

**Policy Title:** Tuition Waiver

**Policy Summary:** Eligibility for Tuition Waiver Benefits for Full-Time Employees and Dependents

**Policy Category:** Human Resources

**Policy Owner:** Human Resources

### Policy Summary

Employees are eligible for tuition waiver benefits for themselves, their spouse/partner, and their eligible dependent children if they 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 and online audited and credit courses provided by Drake University.

### Purpose

The purpose of this policy is to provide tuition waiver benefits to employees, their spouse/partner and dependent children.

### Scope

Employees in full-time, regular positions who are on the University payroll on the first day of classes of a semester or summer term are eligible to receive tuition waiver benefits for themselves, their spouse/partner and their eligible dependent children.

### Definitions

**Dependent:** for purposes of this program, a dependent is a child of the employee (whether biological or adopted) who has not yet reached age 26, is not employed full-time, is not married, and is claimed by the employee as a dependent on the employee's income tax return or can demonstrate that the employee provides principal support during the period for which tuition benefits are used.

### Policy

#### Eligibility

Employees are eligible for tuition waiver benefits for themselves, their spouse/partner, and their eligible dependent children if they are employed in a full-time, regular position and are on the University payroll on or before the first day of classes of a semester or summer term. Eligibility covers on-campus and online audited and credit courses provided by Drake University.

The extent of the tuition waiver, as applied to spouses/partners and dependent children is based on the employee's employment start date (See below section on Tuition Benefits for Dependents, Spouse/Partner).

## **Exclusions**

The following programs and fees are not covered by the tuition waiver:

- Travel courses (including Study Abroad)
- Tutorial or private instruction
- Non-credit music lessons offered through the Drake University Community School of Music
- Doctoral programs for spouse/partner and eligible dependent children
- Courses offered by third parties, even if through a Drake platform
- Mandatory and Non-Mandatory Fees

Questions about included and excluded items from the tuition waiver should be directed to [Student Accounts](#), 515-271- 2151. Payments for fees and excluded items are the employee's responsibility. A hold will be placed on the student's account until payment is made.

## **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. J-Term credit hours are part of the spring semester.

## **When Courses May be Taken**

Employees may take classes with permission of their manager or dean and President's Council Member. It is expected that exempt employees will continue to fulfill the duties of their regular work assignment as a condition of continued release during workday. To receive full pay, nonexempt employees 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 the fall and spring semesters. One on-the-job training credit class can be approved during the summer session.

## **J-Term Courses**

Courses offered during the January term require a significant time investment over a short period of time. Therefore, making up time during the same workweek or completing one's regular work assignment pursuant to the regular tuition waiver policy above is in most cases not feasible. Staff who wish to participate in J-term classes may do so by taking vacation or personal time, subject to manager approval.

## **Tuition Waiver Process**

Following receiving approval from the director or dean, if applicable, the employee should complete the [online form](#). Upon submission, the form is submitted to Human Resources to confirm the employee's eligibility for this benefit. Human Resources will then forward it to the Financial Aid Office, which will coordinate the eligibility with other forms of financial aid for which the student may be eligible. Lastly, Financial Aid will forward the information to Student

Accounts to be credited to the student's billing account.

**FAFSA Requirement:** For fall and spring courses beginning after April 1, 2019, employees or their dependents who are pursuing an undergraduate degree program at Drake University are required to complete the [Free Application for Federal Student Aid \(FAFSA\)](#) prior to July 1 (preceding the academic year of enrollment). This requirement ensures that all eligible students are considered for the Iowa Tuition Grant (a tuition/fees only award which offsets the cost of Drake's tuition waiver benefit), as well as the Federal Pell Grant and other forms of assistance that can assist students with the cost of room, board, books and other educational expenses. Undergraduate students that do not complete the FAFSA by the deadline will be responsible for tuition amounts that would have been covered by the Iowa Tuition Grant (if the FAFSA had been completed on time).

The FAFSA requirement may be waived for employees/dependents who can demonstrate that they would not qualify for the Iowa Tuition Grant. To determine eligibility for a waiver, employees may complete the Federal Student Aid Estimator (Estimator)—a simplified calculator that estimates the Student Aid Index (SAI) that the FAFSA calculates. Employees utilizing this option should save the results page of the Estimator to PDF and email it to [financialaid@drake.edu](mailto:financialaid@drake.edu) from the employee's Drake email account, and provide the student's name and Drake ID in that email. Because the FAFSA-filing deadline is July 1st (preceding the academic year enrolled), it is recommended that employees seeking this waiver do so early enough that they could still complete the FAFSA by July 1st, in the event that the FAFSA-filing requirement is not waived. The Federal Student Aid Estimator can be accessed at <https://studentaid.gov/aid-estimator>.

#### **Tuition Benefits for Eligible Dependents, Spouse/Partner**

For purposes of this program, a child is considered a dependent if the child has not yet reached age 26, is not employed full-time; is not married, and is claimed by the employee as a dependent on the employee's income tax return or can demonstrate that the employee provides principal support during the period for which tuition benefits are used.

The benefit levels for dependents and spouse/partner are as follows:

<b>Undergraduate Tuition Waiver, including John Dee Bright College programs</b>	0-1 Year of Service: 50% Waiver Benefit 1 + Years of Service*: 100% Waiver Benefit
<b>Master's Level Graduate Tuition Waiver (includes Athletic Training; excludes programs listed separately below)</b>	Employed on or after 1/1/69: 50% Waiver Benefit Employed on or before 12/31/68: 100% Waiver Benefit
<b>Doctoral Programs (excludes programs listed separately below)</b>	No benefit is available for dependents, spouse/partner
<b>PharmD Tuition Waiver</b>	1st Year/Sophomore Years: Undergraduate Tuition Waiver

	P1 & P2 Years: Undergraduate Tuition Waiver, but benefit is taxable as income  P3 & P4 Years: Master’s Level Graduate Tuition Waiver (as outlined above)
<b>Occupational Therapy</b>	50% tuition waiver for eligible dependents, spouse/partner
<b>Occupational Therapy 3 + 3 Program</b>	Years 1 – 3: Undergraduate Tuition waiver applies Years 4 – 6: 50% tuition waiver for eligible dependents, spouse/partner
<b>School of Law Degree Graduate programs: JD, LLM, &amp; MJ degrees</b>	50% tuition waiver for eligible dependents, spouse/partner
<b>Undergraduate Degree &amp; JD 3 + 3 Program</b>	Years 1 – 3: Undergraduate Tuition waiver applies Years 4 – 6: 50% tuition waiver for eligible dependents, spouse/partner

\*Employees must have completed one year of service on the first day of classes of the semester or session for their eligible dependents, spouse/partner to be eligible for the 100% waiver benefit for undergraduate tuition.

**Limitation on Dependent Participation**

There is a limit of two persons, either one spouse/partner and one dependent child or two dependent children in any one school session. (Individual employee participation does not count toward the two-person limit.) This limit does **not** include or apply to students attending other institutions through a Tuition Exchange Program.

**A Special Note About Taxability of Pharmacy Tuition Waiver**

Doctor of Pharmacy students are charged graduate level tuition beginning in their 3rd year (P1). However, for purposes of tuition waiver, qualifying students receive the undergraduate benefit for the first four years of their program. Tax rules require that payment for coursework in a graduate level program is taxable income.

Accordingly, tuition waiver benefits become taxable 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 waiver 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 semester, January for J-Term, February through May for Spring Semester, and June through August for Summer Terms. Employees wishing to utilize the tuition waiver should submit the

[Application](#) at least ten (10) days prior to class registration. Any change such as drops, adds, and withdrawals must be reported immediately to Payroll and the Financial Aid Office so that proper adjustments may be made to the employee's salary and withholding records.

### **High School Students - Senior Year Plus**

Senior Year Plus (SYP) is available to eligible juniors and seniors as well as freshmen and sophomores who are identified as gifted and talented according to the school district's criteria and procedures. SYP serves as an umbrella for a variety of programs designed to provide high school students access to courses that have the potential to generate college credit. Additional information can be found on the Iowa Department of Education [Senior Year Plus website](#).

High school students, who are dependents of Drake University employees and eligible to participate in this program, will be required to apply for the SYP program through their school district when enrolling to take course-work at Drake. A tuition waiver will be available to these dependents for courses that do not qualify for the SYP program or after eligibility under the SYP 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 and dependent children of a deceased employee can also receive the tuition benefits which, under this policy, the spouse and dependent children would have otherwise become entitled, had the employee not died.

### **Waiver of Waiting Period**

In the event a newly hired employee was eligible for a 100% undergraduate tuition waiver benefit for dependents at another institution immediately prior to accepting employment with Drake, such employee will become immediately eligible for undergraduate tuition waiver 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 waiver 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 waiver 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).

## **Exclusions**

Tuition waiver benefits can only apply to tuition and cannot be used in combination with other Drake-funded tuition-specific scholarships or grants. If a student receives government or outside tuition-specific awards, that student's tuition waiver benefits may need to be reduced so that the sum of all tuition-specific awards does not exceed the student's actual tuition charges for that semester. Tuition waiver benefits cannot be used to cover housing, meal plan expenses, fees or other University charges and are not available for travel courses or study abroad programs.

## **Questions**

The [online application](#) material is available online through the [Human Resources website](#). Questions about the Tuition Waiver Program should be directed to Human Resources at 515-271-3133 or [drakehr@drake.edu](mailto:drakehr@drake.edu). Questions about completing the FAFSA should be directed to the Financial Aid Office at 515-271-2905 or [financialaid@drake.edu](mailto:financialaid@drake.edu).

**Last Review Date:** August 2024

**Effective Date:** September 2016

## **Resources and Related University Policies:**

- [Tuition Waiver Application](#)
- [Tuition Exchange Eligibility Policy](#)