reduction benefits for eligible dependents after reaching their 5th year of full-time continuous service. A faculty or staff member's anniversary date will determine if the 1st eligible semester will be Fall or Spring of a given year. If the anniversary date is on or before October 1, then the benefit is available for the Fall semester (February 1 for Spring semester). Summer is not included as the 1st eligible semester.

Active faculty and staff hired on or after January 1, 2014 at Wake Forest that worked at an accredited institution of higher education in a regular full-time capacity for at least two full years (24 months) immediately preceding employment at Wake Forest and meet the criteria listed below may have their eligibility waiting period reduced to three years after providing appropriate documentation.

- Full-time faculty employed at Wake Forest in a position or capacity equal to or greater than the one held at the previous institution.
- Full-time staff employed at Wake Forest in a position or capacity equal to or greater than the one held at the previous institution.

Effective January 1, 2018, Wake Forest Health Science faculty and staff hired prior to January 1, 2014, who were full-time and continuously employed for at least three years immediately preceding employment at Wake Forest University may be eligible for dependent tuition concession benefits after three years of employment at WFU.

Benefits are available to the eligible children of eligible employees who die or become disabled while serving as regular full-time employees and to eligible children of retired employees who

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are age 62 or older and have ten (10) or more years of service or who are age 65 or older and have five (5) or more years of service. Eligible children of employees on approved leaves of absence of less than two years remain eligible for tuition reduction benefits.

To be eligible, a child (including son, daughter, legally adopted child or stepchild) must be less than 26 years of age and substantially dependent upon the employee. A child will be deemed to be “substantially dependent” if the child qualifies as a dependent of the employee for federal income tax purposes for the year in which the tuition benefit is sought, whether or not the employee claims the child as a dependent on that return. The tuition benefit will be tax free if the child qualifies as a dependent for federal and applicable state income tax purposes. If the child is not deemed to be substantially dependent on the employee, the tuition benefit will be taxable to the employee.

A child already holding an undergraduate degree (baccalaureate or equivalent) is not eligible for the benefit.

The plan year for tuition reduction benefits is from August 16th through August 15th of the following year.

BENEFITS

Enrolled and Attending Wake Forest University

Tuition

- For faculty and staff hired prior to January 1, 2014: Eligible children of eligible employees who meet admission requirements pay 6% of the annual tuition (rounded to the nearest \$10) in lieu of the normal tuition in the undergraduate school in effect for the current academic term.
- For faculty and staff hired on or after January 1, 2014: Eligible children of eligible employees who meet admission requirements pay 20% of the annual tuition (rounded to the nearest \$10) in lieu of the normal tuition in the undergraduate school in effect for the current academic term.

Semester Limit

- Effective Fall 2013, the academic semester limit will be eight (8) semesters per dependent child, which includes full-time, study abroad, and part-time attendance (two part-time academic semesters equals one academic semester) at Wake Forest and other institutions.
- For Faculty and Staff hired on or after January 1, 2014: There is a lifetime maximum benefit of 24 semesters per employee. If an employee has reached the lifetime maximum benefit of 24 semesters, but still has a dependent that has not reached the eight (8) semester maximum, no additional benefits will be provided.
- Dependent children already attending Wake Forest as of Spring 2013 will not have a semester limit at Wake Forest.

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- If a dependent child has exhausted their eight (8) semester limit at other institutions or has received their first undergraduate degree, no additional benefits will be provided by this program.
- The University will review and determine if an additional semester will be granted due to a significant medical or family need.

Summer School and Part-time Attendance

- Eligible children of eligible employees who meet admission requirements will be charged \$100 per credit hour for summer school and part-time study starting Summer 2014. This charge will be reviewed annually and adjusted as needed.
- Summer school will not be counted against the eight (8) semester limit, however, once the eight (8) semester limit is reached, or has received their first undergraduate degree, no additional benefits will be provided by this program.
- Effective Fall 2013, part-time study during the Fall or Spring academic semester will count against the eight (8) semester limit by combining two part-time academic semesters to equal one academic semester. Part-time semesters prior to Fall 2013 will not count against the eight (8) semester limit.

Study Abroad Programs

- Eligible children of an eligible employee who study abroad through Wake Forest University during the Fall or Spring academic semester are eligible for the standard Wake Forest University tuition benefit based on the employee's date of hire.
- Effective Fall 2013, study abroad during the Fall or Spring academic semester will count against the eight (8) semester limit. Study abroad semesters prior to Fall 2013 will not count against the eight (8) semester limit.
- The tuition benefit for study abroad through Wake Forest University during the summer session is limited to the annual benefit that applies to eligible children attending institutions other than Wake Forest University. If the other institution's benefit has been exhausted prior to the summer session, no benefit will be applied.

Enrolled and Attending Other Institutions

Tuition

- Eligible children actively enrolled in associate or baccalaureate degree programs at other universities, qualified technical schools, or community colleges (or certificate programs at a qualified technical school or community college) may receive the lesser of a specific dollar amount announced annually by the Human Resources Department for the cost of tuition and academic fees.

(Note 1: Prior to Fall 2013, the tuition benefit will be indexed to the highest undergraduate tuition charged annually by an institution of the University of North Carolina System.)

(Note 2: Effective Fall 2014, the tuition benefit will be indexed to 19% of Wake Forest University's tuition and academic fees.)

(Note 3: A qualified technical school is a non-profit organization that has been granted 501(c) (3) status by the Internal Revenue Service.)

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- If both parents of an eligible child are eligible employees, the full tuition benefit is available to each parent, but the total benefit provided to each eligible child may not exceed the total amount of tuition and academic fees for each semester, may not exceed the eight (8) semester limit per dependent child, and may not exceed the first undergraduate degree.

Semester Limit

- There is an eight (8) semester or twelve-quarter limit per dependent child. Once the semester limit is exhausted by the child or they have obtained their first undergraduate degree, the child is no longer eligible for tuition reduction, even if the benefit is later increased. Once the semester limit or first undergraduate degree has been reached, no additional benefits will be provided by this program.
- If the employee has exhausted his or her tuition benefit under previous tuition reduction programs, they are not eligible for additional benefits under this revised program.
- For Faculty and Staff hired on or after January 1, 2014: There is a lifetime maximum benefit of 24 semesters per employee. If an employee has reached the lifetime maximum benefit of 24 semesters, but still has a dependent that has not reached the eight (8) semester maximum, no additional benefits will be provided.

Summer School, Part-time, and Study Abroad Attendance at Other Institutions

- Summer school attendance at other institutions is not counted towards the eight (8) semester limit.
- Effective Fall 2013, part-time study during the Fall or Spring academic semester will count against the eight (8) semester limit. Two part-time academic semesters equal one academic semester. Part-time semesters prior to Fall 2013 will not count against the eight (8) semester limit.
- Any amounts paid by Wake Forest University for summer school, part-time, or study abroad at other institutions are counted towards the annual dollar limit. The amounts paid will also count towards the lifetime maximum dollar benefit if prior to Fall 2013.
- Once the eight (8) semester limit or the first undergraduate degree is reached, no additional benefits will be provided by this program.

FINANCIAL AID

Tuition-designated aid, awards, scholarships, and grants for eligible dependents of employees hired on or after January 1, 2014, will be used to reduce the tuition benefit provided by Wake Forest University to all eligible dependents. The amount of tuition the eligible child is actually required to pay will determine the amount of the benefit offered by Wake Forest University. If tuition designated aid, awards, scholarships, and grants cover all tuition and fees, then no tuition benefit will be provided.

Eligible dependents of employees hired on or after January 1, 2014, must apply for federal financial aid. Federal financial aid applications need to be submitted by the appropriate deadlines during the Spring for the upcoming academic year. Federal financial aid must be

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applied for each academic year the employee is requesting tuition reduction benefits. Award letters must accompany all tuition reduction requests. No tuition benefit will be provided without an award letter showing either the award amount or lack thereof. The failure to submit an award letter may result in a delay of processing the tuition request.

REFUNDS FOR CANCELLATION

Tuition refunds for cancellation or withdrawal are to be refunded to Wake Forest University.

ADMINISTRATION

All tuition reimbursement requests must be submitted within six months of the completion of the semester for which one is requesting reimbursement.

All employees affected by a position elimination, or reduction in force and who are receiving tuition reduction benefits at the time of elimination or reduction in force notice will continue to receive tuition reduction benefits through the end of the semester.

Employees who are terminated or who resign their employment with the University while receiving tuition reduction benefits may forfeit their benefits as a result of such termination or resignation.

You may submit and track your tuition reduction request(s) through [WIN](#)."