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## **APS 5024 - Tuition Assistance Benefit**

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### **Policy Profile**

<b>Policy Title:</b>	Tuition Assistance Benefit
<b>APS Number:</b>	5024
<b>Effective:</b>	July 1, 2014 for Fall 2014 semester
<b>Approved by:</b>	President Bruce D. Benson
<b>Responsible University Officer:</b>	E. Jill Pollock, Vice President, Employee and Information Services
<b>Responsible Office:</b>	Human Resources
<b>Policy Contact:</b>	E. Jill Pollock
<b>Supersedes:</b>	Tuition Assistance Benefit, 7/1/2013
<b>Last Reviewed/Updated:</b>	July 1, 2014
<b>Applies to:</b>	Faculty and staff

### **Policy Snapshot**

**Brief Description:** Tuition Assistance Benefit for CU Employees and Dependents

**Reason for Policy:** The purpose of this Administrative Policy Statement is to establish the scope of the University of Colorado's Educational Assistance Program and describe the taxability of educational assistance provided under this program. The university has a Section 127 Educational Assistance Plan established pursuant to Section 127 of the Internal Revenue Code of 1986. This Internal Revenue Code provision currently allows employers to exclude educational assistance provided to employees from their wages, up to a federally mandated limit. Additionally, Section 117 of the Internal Revenue Code allows the university to exclude

undergraduate-level tuition assistance for employees of the university and their dependents.

## I. Introduction

All campuses of the university offer tuition benefit (also called tuition assistance) on a non-discriminatory basis to eligible university employees and their dependents. Tuition assistance can only be provided in the form of a tuition waiver or discount. Employees or dependents may not choose to receive cash in place of tuition assistance. Employees and dependents are responsible for paying all other required campus-specific fees and other related educational costs.

## II. Policy Statement

Tuition assistance is available to employees in regular (non-temporary), eligible, job classifications that are at least 50% appointment. The benefit may be split between the employee and the eligible dependent(s). The year begins with the fall term. Enrollment in courses by the employee or dependent is subject to campus-specific registration requirements.

### A. Employee Eligibility for Benefit?

To qualify for the benefit either for the employee's own use or for a dependent's use, an employee, and where applicable, the employee's dependent must satisfy the following criteria:?

1. The employee is in a regular (non-temporary), approved job classification that is at least a 50% appointment.
2. The employee holds an active appointment at the time of the census date for the semester in which the benefit is being applied (being on FMLA-documented leave or sabbatical does not preclude eligibility for the benefit).
3. The employee or dependent seeking to use the benefit has satisfied applicable admissions requirements.
4. Each registering undergraduate student must apply and authorize the College Opportunity Fund (COF) and pay the difference if COF is exhausted.

### B. Elements of the Benefit for Employees?

1. Nine credits are available each year to be applied against tuition costs on a space-available basis at any CU campus for undergraduate or graduate credit-granting courses, complying with restrictions set within the course requirements.
2. Employees may only register on the first day of classes. The employee may be disqualified from current or future participation if he/she enrolls prior to the first day of classes and then drops the class to re-enroll under the tuition benefit.
3. The nine credits can be used in one semester or split among semesters during the same year.
4. Supervisor approval is not required to take a course. Supervisor approval for class attendance during normal work hours is required as for any absence reason, but

does not require separate documentation.?

5. The benefit may not be applied to any course offered by an auxiliary-funded program, such as Continuing Education, Extended Studies, the Executive MBA program, and the 11-month MBA program, or to MD, DDS, and PharmD courses on the Anschutz Medical Campus.<sup>1</sup>
6. Each year a select number of Boulder campus and System employees are eligible to use their nine-credit tuition assistance benefits for an employee development opportunity available through the Boulder campus Department of Human Resources and the Lockheed Martin Engineering Management Program (EMP), Leadership and Management Graduate Certificate.
7. Waiver is credited against financial aid eligibility.

C. Common Elements of the Benefits for Dependents of Employees on All Campuses?

Each campus has established specific rules governing operation of the dependent tuition benefit, as specified in Sections II.D-II.G. The following requirements apply, however, to all dependents of university employees seeking to use the tuition benefit on any campus:?

1. Dependent eligibility verification is required as for other employee benefits permitting dependent coverage. See <https://www.cu.edu/sites/default/files/policies/2058-dependent-eligibili...> for definitions of dependents.?
2. The following relationships are eligible for tuition assistance although they are not, by IRS definition, eligible dependents. The monetary value of such tuition discount will be subject to income taxation:
  - a. Same-gender domestic partner (SGDP) or civil union;
  - b. A dependent child of an SGDP or civil union partner; and
  - c. An employee's dependent child who is not eligible to be claimed as a dependent on the employee's Federal Form 1040 US Individual Income Tax Return
3. The amount of graduate tuition that dependents waive or the discount that they receive using the tuition benefit is subject to income taxation for the spouse, partner, or parent who is a CU employee. See IRS Publication 970 - Tax Benefits for Education.
4. Waiver is credited against financial aid eligibility.
5. The benefit may not be applied to any course offered by an auxiliary-funded program, such as Continuing Education, Extended Studies, the Executive MBA program, and the 11-month MBA program, or to MD, DDS, and PharmD courses on the Anschutz Medical Campus.

D. Benefit Rules for Dependents of Denver and AMC Employees

1. The employee's total tuition waiver credits each year can be applied against tuition costs on a space-available basis for undergraduate or graduate credit-granting courses.
2. Dependents may only register on the first day of classes. The dependent may be disqualified from current or future participation if he/she enrolls prior to the first day of classes, drops the class to re-enroll under the tuition benefit.
3. Use of the benefit is limited to courses offered on the Denver campus and Anschutz Medical Campus.

4. The maximum benefit for any one dependent is nine credits per year. Dependents may not use both parents' benefit to increase the waived credits per year.?
5. The nine credits can be used in one semester or split among semesters during the same year.
6. Employees of CU affiliates (e.g., Children's Hospital, University Physicians, Inc., University of Colorado Health) are not eligible to participate in the tuition benefit program.
7. The tuition benefit cannot be applied to courses at Metropolitan State University of Denver or Community College of Denver.

E. Benefit Rules for Dependents of Colorado Springs Employees?

1. The employee's total tuition waiver credits each year can be applied against tuition costs for undergraduate or graduate credit-granting courses.
2. Dependent(s) may register during the regular enrollment period for undergraduate or graduate credit-granting courses.
3. Use of the benefit is limited to courses offered by the Colorado Springs campus.
4. Each dependent is eligible to use the benefit to waive the cost of 9 credit hours. If both parents/partners are employed at CU Colorado Springs in eligible appointments, the dependent may receive 18 tuition waiver credits.
5. The credits can be used in one semester or split among semesters during the same year.
6. Employees of CU affiliates and their dependents (e.g., University of Colorado Health, Memorial Health System) are not eligible to participate in the tuition benefit program.

F. Benefit Rules for Dependents of Boulder Employees?

1. Dependent(s) may register for undergraduate or graduate credit-granting courses at a 10% discounted rate for all coursework and for any or all semesters in an academic year.
  - a. For eligible dependents utilizing the discounted rate for graduate tuition benefit, the monetary value of the discounted tuition is subject to income taxation for the spouse, partner, or parent who is a CU employee.
2. Dependents may register for courses during the regular enrollment period.
3. Use of the benefit is limited to dependents of Boulder campus and system administration employees.
4. Each dependent is eligible for the 10% discounted rate. If an employee has more than one dependent who seeks to use the benefit in a particular year, each dependent is entitled to the 10% tuition discount. In a family where both parents/partners are employed at CU Boulder or at System Administration in eligible appointments and have only one child seeking to use the benefit in a particular year, the dependent is eligible for a discounted tuition benefit of 20%.
5. The employee is not eligible to use the 9-credit tuition waiver during an academic year in which a dependent utilizes the 10% discount for one or more semesters.

G. Benefit Rules for Dependents of System Administration Employees

1. Dependents of system employees may choose between using the tuition waiver credits at Denver, AMC, or Colorado Springs, or the 10% discounted tuition option in lieu of tuition waiver on the Boulder campus for undergraduate or graduate credit-granting courses.

2. If a dependent of a System employee uses the tuition waiver credits, the nine credits can be used in one semester or split among semesters during the same year. The benefit may not be applied to any course offered by an auxiliary-funded program, such as Continuing Education, Extended Studies, the Executive MBA program, and the 11-month MBA program, or to MD, DDS, and PharmD courses on the Anschutz Medical Campus.
3. If a system employee's dependent uses the 10% discounted tuition option in lieu of tuition waiver on the Boulder campus, all of the limitations specified in Section II.F shall apply to the dependent's use of the discount.

### III. Related Policies, Procedures, Forms, Guidelines and Other Resources

#### A. Faculty Staff Tuition Benefit Resources

### IV. History

- Original APS Education Assistance Program ? issued July 1, 2007
- APS Education Assistance Program ? revised 9/1/2008
- APS Tuition Assistance Benefit ? replaces APS Education Assistance Program ? 3/8/2012
- APS Tuition Assistance Benefit ? revised 1/17/2013
- APS Tuition Assistance Benefit ? revised 7/1/2013
- APS Tuition Assistance Benefit ? revised 7/1/2014

### V. Key Words

Tuition, benefit, dependents

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1. Nothing in this APS shall be construed to restrict any MBA program from offering an employee development program in the form of a tuition discount. The University's Tax Director shall review the tax treatment of any employee-development tuition discount offered by an MBA program for compliance with IRS regulations.

#### **Attachments:**

**Video:**

**Images:**

**Groups audience:**

Office of Policy and Efficiency (OPE)

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