

Tuition Waiver (603.4)

1. Purpose

1.1 The purpose of this policy is to outline potential tuition privileges for faculty and staff.

2. Scope

2.1 This policy applies to full-time, permanent faculty, EHRA, SHRA, and ROTC employees on their first day of work who are regularly scheduled to work 30 hours or more each week, 9 months of the year or longer; meet normal work obligations and continue permanent employment status for the entire semester during which the course is taken; have been admitted to the UNC System school; have registered for course(s); and complete the full schedule of normal work obligations.

2.2 It is also available to law enforcement officers with a probationary, time-limited, or permanent appointment employed 20 or more hours per week on a continuing basis, regardless of eligibility for participation in either the North Carolina Teachers' and State Employees' Retirement System (TSERS) or the UNC Optional Retirement Program (ORP). Temporary staff, including student temporary staff, are not considered law enforcement officers for purposes of this regulation.

3. Definitions

3.1 Academic Year - The academic school year begins with the first day of the fall semester, includes the winter and spring semesters, and ends on the last day of the summer semester.

3.2 Employing Institution - As the employer of record, App State is responsible for managing the tuition waiver application policy and process including verification of eligibility, obtaining the manager's approval, and tracking usage.

3.3 Enrolling Institution - Any one of the constituent institutions within the UNC System in which the employee is enrolled and receiving academic credit and to which tuition/fees would be paid if not covered under tuition/fee waiver. The enrolling institution is responsible for managing the student experience including enrollment, registration, degree requirements, student account activity, and the academic calendar (e.g. registration and drop/add deadlines) as well as enforcing the tuition waiver policies and processes for students therein.

3.4 Eligible Employee - The Tuition Waiver Program is available to eligible students defined as:

1. full-time, permanent faculty, EHRA, SHRA, and ROTC employees on their first day of work who are regularly scheduled to work 30 hours or more each week, 9 months of the year or longer;
2. meet normal work obligations and continue permanent employment status for the entire semester during which the course is taken;
3. have been admitted to the UNC-system school and registered for course(s); and
4. complete the full schedule of normal work obligations.
5. It is also available to law enforcement officers with a probationary, time-limited, or permanent appointment employed 20 or more hours per week on a continuing basis, regardless of eligibility for participation in either the North Carolina Teachers' and State Employees' Retirement System (TSERS) or the UNC Optional Retirement Program (ORP). Temporary staff, including student temporary staff, are not considered law enforcement officers for purposes of this regulation.

3.5 Employee/Student - The employee of the Employing Institution and the student of the Enrolling Institution is responsible for following the App State tuition waiver process and policies as well as finding and following the academic calendar and tuition waiver policies, processes, and procedures established by the enrolling institution.

4. Policy Statements

4.1 Generally

Full-time, permanent faculty, EHRA, SHRA, and ROTC employees who are regularly scheduled to work 30 hours or more each week, 9 months of the year or longer, are eligible for a waiver of tuition and fees during periods of normal employment, on their first day of employment not to exceed three courses per Academic Year, provided that the courses do not interfere with normal employment obligations.

4.2 Approval Requirements - Course Approval under this University Policy shall require all of the following:

1. the applicant must meet Board of Governors employment and eligibility requirements,
2. the applicant must be academically eligible to enroll in the pertinent course and there must be space available in the course,

3. the applicant’s supervisor must certify that such enrollment will not interfere with satisfactory performance of normal employment obligations, and
4. the applicant must continue their permanent employment status for the entire semester during which the course is taken, and is required to complete the full schedule of normal work obligations. Upon termination or other changes in employment status, which would make the employee ineligible under this policy or the Board of Governor’s Policy or Regulations, the employee will be billed for the tuition and fees for the entire semester unless they have officially withdrawn from the class within the time frame designated by the University.

4.2.2 While summer school courses for academic credit are eligible for tuition waiver at App State, no other for-credit or not-for-credit courses at App State that are receipt-supported are eligible for such waiver without the advance written approval of the Provost.

4.2.3 Managers are responsible for stewarding employee development and holding employees accountable for completing their required employment obligations. When an Employee/Student submits a Tuition Waiver application to their manager for review, the manager should respond in a timely manner (e.g. within 2 business days). The manager should base their decision upon whether or not enrollment in the course will interfere with the satisfactory performance of the employee’s normal employment obligations. The table below provides guidance for the manager.

4.2.3.1 Enrollment in courses by a campus law enforcement officer shall be subject to approval by the officer’s campus police chief or director of campus safety and security. Enrollment in courses by the campus police chief or director of campus safety and security is subject to approval by the chief’s or director’s immediate supervisor.

Managers should APPROVE the Tuition Waiver application when...	Managers should DENY the Tuition Waiver application when...
the course meets DURING the employee’s regularly scheduled work hours, but their schedule CAN be adjusted to accommodate the course meeting times, and doing so will NOT adversely affect department operations.	the course meets DURING the employee’s regularly scheduled work hours, but their schedule CAN NOT be adjusted to accommodate the course meeting times because doing so WOULD adversely affect department operations.

<p>the course meets ONLINE or OUTSIDE the employee’s regularly scheduled work hours.</p>	
<p>the manager will APPROVE other such requests for a tuition waiver for employees similarly situated, in accordance with the University’s non-discrimination policy.</p>	<p>the manager will DENY other such requests for a tuition waiver for employees similarly situated, in accordance with the University’s non-discrimination policy.</p>

4.3 Tuition and Fees Covered - The waiver of fees for an employee may be limited according to institutional policy determined by the board of trustees of each institution within the UNC System. The Enrolling Institution may adopt a policy that specifies under what circumstances, if any, the Employee/Student may receive a waiver of fees and a waiver for receipts-supported courses. Therefore, the Employee/Student is advised to find and follow the academic calendar and tuition waiver policies, processes, and procedures established by the enrolling institution.

4.3.1 Tuition Waiver covers the student fees required for the course(s) in which the employee has enrolled as well as the tuition charged for credit instruction, regardless of when the instruction occurs or by what means it is delivered.

4.3.2 Because tuition and fees are waived, no money changes hands. As such, the Employee/Student using a tuition waiver has not made the financial contribution necessary to participate in receipt-supported student services and programs such as student health services, and campus fitness centers.

4.3.3 The Employee/Student using Tuition Waiver must continue their employment status for the entire semester during which the course is taken and is required to complete the full schedule of normal work obligations. Upon termination or other changes in employment status, which would make the employee ineligible for the Tuition Waiver Program, the employee will be responsible for payment of all applicable tuition and fees for the entire semester. However, this payment requirement shall NOT apply to an employee who is eligible under this policy at the time of enrollment in a course when they officially drop or withdraw from the course within the time frame designated by the enrolling institution; are later reduced in force (SHRA), or separated for budgetary reasons (EHRA) prior to completion of the course. This exception does not apply to the end of a time-limited or term position.

4.4 Usage

4.4.1 Each institution within the UNC System is entitled to establish its own policy on tuition waiver usage by semester. Approved Tuition Waiver requests must be submitted no later than the Drop/Add deadline of the enrolling institution.

4.4.2 When App State is the Enrolling Institution, no more than two of the three courses permitted each Academic Year may be taken during any single semester, and not more than one of the three courses may be taken during any single summer instructional period (first summer session, second summer session, and other periods of instruction falling between spring commencement and the first day of classes for the following fall semester).

4.4.3 Law enforcement officers employed at constituent institutions or affiliated entities, excluding student employees who are working as part-time law enforcement officers, may enroll in an unlimited number of courses per academic year.

4.5 Residency

An employee of the UNC System who is a legal resident of North Carolina qualifies as a resident for tuition purposes irrespective of the length of legal residency in the state.

Employees who do NOT live in North Carolina when their application for tuition waiver is approved, tuition will be waived at the out of state rate. If/when the employee's residency does change to NC AFTER an approved tuition waiver is applied, employees must contact the Office of Student Accounts to discuss options.

Employees who DO live in North Carolina, in accordance with N.C.G.S. 116-143.1(m), permanent full-time employees of App State, as well as spouses and children of such, who are legal residents of NC qualify as residents for tuition purposes even if they have not maintained legal residency for the required 12 consecutive months prior to residence classification.

4.6 Eligible Courses Any course, graduate certificate program, distance education, and extension program offered by an institution within the UNC System that earns academic credit is eligible for tuition waiver.

NOT eligible - Continuing education workshops and seminars that provide continuing education units (CEU) are not eligible for tuition waiver.

Courses registered for via *UNC Online* (<https://online.northcarolina.edu/>) are not eligible for tuition waiver. (Please note, UNC Online is NOT the same as UNC Chapel Hill online courses, or online degree programs within the UNC System)

4.7 Tax Implications

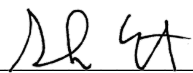
Undergraduate courses covered by tuition waiver are NOT taxed. Qualified tuition reduction is the amount of any reduction in tuition provided to an employee of an organization for education below the graduate level at a university. Gross income shall not include any qualified tuition reduction in accordance with IRC §117. Specifically, IRC §117(d)(2) states that any qualified tuition reduction provided to an employee of an educational institution for undergraduate courses is excludable from gross income.

Graduate courses covered by tuition waiver that are valued under \$5,250 are NOT taxed. Under IRC §127(a), graduate level tuition waivers provided by a university to its employees are excludable from taxation in the amount up to \$5,250 per calendar year if the tuition waivers are provided as part of an educational assistance program described in IRC §127(b). Under IRC §117(d)(5), in the case of graduate students who are engaged in teaching or research activities at the educational institution, tuition reduction for graduate level education is considered qualified tuition reduction. This section applies only to teaching and research assistants who are graduate students and not faculty or staff engaged in research or teaching. Tuition waiver or reduction provided over \$5,250 is considered a taxable fringe benefit for income tax purposes, unless the education is necessary for the employee to maintain or acquire skills necessary for current employment or the education meets an explicit requirement by the employer, law, or regulations and, therefore, would qualify as a deductible business expense under IRC §162 had the employee paid the tuition out of pocket.

Authority

[North Carolina General Statute 116-143\(d\)](#)
[The UNC System Policy Manual and Code, Chapter 1000.2 on Tuition Waivers](#)
[Administrative regulations \(10002.2.1\[R\]\)](#)

Approved:



Dr. Sheri Everts
Chancellor

Date: 06/23/2022