

**Policy Title:** Tuition Waiver

**Policy Summary:** Eligibility for Tuition Waiver Benefits for Full-Time Employees and Dependents

**Policy Category:** Human Resources

**Policy Owner:** Human Resources

### Policy Summary

Employees are eligible for tuition waiver benefits for themselves, their spouse/partner, and their eligible dependent children if they are employed in a full-time, regular position and are on the University payroll the first day of classes of a semester or summer term. Eligibility covers on campus audited and credit courses provided by Drake University.

### Purpose

The purpose of this policy is to provide tuition waiver benefits to employees, their spouse/partner, and dependent children.

### Scope

Employees in full-time, regular positions who are on the University payroll on the first day of classes of a semester or summer term are eligible to receive tuition waiver benefits for themselves, their spouse/partner and their eligible dependent children.

### Definitions

**Dependent:** For purposes of this program, a dependent is a child who has not yet reached age 26, is not employed full-time; is not married, and is claimed by the employee as a dependent on the employee's income tax return or can demonstrate that the employee provides principal support during the period for which tuition benefits are used.

### Policy

#### Eligibility

Employees are eligible for tuition waiver benefits for themselves, their spouse/partner, and their eligible dependent children if they are employed in a full-time, regular position and are on the University payroll on or before the first day of classes of a semester or summer term. Eligibility covers on-campus and online audited and credit courses provided by Drake University.

#### Exclusions

The following programs and fees are not covered by the tuition waiver:

- Travel courses (including Study Abroad)
- Tutorial or private instruction
- Tuition for music lessons through the Music Department, unless required as part of major/minor

- Non-credit music lessons (such as those offered by the Community School of Music)
- Doctoral programs for spouse/partner and eligible dependent children
- Mandatory and Non-Mandatory Fees. Examples include (but are not limited to):

<b>Mandatory Fees</b>	<b>Non-Mandatory Fees</b>
<b>Olmsted Center</b>	Parking
<b>Health Center</b>	Music (including music lesson fees)
<b>Student Activity</b>	Laboratory
<b>Technology</b>	Study Abroad
	Overload (charged to students taking more than 18 credit hours)

Questions about fees and excluded fees should be directed to [Student Accounts](#), 515-271-2151. Payments for fees and excluded items are the employee’s responsibility. A hold will be placed on the student’s account until payment is made.

### **Faculty and Staff Tuition Coverage**

All full-time regular employees may carry a maximum of eight (8) credit hours of free tuition during each fall and spring semester and no more than eight (8) credit hours during the interim term and all summer terms combined. For purposes of this policy, J-Term credit hours are combined with spring semester. To be eligible for a tuition waiver, an employee must be a full-time regular employee on or before the first day of classes of that semester or session.

### **When Courses May be Taken**

Employees may take classes with permission of their manager or dean and President’s Council Member. It is expected that exempt employees will continue to fulfill the duties of their regular work assignment as a condition of continued release during workday. To receive full pay, nonexempt employees must make up the time during the same work-week in which the absence from work occurs. If a credit course is considered by the manager or dean as necessary for current job performance, authorization may be granted to the individual to take the class on the basis of on-the-job training. The time is considered paid time and does not need to be made up. Only one on-the-job training credit class can be approved for fall and spring semesters and one credit class during the summer session.

### **J-Term Courses**

Courses offered during the January term require a significant time investment over a short period of time. Therefore, making up time during the same workweek or completing one’s regular work assignment pursuant to the regular tuition waiver policy above is in most cases not feasible. Staff who wish to participate in J-term classes may do so by taking vacation or personal time, subject to manager approval.

### **Tuition Waiver Process**

After receiving approval from the director or dean, if applicable, the employee should complete

the [online form](#). Upon submission, the form is submitted to Human Resources to confirm the employee’s eligibility for the benefit. Human Resources will then forward it to Student Financial Planning, where Student Financial Planning will coordinate the eligibility with other forms of financial aid for which the student may have applied. Lastly, Student Financial Planning will forward the information to Student Accounts to be credited to the student’s account.

**FAFSA Requirement:** For courses beginning after April 1, 2019, employees or their dependents who are pursuing an undergraduate degree program at Drake University are required to complete the FAFSA prior to July 1 (preceding the academic year of enrollment). This requirement ensures that all eligible students are considered for the Iowa Tuition Grant (a tuition/fees only award which offsets the cost of Drake’s tuition waiver benefit), as well as the Federal Pell Grant and other forms of assistance that can assist students with the cost of room, board, books and other educational expenses.

The FAFSA requirement may be waived for employees/dependents who can demonstrate that they would not qualify for the Iowa Tuition Grant. To determine eligibility for a waiver, employees may complete the Federal Student Aid Estimator (Estimator)—a simplified calculator that estimates the Estimated Family Contribution (EFC) that the FAFSA calculates. Employees utilizing this option must print the results page of the Estimator, write the employee and student’s name on it, and submit it to the Office of Student Financial Planning. Because the FAFSA-filing deadline is July 1st (preceding the academic year enrolled), it is recommended that employees seeking this waiver do so early enough that they could still complete the FAFSA by July 1st, in the event that the FAFSA-filing requirement is not waived. The Federal Student Aid Estimator can be accessed at <https://studentaid.gov/aid-estimator>.

**Tuition Benefits for Dependents, Spouse/Partner**

For purposes of this program, a child is considered a dependent if the child has not yet reached age 26, is not employed full-time; is not married, and is claimed by the employee as a dependent on the employee’s income tax return or can demonstrate that the employee provides principal support during the period for which tuition benefits are used.

The benefit levels for dependents and spouse/partner are as follows:

<b>Undergraduate Tuition Waiver</b>	<b>0-1 Year of Service: 50% Waiver Benefit</b>  <b>1 + Years of Service*: 100% Waiver Benefit</b>
<b>Master’s Level Graduate Tuition Waiver</b>	Employed on or after 1/1/69: 50% Waiver Benefit  Employed on or before 12/31/68: 100% Waiver Benefit
<b>Doctoral Programs</b>	No benefit is eligible for dependents, spouse/partner.
<b>PharmD Tuition Waiver</b>	1st Year/Sophomore Years: Undergraduate Tuition Waiver  P1 & P2 Years: Tuition Taxable as Income

	P3 & P4 Years: Graduate Tuition Waiver
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\*Employees must be employed in a full-time, regular position and are on the University payroll on or before the first day of classes of a semester or summer term to be eligible for the 100% waiver benefit.

### **Limitation on Dependent Participation**

There is a limit of two persons, either one spouse/partner and one dependent child or two dependent children in any one school session. Individual employee participation does not count toward the two-person limit. This limit does **not** include or apply to students attending other institutions through a tuition exchange program.

### **A Special Note About Taxability of Pharmacy Tuition Waiver**

Doctor of Pharmacy students are charged graduate level tuition beginning in their 3rd year (P1). However, for purposes of tuition waiver, qualifying students receive the undergraduate benefit for the first four years of their program. Tax rules require that payment for coursework in a graduate level program is taxable income.

Accordingly, tuition waiver benefits become taxable beginning with the 3rd year (P1) of the pharmacy program and federal, FICA and state taxes will be withheld on this taxable benefit and the taxable income will be reported on the employee's W-2.

### **Taxation on Graduate Courses**

Graduate tuition benefits for all tuition waiver participants are reported to tax agencies as taxable income with appropriate withholding amounts. The amount of tuition benefits is included as taxable gross wages on the employee's payroll statement and W-2. Appropriate taxation amounts are withheld from pay received during September through December for the fall semester, January for J-Term, February through May for Spring Semester, and June through August for Summer Terms. Employees wishing to take receive the tuition waiver, are asked to submit the [Application](#) at least ten (10) days prior to class registration. Any change such as drops, adds, and withdrawals must be reported immediately to Payroll and Student Financial Planning so that proper adjustments may be made to the employee's salary and withholding records.

### **High School Students - Senior Year Plus**

Senior Year Plus (SYP) is available to eligible juniors and seniors as well as freshmen and sophomores who are identified as gifted and talented according to the school district's criteria and procedures. SYP serves as an umbrella for a variety of programs designed to provide high school students access to courses that have the potential to generate college credit. Additional information can be found on the Iowa Department of Education [Senior Year Plus website](#).

High school students, who are dependents of Drake University employees and eligible to participate in this program, will be required to apply for the SYP program through their school district when enrolling to take course-work at Drake. A tuition waiver will be available to these

dependents for courses that do not qualify for the SYP program or after eligibility under the SYP program has been exhausted.

### **Fully Disabled, Retired, or Deceased Faculty and Staff**

If an employee is either tenured or has been employed for at least five (5) years, their spouse and dependent children can receive the benefits under this policy to which the spouse and dependent children would have otherwise become entitled had the employee not become fully disabled or retired. The spouse (so long as the spouse does not remarry) and dependent children of a deceased employee can also receive the tuition benefits which, under this policy, the spouse and dependent children would have otherwise become entitled, had the employee not died.

### **Exclusions**

Tuition waiver benefits cannot be used in combination with other Drake-funded scholarships or grants and are tuition-specific. If a student receives government or outside tuition-specific awards, that student's tuition waiver benefits may need to be reduced so that the sum of all tuition-specific awards does not exceed the student's actual cost of tuition. Tuition waiver benefits cannot be used to cover housing, meal plan expenses, fees or other University charges and are not available for travel courses or study abroad programs.

### **Questions**

The [online application](#) is available through the [Human Resources website](#). Questions about the Tuition Waiver Program should be directed to Human Resources at 515-271-3133 or [drakehr@drake.edu](mailto:drakehr@drake.edu). Questions about completing the FAFSA should be directed to Student Financial Planning at 515-271-2905.

**Last Review Date:** January 2022

**Effective Date:** September 2016

### **Resources and Related University Policies:**

- [Tuition Waiver Application](#)
- [Tuition Exchange Eligibility Policy](#)