

TUITION REBATE PROGRAM

Eligibility You are eligible for tuition rebate benefits for yourself, spouse/partner, and eligible dependent children if you are employed in a full-time, regular position and are on the university payroll the first day of classes of a semester or summer term. Eligibility covers on-campus audited and credit courses provided by Drake University. The following programs and fees are not covered by tuition rebate:

- Travel courses (including study abroad)
- Tutorial or private instruction
- Applied music lessons offered through the Music Department, unless included as a required part of a credit course
- Non-credit music lessons (such as those offered by the Community School of Music)
- Doctoral and Law Programs for spouse/partner and eligible dependent children
- Mandatory and Non-Mandatory Fees. Examples include (but are not limited to):

1. Mandatory Fees:

- a. Olmsted Center
- b. Health Center
- c. Student Activity
- d. Technology

2. Non-Mandatory Fees:

- a. Parking
- b. Overload (Charged to students taking more than 18 credit hours)
- c. Music
- d. Laboratory
- e. Study Abroad

Questions about which fees are not covered by tuition rebate can be referred to Student Accounts. Some foreign exchange programs may qualify for tuition rebate. Contact Human Resources for information.

Faculty and Staff Tuition Coverage All full-time regular employees may carry a maximum of eight (8) credit hours of free tuition during each fall and spring semester and no more than eight (8) credit hours during the interim term and all summer terms combined. To be eligible for tuition rebate, an employee must be a full-time regular employee on the first day of classes of that semester or session and obtain manager approval for courses taken during scheduled work hours.

When Courses May be Taken Administrators and professional-technical employees in exempt positions may take day classes with permission of their manager or dean and their division vice president. It is expected they will continue to fulfill the duties of their regular assignment as a condition of continued release during the normal workday. Employees in non-exempt positions are expected to take classes outside of their regular work hours. Under certain circumstances (such as a course necessary for completion of a degree when the course is not offered outside of regular work time), a manager or dean may authorize attendance during work hours. To receive full pay, the individual must make up the time during the same work-week in which the absence from work occurs. If a credit course is considered by the manager or dean as necessary for current job performance, authorization may be granted to the individual to take the class on the basis of on-the-job training. The time is considered paid time and does not need to be made-up. Only one on-the-job training credit class can be approved for fall and spring semesters and one credit class during the summer session.

Fees and Assessments Fees and assessments (mandatory and non-mandatory) are not covered by tuition rebate and are paid by the student/employee.

Tuition Rebate Application Flow The first step in applying for tuition rebate benefits is to complete a tuition rebate form and return it to the Office of Student Financial Planning. The financial aid staff will coordinate the student's potential tuition rebate eligibility with other forms of financial aid for which the student may have applied. The Office of Student Financial Planning will forward the tuition rebate form to Human Resources for confirmation of eligibility for the tuition rebate program for the specified academic term. Once the tuition rebate form has been approved by Human Resources, it will be sent to the Office of Student Accounts where the benefit will be applied to the student's account.

Tuition Benefits for Dependents, Spouse/Partner For purposes of this tuition rebate program, a child is considered a dependent if the child has not yet reached age 26, is not employed full-time and you claim him/her as a dependent on your income tax return or can demonstrate that you provide principal support during the period for which tuition benefits are used. The benefit levels for dependents, spouse/partner are as follows:

Undergraduate Tuition Waiver	
0-1 year of service	50% waiver benefit
1+ years of service*	100% waiver benefit

*Employees must have completed one year of service on the first day of classes of the semester or session to be eligible for the 100% waiver benefit.

Masters Level Graduate Tuition Waiver	
Employed on or after 1/1/69	50% waiver benefit
Employed on or before 12/31/68	100% waiver benefit

Law Tuition Waiver	
Employed on or after 1/1/69	No benefit available
Employed on or before 12/31/68	100% waiver benefit

Doctoral Programs	
No benefit available	

PharmD Tuition Waiver	
Freshman, Sophomore, P1 & P2	Undergraduate Tuition Waiver; P1 & P2 taxable as income
P3 & P4	Graduate Tuition Waiver

Limitation on Dependent Participation There is a limit of two persons, either one spouse/partner and one dependent or two dependent children (this limit includes dependent children participating in the Tuition Exchange Program), in any one school session. (Individual employee participation does not count toward the two-person limit).

A Special Note About Taxability of Pharmacy Tuition Waiver Doctor of Pharmacy students are charged graduate level tuition beginning with their 3rd year (P1). However, for purposes of Tuition Rebate, qualifying students receive the undergraduate benefit for the first four years of their program. Tax rules require that payment for course work in a graduate level program is taxable income.

Accordingly, tuition rebate benefits become taxable income beginning with the 3rd year (P1) of the pharmacy program and federal, FICA and state taxes will be withheld on this taxable benefit and the taxable income will be reported on the employee's W-2.

Taxation on Graduate Courses Graduate tuition benefits for all tuition rebate participants are reported to tax agencies as taxable income with appropriate withholding amounts. The amount of tuition benefits is included as taxable gross wages on the employee's payroll statement and W-2. Appropriate taxation amounts are withheld from pay received during September through December for the fall term, January through May for the spring term, and June through August for the summer terms. (It is vital to submit the Application for Tuition Reduction before the first day of the term.) Any change such as drops, adds and withdrawals must be reported immediately to Payroll and Student Financial Planning so that proper adjustments may be made to the employee's salary and withholding records.

High School Students - Post Secondary Enrollment Options (PSEO) Act This program provides high school students an opportunity to earn college credits while they are still in high school. The **Postsecondary Enrollment Options Handbook** can be viewed on the Iowa Department of Education web page at http://www.iowa.gov/educate/index.php?option=com_content&task=view&id=488&Itemid=1223

High school students, who are dependents of Drake University employees and eligible to participate in this program, will be required to apply for the PSEO program through their school district when enrolling to take course-work at Drake. Tuition rebate will be available to these dependents for courses that do not qualify for the PSEO program or after eligibility under the PSEO program has been exhausted.

Fully Disabled, Retired, or Deceased Faculty and Staff If an employee is either tenured or has been employed for at least five (5) years, their spouse and dependent children can receive the benefits under this policy to which the spouse and dependent children would have otherwise become entitled had the employee not become fully disabled or retired. The spouse (so long as the spouse does not remarry) and dependent children of a deceased employee can also receive the tuition benefits, under this policy to which the spouse and dependent children would have otherwise become entitled, had the employee not died.

Application forms for tuition rebate may be obtained from the Human Resources web page at <http://www.drake.edu/hr> . Questions about the tuition rebate program should be directed to a representative in Human Resources (271-4804).

Waiver of Waiting Period In the event a newly hired employee was eligible for a 100% undergraduate tuition rebate benefit for dependents at another institution immediately prior to accepting employment with Drake, such employee will become immediately eligible for undergraduate tuition rebate for their dependents under this policy at the 100% level. Eligibility under this waiver provision requires that the following conditions be met:

1. The employee met all eligibility requirements for tuition rebate at the prior institution of employment, including years of service, employment status and any other condition of eligibility;
2. The employee produces written documentation of eligibility from the prior institution in the form of a letter from the Director of Human Resources or other person responsible for administration of the tuition rebate policy; and
3. The employee was employed with the prior institution immediately prior to employment at Drake University (on the day an offer from Drake is accepted the employee must be employed with the prior institution).