



Human Resources Guideline Tuition Reimbursement Program

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Overview

The Tuition Reimbursement Program is provided to attract and retain a highly competent and committed workforce, ensuring the City of Tempe will be a competitive employer. The city provides professional development opportunities that align with the organization's academic, professional, and vocational competencies.

The City of Tempe provides a \$6,500 annual calendar year Tuition Reimbursement Benefit to all regular full-time employees: \$5,250 pre-tax and \$1,250 post tax. The City's Tuition Reimbursement Program complies with Section 127 of the Internal Revenue Service Tax Code, allowing a tax-free exemption, up to \$5,250. This means that educational reimbursements up to that amount will not be subject to income tax and FICA withholding tax. Reimbursements of more than \$5,250 and up to the calendar year maximum benefit are subject to all federal, state & FICA taxes.

Regular, part-time employees receive a prorated, pre-tax amount based on the employee's assigned benefit program (PT twenty (20) = \$3,250; PT thirty (30) = \$4,875).

For guidance on the tax laws related to tuition and book reimbursement, employees should contact their accountant or tax advisor.

Employee Eligibility

- 1) Regular full-time and part-time employees who have completed one year of employment and are not in probationary status are eligible to receive Tuition Reimbursement. Pre-approval can be completed while on probation or before one year of employment with Supervisor approval; however, no reimbursements are allowed.
- 2) All other employees (i.e. temporary, contract, seasonal, etc.) are not eligible for tuition reimbursement. Temporary employees receiving health benefits through the Affordable Care Act are ineligible. The lay-off or leave of absence status of an employee shall not alter the eligibility for tuition reimbursement if pre-approval was obtained and the approved coursework began prior to the lay-off or leave of absence.
- 3) The resignation or termination of an employee prior to the completion of a pre-approved course shall automatically terminate the eligibility for tuition reimbursement.

Academic Institution and Program Eligibility

1) Accreditation Requirement

Reimbursement will be only for courses completed through accredited institutions and programs. An accredited institution or program is one that is currently accredited by state, regional, national, or specialized accrediting agencies recognized by the U.S. Secretary of Education.

Resource:

- The [regional and national accrediting agencies](#) are recognized by the U.S. Secretary of Education as reliable authorities concerning the quality of education or training offered by the institutions of higher education or higher education programs they accredit.

- A database of [Accredited Programs and Institutions](#) is available online at the U.S. Department of Education.

2) College Degree Programs and Course Eligibility

Degree programs and individual classes for academic credit must be directly applicable to City positions as written in current, posted job descriptions to be eligible for reimbursement. Eligible degree levels and courses include Associates, Bachelor's, Master's, Doctoral, Ph.D. and Juris Doctor (JD).

Current city job descriptions are available [online](#)

3) Entry Exams, Placement Tests and Courses for Admissions

Fees for required entry exams and required courses for admission and placement are eligible for reimbursement. Entry exam examples include SAT®, SAT Subject Tests™, AP®, PSAT/NMSQT®, SSD, GRE, GMAT, and TOEFL. **Study and preparatory materials are ineligible for reimbursement.**

4) Prior Learning Assessment (PLA) and Credit Equivalency Eligibility

Fees incurred for academic credit that are awarded by an eligible institution through prior learning assessment are eligible for reimbursement.

The four accepted eligible approaches to PLA are:

- National standardized exams in specified disciplines, e.g., Advanced Placement (AP) exams, College Level Examination Program (CLEP®) tests, and Dantes Subject Standardized Texts (DSST);
- Challenge exams for local courses.
- Evaluated non-college programs, e.g., American Council on Education (ACE) evaluations of corporate training and military training; and,
- Individualized assessments, particularly portfolio-based assessments. Academic Course Eligibility Criteria:

In addition to the Academic Institution & Program Eligibility requirements outlined above, the program of study or course shall meet one of the following criteria:

- The program of study or course shall assist the employee in becoming more eligible for promotions within the City; or
- The program of study or course is identified as “required” or “preferred” on a current City job description; or
- The course is required for a degree (Associates, Bachelors, Masters, Ph.D., Doctoral or Juris Doctor) in a program of study.

Ineligible

- Non-degree courses related to health, fitness, hobbies, games, sports, etc.
- Personal financial education or estate planning courses/services

Professional or Vocational Certification and Licenses Eligibility Criteria

Certifications and licenses must be directly applicable to City positions and services to be eligible for reimbursement; and, must be identified as “required” or “preferred” on a current City job description. Certifications or licenses require demonstration and documentation of proficiency, typically achieved through examination.

Examples of Eligible Licenses and Certifications:

Air Monitoring Equipment Repair Certification	Confined Space Rescue Certification
Arizona Structural Pest Control Applicator's License	Emergency Medical Technician
Arizona Structural Pest Control Commission Certification	Level II International Municipal Signal Association (IMSA) Certification
CDL: Commercial Driver's License	Microsoft Certified System Engineer
Certified GIS Professional	Plant Maintenance Electrician Certification
Certified Internal Auditor	Project Management Professional
Certified Public Accountant	

Ineligible

- Specific licenses or certifications required for an employee's current position are not eligible for reimbursement and should be funded by the managing department.
- If certification or license requires taking and passing a test only, preparatory or study materials (including DVD's, manuals, etc.) that assist in preparing for a certification or license exam are not eligible for reimbursement.
- Workshops, seminars, and conferences that provide "certificates of attendance" or "continuing education units" (CEU's) are not eligible for reimbursement. Expenses of this type should be funded by the department.

Renewal of Job-Related Licenses and Certifications

Employees are not allowed to use their tuition benefit for the renewal of licenses and certifications. Retention or renewal of required or preferred certifications or licenses should be funded by the Departments.

Examples of Renewable Licenses and Certifications that are ineligible for Tuition Reimbursement:

- Arizona Board of Behavioral Health Examiners Certificate of Mental Health Professional
- CLE hours (Continuing Legal Education)
- State of Arizona Grade II Wastewater Collection Certification
- State of Arizona Professional Engineer Certificate of Registration

Pre-Approval

Prior to enrollment in the course, employees who intend to use their tuition reimbursement benefit must submit a pre-approval request for each course through the City's on-line form. Pre-approvals for tuition reimbursement requests expire within 12-months should the course not be submitted for post-approval reimbursement.

Human Resources will verify employee and course eligibility for tuition reimbursement requests. When the pre-approval is granted, an email will be sent to the employee. *The pre-approval email is required documentation and must be included when requesting reimbursement for the course.*

Should an employee embark upon coursework that is not pre-approved, *the employee is assuming the risk that they may not be reimbursed*. The responsibility to obtain pre-approval before commencing coursework lies with the employee.

Employee Development will verify employee and course eligibility for Educational Partnerships (see Section N).

Submitting for Reimbursement

When an employee has successfully completed a pre-approved course, their request for tuition reimbursement shall be submitted to the Department Tuition Processor or Human Resources.

Documentation for Reimbursement

Within twelve (12) months after successful completion of the course(s), assemble the following documents:

- Signed Claims Form (available [online](#))
- Pre-Approval email
- Tuition Statement (a statement from the university that *details* all charges for the course or term). The tuition statement must include the employee’s name.
- Original Receipt(s) indicating amount and method (check, cash, credit card, etc.) of any payments made by the employee. The receipt should also document any amounts paid by financial aid such as grants, scholarships and student loans. Partially viewable receipts are not acceptable.
- Book Receipt(s), including method of payment. Order confirmations are not acceptable.
- Course syllabus indicating all required books or materials
- Grade report

Forward the tuition reimbursement documentation to the Department Tuition Processor or Human Resources. Human Resources or the Department Tuition Processor will review and certify the documentation, authorize reimbursement, and forward all documentation to Payroll for processing.

After receipt and review of the required documentation, reimbursement shall be made as part of the employee’s paycheck (*shown below*). Payroll processes the reimbursement within two pay periods, provided the employee includes the proper documentation.

HOURS AND EARNINGS					
<u>Description</u>	<u>Rate</u>	<u>Current Hours</u>	<u>Earnings</u>	<u>Hours</u>	<u>YTD Earnings</u>
Tuition Reimbursement Taxable			750.00		750.00
Tuition Reimbursement Sec 127			3,146.83		5,250.00

Grades Required for Reimbursement

For undergraduate courses to qualify for reimbursement, the employee shall receive a minimum unabridged complete grade of “C-” or better.

For graduate courses, including Master’s, Juris Doctor, Ph.D. and Doctoral to qualify for reimbursement, the employee shall receive a minimum unabridged complete grade of “B-” or better for a graduate course.

For certification and licensing, and if a course is designated “pass” or “fail”, official documentation from the institution must be submitted showing that the employee “passed” the course.

Audited courses do not qualify for reimbursement.

Eligible Expenses

Expenses eligible for reimbursement include:

- Tuition from accredited institutions (calculated by credit hour)
- Required textbooks and lab fees.
- Fees incurred for academic credit that are awarded by an eligible institution through prior learning assessment.
- Fees for Entry Exams, Placement Tests and Courses for Admissions
- Administrative and mandatory standardized fees for:

Technology	Registration
Administrative Processing	Recreation
Bonds	Financial Aid Trust
Health and Wellness	Library
Graduation	Transcripts
Online Campus	Tuition Installment Payment Program Fees

Ineligible Expenses

This list is not all inclusive but a guide of ineligible expenses:

- Calculators
- Computer software, hardware, applications, programs, or discs
- Computer memory sticks, thumb-drives
- Parking
- Meals, lodging or transportation.
- Tools or supplies (other than textbooks) that you can keep after completing the course of instruction.
- Courses involving sports, games, or hobbies unless they:
 - Have a reasonable relationship to the city, or
 - Are required as part of a degree program.
- “Optional” or “Recommended” Books or Materials
- “Optional” study guides and preparatory materials for credit by exam
- Credit card processing fees.
- Late fees

Other Financial Assistance

Employees are required to disclose additional sources and amounts of financial assistance at the time of submitting for reimbursement. Should employees receive funding other than student loans for their education or from another source, the city will not provide reimbursement for that portion of the cost. To avoid duplication of financial assistance, the amount of reimbursement from the City shall be reduced by any financial assistance the employee receives from other sources. Examples of other financial assistance are scholarships or grants (Federal Pell).

Compensability

The City shall consider time spent at courses that are eligible for reimbursement as non-compensable. Employees attend courses on their own time and are not eligible for any compensation for their time spent on these studies. Employees and supervisors are encouraged to identify class projects that are directly applicable to their job and where the city will benefit. In these cases, and with documented supervisory approval, employees may conduct class-related research at work.

Timelines

Tuition reimbursement requests shall be received in time to be included in the last paycheck in December processed in the current calendar year and paid from the current year's allowance. The request shall have been approved prior to enrollment in the course, and all required documentation shall be assembled by the employee, reviewed and certified by Human Resources or the Department Tuition Processor; and submitted to Payroll by the designated [end of year submission deadline](#). Requests received after the end of year submission deadline shall be processed in the following calendar year. Reimbursement for a course or course materials may not be split across calendar years.

Educational Partnership Programs

The City of Tempe values our employees' development. In order to provide equity and opportunity to all Tempe employees, the Employee Development division has contracted with [specific educational institutions](#) to offer a discounted price for Tempe employees. Through the Educational Partnership program all regular employees can participate in classes, degree programs, or earn certificates with prepaid tuition using the employee's tuition reimbursement benefit. The Educational Partnership program follows all applicable Tuition Reimbursement Guidelines unless otherwise outlined in the section below.

Educational Partnership Process Overview

1. Find current Tempe [Educational Partnerships](#) on The Bridge.
2. If you need direction choosing an educational partner, you can schedule a meeting with [employee development staff](#) to pick the right educational partnerships for your goals.
3. Contact the educational partner to find out more information. Apply for and accept financial aid and explore degree programs and classes with your school's academic advisors.
4. Complete the pre-approval process with Employee Development before starting class to make sure you qualify for prepaid tuition through the Educational Partnership program.
5. Follow your school's billing agreement to get your tuition paid. All additional eligible purchases must be paid by the employee and submitted through the [tuition reimbursement process](#).
6. To keep up your approved status with the Educational Partnership program you must complete classes and achieve minimum grade requirements as listed in the tuition reimbursement guideline.
7. Depending on the educational institution, students may be required to complete an eligibility form process each semester or year. As a student you will be required to submit unofficial transcripts to show acceptable completion each May and October.

Employee/Students Responsibility

- Financial Responsibility as outlined in the Educational Partnership Preapproval Form including any ineligible fees, late fees, or costs that exceed the employee's yearly tuition benefit.
- Employees are responsible for all steps in the application and financial aid (if applicable) process with help from your school's advisors.
- Employee is responsible for successfully completing classes, which includes but is not limited to achieving grades, and meeting all school deadlines. Failure to meet these requirements could jeopardize future eligibility for educational partnerships and you may be required to **refund the City of Tempe for any amounts paid to the institution for the cost of the class.**
- Employee is responsible for applying for financial aid and accepting all grant and scholarship offers.
- Students must track yearly tuition benefit if they anticipate submitting for additional qualifying tuition reimbursement. Any expenses over \$6500 per calendar year are the responsibility of the student including repayment if student submits reimbursement claims more than the tuition benefit amount.
- Preapproval and eligibility requirements vary by institution, check the Educational Partnership page for specific requirements.

Educational Institution Responsibility

- Educational institutions will guide employees through the enrollment, application, and registration processes.
- Educational institutions will be responsible for all academic advisements.
- Educational institutions will be responsible for coordinated student/Tempe billing process as outlined on the Educational Partnership page.

Tempe Employee Development and Human Resources Responsibilities

- The City of Tempe will pay for all preapproved tuition and qualifying fees, up to an employee's allotted benefit amount of \$6,500.00 per calendar year.
- Employee Development will counsel employees on Educational Partnership offerings.
- The City of Tempe will track employee's yearly tuition benefit of \$6,500.00 per calendar year for educational partnerships.
Note: Any expenses over \$6,500.00 per calendar year are the responsibility of the student including repayment if student submits reimbursement claims more than tuition benefit amount.

Program Controls

Division of Responsibilities

Human Resources pre-approves employee and course eligibility. The Employee Development Office pre-approves employees for any Educational Partnership. Reimbursement approval is completed by the Department Tuition Processor or Human Resources. The pre-approval and final reimbursement approval are completed by two different Human Resource employees, separating eligibility and payment authorization. Reimbursement is authorized by Human Resources and processed by Payroll.

Audits

Human Resources conducts an annual sample audit and may request from Internal Audit a program audit or an audit of an employee's records.

The City of Tempe has the right to audit the employee's educational and financial records that may be contained in the employee's records at the institution attended. Any right that the employee may have pursuant to the Family Education Rights and Privacy Act of 1974, or any similar act, are waived by acceptance of tuition reimbursement.

Discipline, up to and including termination, could result if an employee misappropriates city funds, misrepresents, or falsifies documents, or is an accomplice in any of these practices with the Tuition Reimbursement Program.

Appeals

Employees may appeal rulings denying pre-approval or final reimbursement to the Internal Services Director or designee through an appeals process.

Employees must complete an appeal request in writing within 30 days of the denial and include the following information:

- Appeal Summary
- Written denial with reason
- Explanation as to why the course should be pre-approved or the final expenses reimbursed.

Repayment Requirement

All reimbursement benefits paid by the city to employees within 12 months of their voluntary termination, including retirement and ending employment after being in DROP, must be repaid in full. Repayment of taxable reimbursement amounts must occur, whenever possible, in the same calendar year in which the taxable amount was distributed. When an employee's last paycheck (or accrued leave) is insufficient to recover the full repayment due, the remaining balance due to the city will be recovered through personal payment from the employee. In accordance with the [Financial Services – Accounting "Tuition Reimbursement Recovery" policy](#), the establishment of a monthly repayment schedule administered by Human Resources or third-party collections will be established on a case-by-case basis.

Approval

Rosa Inchausti
Rosa Inchausti (Jul 18, 2024 10:03 PDT)

City Manager

Jul 18, 2024

Date

Rebecca Strisko
Rebecca Strisko (Jul 18, 2024 09:05 PDT)

Human Resources Director

Jul 18, 2024

Date

Appendix - Definitions

Accreditation: Accreditation is the recognition that an institution maintains standards requisite for its graduates to gain admission to other reputable institutions of higher learning or to achieve credentials for professional practice. The goal of accreditation is to ensure that education provided by institutions of higher education meets acceptable levels of quality.

Accredited: Institutions and/or programs that request an agency's evaluation and that meet an agency's criteria are then "accredited" by that agency.

Accrediting agencies: Organizations (or bodies) that establish operating standards for educational or professional institutions and programs, determine the extent to which the standards are met, and publicly announce their findings.

DROP: Deferred Retirement Option Program

Enterprise Learning Management (ELM): an online application for submitting for pre-approvals and for transcripts.

Termination: Refers to an employee's departure from a job and may be voluntary on the employee's part or it may be at the discretion of the employer.

Tuition Processor: Employees designated and confirmed annually by Human Resources and the Department Director to review, certify and process tuition reimbursement on behalf of the department. Only some departments utilize and designate Tuition Processors.

Prior Learning Assessment (PLA): Prior learning is a term used by educators to describe learning that a person acquires outside a traditional, academic environment. This learning may have been acquired through work experience, employer training programs, independent study, non-credit courses, volunteer or community service, travel, or non-college courses or seminars.

Prior learning assessment (PLA) is a term used to describe the process by which an individual's experiential learning is assessed and evaluated for purposes of granting college credit, certification, or advanced standing toward further education or training.

Entry exam examples include SAT®, SAT Subject Tests™, GRE, GMAT, and TOEFL.

- **SAT (Scholastic Assessment Test):** The SAT is a globally recognized college admission test that lets you show colleges what you know and how well you can apply that knowledge. It tests your knowledge of reading, writing and math. Almost all colleges and universities use the SAT to make admission decisions.
- **SAT Subject Test:** Subject Tests are hour-long, content-based tests that allow you to showcase achievement in specific subject areas where you excel. These are the only national admission tests where you choose the tests that best showcase your achievements and interests. Some colleges also use Subject Tests to place students into the appropriate courses.

- **GRE (General Record Examination):** The GRE revised General Test features question types that closely reflect the kind of thinking you'll do in graduate or business school - Verbal Reasoning, Quantitative Reasoning, Analytical Writing. GRE scores are used by admissions or fellowship panels to supplement your undergraduate records, recommendation letters and other qualifications for graduate-level study.
- **GMAT (Graduate Management Admission Test):** Business schools use the GMAT exam to make admissions decisions. The GMAT exam – created by the Graduate Management Admission Council (GMAC), the global non-profit council of business schools – sets the standard for its ability to predict success in the classroom.
- **TOEFL (Test of English as a Foreign Language):** The TOEFL iBT test measures your ability to use and understand English at the university level. And it evaluates how well you combine your listening, reading, speaking, and writing skills to perform academic tasks.