

ELIGIBILITY

All full-time employees (faculty, administrators and support staff) of universities, community colleges, technical institutes, Tennessee Technology Centers and Central Office staff are eligible to participate.

The status of an employee on the published first day of classes for each term determines eligibility for participation in this program. Any change in status after the first day of classes shall not affect eligibility for that term or the amount of assistance received.

TAXATION OF EDUCATIONAL ASSISTANCE PROGRAMS

Undergraduate course tuition paid by the Tennessee Board of Regents institutions and the University of Tennessee System for their employees is eligible for exclusion from the employees' gross income, in accordance with Internal Revenue Code (IRC) Section 117(d). For graduate courses that began after June 30, 1996, tuition will be included in the employee's income as wages. The only exception for excluding graduate tuition from income is for a course that qualifies as "work-related".

Graduate course are considered work-related if the education:

- a. maintains or improves skills required by the individual in his/her employment; or
- b. meets the express requirements of the individual's employer, or the requirement of applicable law or regulations, imposed as a condition to retain the present position or salary.

However, even if the education meets the requirements listed above, the education expenditures are not considered work-related if the education:

- a. is required in order to meet the minimum education requirements for qualification in his/her employment; or
- b. qualifies the individual in a new trade or business.

If the supervisor is not sure that the graduate course is work-related, the supervisor should contact the Benefits Section of the Office of Human Resources for assistance in making the determination.