

## TUITION REDUCTION BENEFITS FOR DEPENDENT CHILDREN

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### 1. GENERAL

- a. The University provides tuition reduction benefits for undergraduate study by dependent children of eligible faculty and staff as approved by the Trustees of the University and documented in the Tuition Concession Plan for Dependent Children contained in the Board of Trustees Handbook. This policy provides guidance with regard to administration of tuition reduction benefits for dependent children.
- b. It is intended that this policy conform to the provisions of Section 117 of the Internal Revenue Code.

### 2. ELIGIBILITY

- a. All faculty and staff who are regularly scheduled to work a minimum of 1400 hours per year and have completed at least three continuous years of regular full-time service are eligible for tuition reduction benefits for their eligible dependent children. If the employee satisfies the eligibility requirements on or before October 1<sup>st</sup> of a given year, tuition reduction benefits are available for the fall semester of that year (February 1<sup>st</sup> for spring semester).
- b. Benefits are also available to the eligible children of eligible employees who die or become disabled while serving as regular full-time employees and to eligible children of retired employees who are age 62 or older and have ten (10) or more years of service or who are age 65 or older and have five (5) or more years of service. Eligible children of employees on approved leaves of absence of less than two years remain eligible for tuition reduction benefits.
- c. To be eligible, children (including legally adopted children, step children, and dependent children of an employee's qualified same-sex domestic partner) must be less than twenty-six years old and substantially dependent upon the employee. The requirement of dependency is deemed to be satisfied if the child is claimed as a dependent on the employee's federal income tax return (or on the return of the former spouse of the employee or the return of the qualified domestic partner of the employee) for the tax year in which the tuition reduction benefit is granted. The benefit is available only for undergraduate study. A child already holding an undergraduate degree (baccalaureate or equivalent) is not eligible for tuition reduction benefits.
- d. The plan year for tuition reduction benefits is from August 16<sup>th</sup> through August 15<sup>th</sup> of the following year.
- e. Eligible children of employees who are terminated or who resign from their position while participating in the tuition reduction program may be required to forfeit their tuition reduction benefits as a result of such termination or resignation.

## TUITION REDUCTION BENEFITS FOR DEPENDENT CHILDREN

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### 3. BENEFITS

#### a. Enrolled and Attending Wake Forest University:

##### (1) Tuition.

Eligible children of eligible employees who meet admission requirements pay 6% of the annual tuition (rounded to the nearest \$10) in lieu of the normal tuition in the undergraduate school effective with the first academic term following eligibility.

##### (2) Summer School and Part-Time Attendance.

Eligible children of eligible employees who meet admission requirements will not be charged tuition for summer school or for part-time (8 semester hours or less) study.

##### (3) Study Abroad Programs.

(a) Eligible children of eligible employees who study abroad through Wake Forest University programs during Fall or Spring semester are eligible for the standard tuition reduction benefit.

(b) The tuition reduction benefit for study abroad through Wake Forest University programs during the summer session is limited to the annual benefit that applies to eligible students attending institutions other than Wake Forest University.

##### (4) North Carolina Legislative Tuition Grant (NCLTG).

Eligible children who are bona fide residents of North Carolina seeking a first undergraduate degree, and enrolled for 12 or more hours per semester must apply for the NCLTG for each semester. If a child is eligible for the NCLTG and fails to apply, he or she must pay an amount equal to the NCLTG in addition to the 6% tuition payment. For a child who is enrolled for less than 12 semester hours, the child will not be required to pay the additional NCLTG equivalent amount. If the child has not lived in North Carolina long enough to be considered a North Carolina resident, the child will not be required to pay an amount equal to the NCLTG for that semester.

#### b. Enrolled and Attending Other Institutions:

##### (1) Tuition.

Eligible children actively enrolled in associate or baccalaureate degree programs at other universities, qualified technical schools, or community colleges (or certificate programs at a qualified technical school or community college) may receive the lesser of a specific dollar amount announced annually by the Human Resources Department

## TUITION REDUCTION BENEFITS FOR DEPENDENT CHILDREN

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or the cost of tuition and academic fees the student is required to pay. If both parents are employees, the full tuition benefit is available to each, but may not exceed the total amount of tuition and academic fees. There is an eight semester or twelve-quarter maximum per student and a lifetime maximum benefit per employee for all dependent children attending other institutions of higher education equal to ten times the annual dollar amount announced by the Human Resources Department. Once the lifetime maximum benefit is exhausted by the employee, the employee is no longer eligible for this educational assistance, even if the lifetime maximum benefit is later increased.

(Note 1: A qualified technical school is a non-profit organization that has been granted 501(c) (3) status by the Internal Revenue Service.)

(Note 2: The specific dollar amount of the tuition benefit is indexed to the highest undergraduate tuition charged annually by an institution of the University of North Carolina System.)

### (2) Summer School and Part-Time Attendance at Other Institutions

Summer school and part-time attendance at other institutions are not counted towards the eight-semester maximum. However, any amounts remitted by the University for part-time or summer study at other institutions are counted towards the annual dollar limit and the lifetime maximum benefit.

### (3) Study Abroad at Other Institutions

Any amounts remitted by the University for study abroad at other institutions are counted towards the annual dollar limit and the lifetime maximum benefit.

### (4) Financial Aid.

A Financial Aid/Scholarship Award Statement must accompany the Tuition Reduction/Educational Assistance form if the eligible child is receiving financial aid or a scholarship. The amount of tuition the eligible child is actually required to pay will determine the amount of the benefit offered by Wake Forest University.

### (5) Refunds for Cancellation.

Tuition refunds for cancellation or withdrawal are to be refunded to Wake Forest University.

## 4. ADMINISTRATION

An [\*Application for Tuition Benefits for Dependent Children, Spouses, and Domestic Partners\*](#) is available on-line or from the Human Resources Department (Benefits).

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*Approved by the President: February 14, 2005*