TUITION REMISSION BENEFIT

Please read this policy fully, as it contains important updates.

- The section entitled “Continued Employment or Financial Obligation to the College” applies to employees who are new program entrants using the benefit for themselves (not applicable to spouse and dependent use of the benefit) as of August 2017 and thereafter.
- The remainder of the policy and updates are applicable to all program participants.

Educational Programs on Campus

Full-time, non-temporary, benefits eligible employees, their spouses, and dependents may be eligible for tuition remission benefits for courses taken in Babson’s undergraduate and graduate programs. In order to qualify for these benefits, the following conditions apply:

A. Users of the tuition benefit must be admitted according to the general standards expected of all applicants to the College. Tuition remission is not available for non-admitted students taking courses at the College. Application fees are waived for employees only.

B. Benefits are awarded for tuition charges only. Expenses for fees, room, board, books, supplies, etc., are the responsibility of the student. If accepted, students will be asked to sign an agreement to indicate their acceptance of the terms. Deposits are required for undergraduate and full-time graduate programs only.

C. Users of the tuition benefit are encouraged to apply for all federal, state, local, and private scholarships or grant programs to which they may be entitled. Tuition remission recipients are ineligible for any scholarship or financial aid from Babson College. Any funds received that are specifically tied to tuition, e.g., some VA education funding, will require a review and possible recalculation of the benefit. Other financial aid received will be credited to the student’s account and applied to room and board, personal, and other living expenses. The combination of benefits and financial aid funds from all sources cannot exceed the Cost of Attendance figure published annually by Babson College.

D. Should an employee cease full-time employment at the College, tuition benefits end immediately, and a prorated tuition charge will be made for the courses then being taken by either the employee or his/her spouse. (See “Continued Employment or Financial Obligation to the College” section for further important information regarding employees taking the benefit.) Dependents taking courses will continue to receive the tuition benefit until the end of the semester then in session. If the employee is disabled or dies during the term of a dependent’s academic program, consideration will be given for extension of the tuition benefit; any such decision is to be made by the President of the College.

E. In the case that a tuition remission eligible employee, spouse, or dependent withdraws from a class after the Add/Drop period, resulting in a W on the official transcript, Student Financial Services will follow the withdrawal policy of the respective program, and the appropriate tuition charge will be added to the student’s account.

F. Part-time employees transitioning to full-time roles at the College will receive one year of full-time equivalency for every two years of part-time employment.
G. Tuition remission for undergraduate studies is not granted to spouses or dependents who have previously earned a bachelor’s degree.

H. Tuition remission for graduate studies toward an MBA is not granted to those who have previously earned an MBA.

**Eligibility**

**Employees**

Employees are eligible for tuition remission in our part time programs and CAM certificate program only, equal to 100% of the tuition rate beginning the next semester or session coincident with, or following, their four month anniversary of full-time employment. With the exception of the Blended Learning program, a maximum of 18 credits per calendar year is allowed unless otherwise approved by the employee’s President’s Cabinet member in consultation with Human Resources. If an employee’s credit limit extension is denied, the employee will not be able to enroll in additional credits.

Federal law requires that tuition remission granted in each calendar year in excess of $5,250 be reported as taxable income on the employee’s W-2 form. To learn more about how this may impact your take-home pay and how individual courses can be considered tax exempt, please contact Human Resources, hr@babson.edu, or extension 4128. Employees may want to consider adjusting their W4 form. However, specific questions related to an employee’s personal tax situation should be addressed with a tax advisor. The Payroll Department cannot provide tax advice.

**Spouses or Dependents**

Spouses and dependents may receive tuition remission in our Undergraduate and Graduate programs (on a space-available basis) and the CAM certificate according to the following schedule:

- 50% of the tuition rate may be granted beginning the next semester or session coincident with, or following, the employee’s second anniversary of full-time employment at Babson
- 80% of the tuition rate may be granted beginning the next semester or session coincident with, or following, the employee’s third anniversary of full-time employment
- 100% of the tuition rate may be granted beginning the next semester or session coincident with, or following, the employee’s fourth anniversary of full-time employment

Tuition remission received for the undergraduate program is tax exempt. Federal law requires that the full amount of tuition remission granted in each calendar year for graduate programs be reported as taxable income on the employee’s W-2 form. To learn more about how this may impact your take-home pay, please contact Human Resources, hr@babson.edu, or extension 4128. Employees may want to consider adjusting their W4 form. However, specific questions related to an employee’s personal tax situation should be addressed with a tax advisor. The Payroll Department cannot provide tax advice.

**Continued Employment or Financial Obligation to the College**

*Applicable to employees entering the program August 2017 or thereafter*

Effective August 2017, employees beginning the benefit for themselves (not applicable to spouse or dependent enrollments) will incur a two-year continued employment or financial obligation to the College.
Employees using the benefit of tuition remission are eligible to take up to 12 credits without further obligation to the College. This gives employees the opportunity to try a graduate program before incurring an obligation.

Once an employee earns 12 credits and elects to continue in the program, they will be subject to the following obligations:

- If the employee completes all requirements for degree completion, they are required to complete two (2) full years of employment following completion of the program in order to fulfill the continued employment obligation. Completion of the program is defined as the published semester end date (via the academic calendar) in which the employee received their final credit.
- If the employee completes all requirements for degree completion, but leaves employment voluntarily prior to the two-year continued employment obligation, they are responsible for reimbursing the College 50% of the last two years of tuition remission extended on their behalf.
- If the employee goes beyond 12 credits but voluntarily leaves the program or employment prior to degree completion, or fails to continue to qualify for the tuition remission benefit (see other provisions, below), they are responsible for reimbursing the College 50% of the last two years of tuition remission extended on their behalf, outside of the initial 12 credits allowed.

**Other Provisions**

To remain eligible for tuition remission, employees approved for the benefit of tuition remission must remain in good standing as related to their performance. Tuition remission eligibility will cease if the employee is not in good standing. Examples of this include, but are not limited to:

- Being engaged in a performance improvement plan;
- Being the subject of written disciplinary action within the prior 12 months;
- Demonstrating poor time and attendance occurrences;
- Other negative workplace behaviors.

Failure to maintain positive performance at all times during the course of the program and throughout their employment may result in a suspension of or disqualification for this benefit.

If an employee is on an approved leave of absence, tuition remission eligibility will remain in effect for a period of 12 weeks. After 12 weeks, tuition remission eligibility will cease until the employee returns to full-time status.

See next page for acknowledgement.
TUITION REMISSION POLICY

ACKNOWLEDGEMENT

I have read and agree with the Tuition Remission Policy and understand that I will be responsible for a continued employment obligation to the College or repayment of the tuition remission costs afforded to me by Babson College during the course of my employment, as outlined above, if the stated conditions are not met.

___________________________________________  ________________________
Employee Name:                                   Date

________________________________________________________
Employee Signature