

Educational Assistance to Employees

CW HR 258

Purpose

Adventist Health System (AHS) supports opportunities for professional development, continuing education, and skills training to help attract, develop and retain the very best employees, as well as to recognize and grow internal talent in support of the AHS mission and strategic objectives.

Policy

I. ELIGIBILITY

The following eligibility criteria apply to employees who wish to participate in the program:

1. New hires must have been employed in their current position and facility for six months or more at the course start date. Specifically, designated employer-required education will not be subject to the 6 months waiting period requirement. The waiting period requirement does not apply to transfers within AHS.
2. Employee must be in Active employment at the time of application for educational assistance.
3. Employees pre-approved for educational assistance who begin a leave of absence after the course begins, but follow through with the educational assistance program requirements per policy, will remain eligible for the educational assistance authorized until the end of the course. The employee is not eligible for further educational assistance until after returning from leave of absence and on active and eligible status.
4. Employee must be classified in a regularly scheduled full-time position or benefits-eligible part-time position, pursuant to AHS policy CW HR 244, Employee Job and Benefit Classifications.
5. Employee cannot have had any documented disciplinary action in the 12 months immediately preceding their application for educational assistance.
6. When embarking upon a course of study/degree program, employees must obtain an annual program approval. A program Approval Application must be submitted and approved prior to the start of the education program. As budgets change yearly, the

yearly approval does not guarantee approval for the duration of a degree spanning multiple years. Approval is contingent upon multiple factors including employee continued eligibility, relevance of the program, manager approval, and budget availability. Consult the facility human resource team for approval process details.

7. Once approved for the program, the employee must submit a course pre-approval application through the EdAssist system prior to and no later than 30 days after the course start date. Please check with facility HR team for application process details.
8. Employees working under a separate employment contract are not eligible for educational assistance under this policy. Those employees are subject to the terms of their employment contract.
9. Employees are responsible for all payments to the school. To be eligible for reimbursement, employees must complete courses with the minimum grade requirement (C or higher for undergraduate, B- or better for graduate courses, Pass for Pass/Fail courses). Grade requirements will be determined based on the letter-grade report issued by the institution.
10. Employer-required programs or courses may be submitted for reimbursement immediately upon payment by the employee.

II. COVERED PROGRAMS

1. The following programs may be eligible for educational assistance:
 - Associate, Bachelor, Masters, Doctorate degrees
 - Individual academic courses
 - Certificates
 - Certifications

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- Prior learning assessments and tests used to document knowledge for the purpose of granting credit toward an approved degree, along with eligible fees for posting these credits (such as CLEP, ACE, DANTES)
2. All programs must be job related, or provide skills, training and relevancy to AHS, and/or be related to the healthcare industry. AHS, at its sole discretion, reserves the right to deny any application that is not deemed business relevant.
 3. All coursework (excluding certifications) must be taken at a college, university or academic institution accredited by one of the following six regional accrediting bodies:
 - MSA (MSCHE/CSS-MSA) - Middle States Association Commission on Secondary Schools or Middle States Commission on Higher Education
 - NWCCU - Northwest Commission on Colleges and Universities
 - HLC - The Higher Learning Commission
 - NEASC - New England Association of Schools and Colleges Commission on Institutions of Higher Education and the New England Association of Schools and Colleges Commission on Technical and Career Institutions
 - SACS - Southern Association of Colleges and Schools Commission on Colleges
 - WASC - Western Association of Schools and Colleges Accrediting Commission for Community and Junior Colleges and Western Association of Schools and Colleges Accrediting Commission for Senior Colleges

and Universities

AHS recommends that employees consult with EdAssist relative to their program and institution options and confirm the accreditation of selected educational institutions through the Council on Higher Education Accreditation (CHEA) at its website: www.chea.org, or from the US Department of Education, at its website: <http://ope.ed.gov/accreditation>.

III. ASSISTANCE LIMITS

1. Any educational assistance provided by AHS will be subject to the facility’s annual and lifetime maximum amounts (caps) as specified in the facility’s policy, aggregated in the calendar year in which the payment is made, subject to budget constraints, and according to IRS provisions. Please check with your local HR team for facility-specific educational assistance amounts. Employee educational assistance in a single year will not exceed AHS Educational Assistance Limits identified below. Changes to the Educational Assistance caps must be approved by AHS Cabinet.

Adventist Health System Annual Assistance

	Full-Time Employees Annual Maximum	Part-Time Employees Annual Maximum
Undergrad Degrees	Up to \$5,250 per calendar year	Up to \$2,625 per calendar year
Graduate Degrees	Up to \$10,500 per calendar year	Up to \$5,250 per calendar year

Educational assistance will not exceed the lifetime maximum of \$21,000. Employer-required education will be applied to annual and lifetime cap amounts.

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Educational assistance will be available for payment of costs incurred for tuition and eligible course related academic fees incurred for taking a course and some non-course related term fees incurred for attending the school. See the list below for eligible and ineligible fees:

Eligible Expenses:

- Tuition
- Books (including taxes and shipping). Must be related to the course.
- Course-specific software
- Registration fee
- Class format fee (online, distance learning, etc.)
- Laboratory fee, course fee, student access fee, testing fee
- Technology fee
- Matriculation fee
- Graduation fee

Ineligible Expenses:

- Supplies (pens, pencils, paper, notebooks, etc.)
- Equipment (backpack, brief case, book bag, computer, phone, tablet, etc.)
- Uniforms (including lab coats or other personal clothing items)
- Student Association fee
- Parking fee and/or decal, transportation fee
- Late fees, finance fees
- Student health insurance fee
- Application fee
- Club fee

Employees receiving grants, stipends, tuition discounts and scholarships are not eligible for duplicate reimbursement of educational expenses (e.g., Federal

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Pell grants, educational partner grants, scholarships, alumni discounts, military discounts/benefits). All financial aid, other than student loans, will be applied first to any fees deemed ineligible for Educational Assistance. Any remaining financial aid, other than student loans, will be applied to eligible tuition and fees. Financial aid received in the form of student loans will not reduce the eligibility of expenses submitted for educational assistance. All such payments and discounts must be reflected on the same application as the class(es) to which they were applied.

IV. ASSISTANCE REPAYMENT

If the employee terminates employment with AHS, either voluntarily or is terminated for cause, the employee must repay the received educational assistance per the schedule below:

- Individual courses, certificates, certifications: 12 months; 100 percent repayment
- Associate and bachelor degrees: 24 months; 100 percent repayment in the first year, and 50 percent repayment in the second year
- Master and doctorate degrees: 36 months; 100 percent repayment in the first year, 50 percent repayment in the second year, and 25 percent repayment in the third year
- Prior learning assessments and tests used to document knowledge for the purpose of granting credit toward an approved degree, along with eligible fees for posting these credits: Same number of months as for the degree for which the assessment was used.

Tuition repayment will be on a per-course basis, with repayment schedule starting upon individual course completion.

Monies due upon voluntary or for cause termination will be withheld from the employee's regular paycheck for hours worked and/or paid days off (PDO) pay-out as permitted by state and federal law.

The employee will be notified of the amount owed, accompanied by a request for repayment. Educational assistance funds owed will be considered a debt owed and past due following ninety (90) days of the last day worked. Past due amounts may be sent to collections if payment arrangements are not made with AHS within 30 days of receipt of the repayment request.

Employees with unpaid educational assistance balances are ineligible for re-hire or transfer until the balance is paid in full.

V. INCOME TAX IMPLICATIONS

AHS will comply with regulations regarding taxation of tuition reimbursement proceeds, as listed in Section 127 and Section 132 of the IRS Tax Code.

Generally, compliance with Internal Revenue Service (IRS) regulations stipulates that tuition assistance payments are exempt from taxation up to a maximum of \$5,250 per calendar year in 2017. Maximum amounts may be adjusted by the IRS from time to time. Amounts over the current year's maximum amount may be exempt from taxation if the education qualifies as work related education. To qualify for this additional exemption, the education must meet the same requirement that would apply for determining whether the employee could deduct the expenses had the employee paid the expenses himself/herself. To qualify, the education must meet all of the following requirements:

1. The education maintains or improves skills required in the employee's present work, or meets express AHS requirements or the requirements of applicable law or regulations;
2. The education is imposed as a condition of retention by the employee of their established employment, status, or rate of compensation;
3. The education is not required to meet the minimum educational requirements of the employee's present job; and

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- 4. The education is not part of a program to qualify the employee for a new job.


Taxes will be assessed for non-qualifying work-related education if, at the time of payment processing, the employee's total amount of educational assistance paid in the calendar year exceeds the IRS maximum amount.

VII. IMPLEMENTATION

Approved By

This policy will become effective as of the approval date. AHS facilities will transition from their current facility policy to the AHS Company-wide policy when they are activated on the EdAssist platform. All AHS facilities will transition to the company-wide policy no later than December 31, 2017.

Approval Date



Terry D. Shaw, President/CEO

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04/05/1999
12/30/1999
11/13/2008
02/20/2017
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