

TUITION GRANT PROGRAM

STANFORD

UNIVERSITY HUMAN RESOURCES



Tuition Grant Program Guidelines

A Stanford University Educational Assistance Program

The Tuition Grant Program (TGP) helps eligible faculty and staff pay for the cost of undergraduate college education for their eligible children. The program pays all or a portion of college tuition at accredited institutions.

Tuition Grant Program Guidelines

A Stanford University Educational Assistance Program

Guideline Contents	Page
Overview.....	3
I. Eligibility	3
A. Faculty, University Officers and Executives	
B. Staff	
C. Child	
D. Institutions	
II. Employment Events.....	5
A. Breaks in Service	
B. Leaves of Absence	
C. Retirement and Death	
III. Annual Benefit Amount.....	6
A. Annual Maximum Benefit	
B. How Your FTE Affects the Benefit Amount	
C. What's Not Covered	
D. Attendance and TGP Eligibility Points	
IV. Benefit Payments.....	10
A. Non-Taxable Payments and Reimbursements	
B. Taxable Payments and Reimbursements	
V. Tax Implications.....	11
VI. How to Apply.....	12
VII. Other Information	13
A. Administration	
B. Termination for Misconduct	
C. Financial Aid Consideration	
D. Appeal	
E. Status and Duration of Program	

Overview

Stanford University provides the Tuition Grant Program (TGP) to help you pay for your eligible child's undergraduate college education. If you are an eligible faculty or staff member¹, and your child is claimed as your dependent on your federal income taxes, TGP provides tax-exempt payments to accredited colleges and universities toward the cost of that child's tuition. Benefits for other eligible children are provided on a taxable basis.

This Guideline includes information about eligibility, application procedures, benefit payment, and taxability information.

I. Eligibility

Subject to special rules that apply in the case of retirement, disability, or death, you must continue as a benefits-eligible (50% FTE or greater) employee during each term (semester or quarter) for which tuition payments are provided. Benefit levels are described in the Annual Benefit Amount section.

If both parents of an eligible child are Stanford employees, only one four-year benefit period is allowed for each eligible child regardless of which parent applies. The same limits and conditions apply as if Stanford employed only one parent.

Employees of organizations affiliated with the University are not eligible for benefits under this Program. Contact Benefits for more detailed information.

These are the criteria to be eligible for Tuition Grant Program benefits:

A. Faculty and University Officers and Executives

1. You are eligible for TGP when your appointment begins.
2. Your university appointment must be of six months duration or longer.
3. You must work 50% Full-Time Equivalency (FTE) or greater.

B. Staff

1. You are eligible once you have completed five years of continuing benefits-eligible service.²
2. You must be in a benefits-eligible University position of six months duration or more³ (four months or more, or to the extent provided in the collective bargaining agreement, for bargaining unit employees) and
3. You must work 50% Full-Time Equivalency (FTE) or greater.

C. Child

These rules identify who can receive benefits. Determination of taxability is discussed in the *Taxability of Benefits* section. For faculty and staff members who have fulfilled their service requirement, the Program pays benefits only for an "eligible child." Grandchildren are not eligible for the Program unless they are otherwise eligible under this section.

¹ For the purposes of these guidelines, all references to "you" or "your" refer to eligible faculty and staff, either active or retired.

² Benefits-eligible service is defined in the Administrative Guide, Section 2.2.2.

³ Effective January 1, 2004, faculty of the School of Medicine who have a 7/8 or more assignment at the Veterans Administration Medical Center will be treated as benefits-eligible for this purpose.

1. Children are considered eligible if they meet both of the following requirements and the child is:
 - a) Your biological or legally adopted child, OR
 - b) A stepchild, OR
 - c) A foster child who has lived with you for at least 24 months immediately before you request benefits under the Program, OR
 - d) A child of your domestic partner (as defined by the Domestic Partner Benefits Policy, available through Benefits), OR
 - e) Your ward under a court-approved legal guardianship and who has been your ward for at least 60 months

AND one or more of the following statements is also true:

- f) The child is claimed as your dependent on your federal income tax returns, OR
 - g) You provide more than 50% of the child's financial support, OR
 - h) The child lives primarily with you when he/she is not away at school.
2. Dependent Relationship Documentation

Proof of dependent relationship must be submitted with your application unless previously submitted. Documents received with your application will remain with your application in a secure area. PLEASE DO NOT SEND ORIGINAL DOCUMENTS.

A list of acceptable documents can be found on the TGP website at <http://hrcap.stanford.edu/tgp.html>

D. Institutions

Eligible institutions must offer undergraduate degree programs. Certificate programs are not covered.

1. Accredited U.S. Institutions - TGP payments will be made to accredited United States colleges and universities listed in the most current edition of "Accredited Institutions of Postsecondary Education" published by the American Council on Education, or at <http://ope.ed.gov/accreditation/>.
2. Foreign Institutions - TGP payments may be made to foreign colleges and universities if Stanford University determines, at its discretion, that the foreign institution's academic standards are equivalent to those of accredited United States institutions.

II. Employment Events

A. Breaks in Service

1. Employment Ends - If your employment ends while you are receiving TGP benefits, your eligible child's coverage will stop when the current term ends. For example, if your employment terminates on October 1st, and the fall term began on September 25th, fall term will be the last term covered.
2. Rehire - If you are a staff member, and your employment ends and you are later re-hired into a benefits-eligible staff position, you must complete another five-year period of continuous benefits-eligible service to reestablish eligibility for the Program's benefits, unless any of the provisions of Administrative Guide Section 2.1.2(d)(1) apply to you. The provisions in that section are noted below.

Former regular staff will have their hire date reinstated if they left the University in good standing and meet these timelines:

- a) *Former regular staff that has been laid off and is reemployed by the University within 24 months following the date of layoff will have the most recent hire date prior to layoff reinstated.*
- b) *Former regular staff whose employment was terminated for reasons other than layoff will have the most recent date of hire prior to termination reinstated if reemployment occurs within 12 months following the date of termination.*

If, in these two circumstances, you have already met the service requirement, your participation can begin immediately, as long as you and your child meet all other Program requirements. If your service is not bridged, your term of service is counted from your new hire date.

If you are rehired as a Faculty or University Officer and Executive member, you will be immediately eligible for these Program benefits.

B. Leaves of Absence and Seasonal Layoffs

Your eligibility for the TGP can be affected by a leave of absence or a layoff. This section describes how such events can affect your eligibility.

1. Leave With Salary – If you take a leave with salary, your time away from the University will count towards satisfying the five-year qualifying service requirement. TGP payments will continue without interruption.
2. Leave Without Salary

Temporary Seasonal Layoff - If you are on a temporary seasonal layoff, your time away from the University does not count towards satisfying the five-year qualifying service requirement. If your service requirement has been met, your eligibility will continue without interruption.

Unpaid Leave - If you are on unpaid leave, your time away from the University does not count towards satisfying the five-year qualifying service requirement and you typically will not be eligible for Program benefits. (Refer to the Disability Leave section if you are on an unpaid, approved disability or family leave of absence).

- a) Approval - Employees may seek a temporary exception to receive Program benefits during a leave without salary (1) if the individual is on leave for

- personal/family reasons, (2) on leave at another nonprofit academic or research institution, or (3) on leave for government or other nonprofit service.
- b) Requests for temporary exceptions for faculty should be directed by the school to The Office of the Provost – Faculty Affairs.
Staff requests for temporary exceptions should be directed to your department manager so long as your leave is authorized under Administrative Guide Section 2.3.5.

3. Sabbatical Leave

TGP payments continue without interruption during your paid sabbatical leave.

4. Disability Leave

If you receive Stanford University Short-Term or Voluntary Disability (STD or VDI) or Family Temporary Disability (FTD) benefits, or if you receive Stanford University Long-Term Disability (LTD) benefits, your eligibility for this Program will continue during the period for which those benefits are paid, provided you fulfilled the service requirement (as applicable) before you began receiving benefits.

If at any time during your Long-Term Disability, your status changes to LTD Termination with Benefits and prior to your disability, you have fulfilled the criteria to become an Official Retiree from Stanford, benefits under the Program will continue uninterrupted. If you do not qualify to become an Official Retiree prior to your disability leave, and your status changes to LTD Termination with Benefits while you are receiving TGP benefits, your eligible child's coverage will stop when the current term ends.

C. Retirement and Death

Under some circumstances, your eligible child can continue to receive TGP benefits even if you're no longer an active Stanford University employee. Except as described below, the Program does not cover a school term that begins after your employment ends.

1. Retirement

Your TGP eligibility continues if you are a faculty or staff member who, after fulfilling the applicable qualifying service requirement, retires from Stanford as an Official Retiree. (Go to the Benefits web site at <http://benefits.stanford.edu/cgi-bin/retirement/> to review information about retiree benefits).

If, at the time of your retirement, you hold a position that is less than 100% full-time service, your TGP benefit will be paid at the full-time rate only if you worked in 100% full-time service positions for more than half of the years you were a benefits eligible Stanford employee during the 10-year period immediately preceding your retirement. If the majority of your service was not full time, your TGP benefit as a retiree will be based on the average percent of your full-time equivalency during your last 12 months of active service.

2. Death

If you die after meeting the applicable service requirement, benefit payments for your eligible children already receiving benefits will continue. Your other children, if any, will become eligible for TGP benefits when they qualify under the other conditions of the Program. All eligibility for the Program ends if, at the time of death, there are no eligible children participating in the Program.

However, if you have completed ten (10) years of continuous benefits-eligible service at the time of death, or if you would qualify as an Official Retiree at the time of your death, your eligible children are eligible for TGP benefits under the terms in effect at the time the application is submitted, whether or not you had eligible children participating in the Program at the time of death.

Children of deceased employees are eligible only up to age 40.

III. Annual Benefit Amount

The Program will pay some or all of the actual tuition (or required fees instead of tuition) charged by an eligible educational institution to matriculated students. The amount will be an annual benefit amount payable as described below. No TGP benefits continue beyond your eligible child's attainment of the baccalaureate degree.

A. Annual Maximum Benefit

1. The maximum benefit payable under the Program is the lesser of the eligible institution's tuition-related fees, less any applicable grants or scholarships, or one-half of Stanford University's tuition. The benefit payable will be calculated each semester, quarter, or each time you apply for TGP benefits and seek a Tuition Grant Authorization letter.
2. The maximum full-time benefit for the current academic year, including summer term, is posted on the TGP web site in the [TGP Summary Description](#) for the current academic year.

IMPORTANT: Payments are only made for the current academic year after an application has been submitted and approved.

B. How Your FTE Affects the Benefit Amount

The benefit payable per eligible child, up to the maximum, will be based on the percent of full-time equivalency (FTE) of your appointment as of the beginning of the payable term. If you are working at 100% FTE (40 hours per week) at that time, you will be eligible for 100% of the benefit payable. This is referred to as the "full-time benefit." If you are working between 50% and 99% FTE at the beginning of the payable term, your benefit will be prorated by the percent of your FTE. This is referred to as the "part-time benefit."

You are responsible to advise the TGP office if your employment status changes during the period covered by the approved application.

If you or your child becomes ineligible for the Program, Stanford reserves the right to recover from you the Program benefits it paid on your behalf.

1. Changing Your FTE

If you change your FTE during a semester or a quarter, you must notify the Tuition Grant Administrator in a timely manner. Once you have reported the change, your benefit will be adjusted accordingly for the next semester or quarter to a part-time benefit.

If you do not report the change in a timely manner and the Program overpays your benefit in a subsequent semester or quarter, you are responsible for repaying the

overpayment. Stanford University reserves the right to withhold overpayments from your paycheck.

If you change from part-time to full-time employment during a semester or quarter, you must notify the Tuition Grant Administrator in a timely manner if you want to apply for the full-time benefit for a subsequent semester or quarter.

2. If You are Eligible for Retirement

If you are eligible to retire from Stanford as an Official Retiree, are eligible for TGP, and have reduced your FTE your TGP benefit will be paid at the full-time rate only if you worked in 100% full-time service positions for more than half of the years you were a benefits eligible Stanford employee during the 10-year period immediately preceding the FTE reduction.

If the majority of your service was not full time, your TGP benefit as a retiree-eligible employee will be based on the average percent of your full-time equivalency during your last 12 months of active service prior to the FTE reduction.

C. What's Not Covered

Items the Program will not pay for include, but are not limited to the following:

1. Room and board
2. Books and course materials
3. Health insurance
4. Transportation and parking
5. Tutoring fees
6. Laboratory fees
7. Special fees established only for specified courses
8. Auditing fees
9. Late fees
10. Interest Fees
11. Tuition insurance

Expenses at any United States or foreign institution that are not normally included in the basic tuition and fees by Stanford University, the University of California, or the California State Universities

Other costs or expenses that Stanford, in its discretion, decides are not tuition within the meaning of this Program

D. Attendance and TGP Eligibility Points

The Program will make tuition payments or reimbursements for your eligible child's attendance at an eligible institution toward up to four years of work required for an undergraduate degree, or a maximum of twelve **undergraduate** TGP Eligibility Points.

Each term (semester or quarter) is assigned a TGP Eligibility Point value. The maximum number of “points” allowable per eligible child is twelve. No TGP benefits continue beyond your eligible child’s attainment of one baccalaureate degree, or twelve **undergraduate** eligibility points.

Maximum TGP Eligibility Points for Undergraduate Level Coursework

Type of Term	Total Points
8 Semesters @ 1.5 each	12
12 Quarter @ 1.0 each	12

1. Full-time Summer Attendance

If your eligible child attends summer session and the Program pays for full-time (9 or more units) summer attendance, an eligibility point will be deducted from your remaining eligibility. Refer to the Eligibility Point Utilization table below. The amount payable to the institution cannot exceed the maximum payable for that academic year.

TGP Eligibility Point Utilization for Full-Time Summer Terms

Type of Term	Points
Semester	1.5
Quarter	1.0

2. Part-time Attendance (Including Part-time Summer Attendance)

If your eligible child takes eight or fewer units in a term, TGP will pay up to one-half of the maximum TGP annual benefit for full-time academic term. Half an eligibility point will be deducted from your remaining eligibility. Refer to the Eligibility Point Utilization table below.

TGP Eligibility Point Utilization for Part-time Attendance

Type of Term	Points
Semester	0.75
Quarter	0.50

Benefits for any extended part-time attendance may not exceed the amount that would be paid for full-time attendance in a four-year period, or the covered portion of such period.

3. Inter-term or Simultaneous Attendance

If your eligible child enrolls in an “inter-term” in between semesters, the Program will pay the tuition and the student loses no eligibility points. However, an inter-term payment could deplete the remaining annual benefit amount available. Consult the TGP office if you have any questions about inter-term or inter-sessions.

If your eligible child attends and is charged tuition by two eligible educational institutions at the same time for the same course of study, the TGP will pay benefits up to the amount that would have been provided for the student to attend the primary institution full-time. This amount will be adjusted if the combined attendance at both institutions is less than full time.

4. Student Attendance

You must advise the TGP office immediately if your eligible child in the Program withdraws from college during an academic year, transfers to another college, or is no longer eligible. If your child withdraws before earning any units, note the refund policy below:

- a) If the institution refunds to Stanford the entire amount of tuition paid by Stanford, the student loses no eligibility points.
- b) If the institution refunds more than half, but less than all, of the amount owed to Stanford, the child loses one-half eligibility point.
- c) If the institution refunds half or less than half of the amount, the child loses a full eligibility point. However, if you wish to preserve the eligibility point of a withdrawn child, you may issue a check made payable to Stanford University for the amount not refunded by the child’s institution.

IV. Benefit Payments

A. Non-Taxable Payments

Payments made on behalf of your eligible child are made directly to the college or university, if the child is claimed as your dependent on your federal income tax returns. These payments are excluded from your gross income for federal income tax purposes and are thus tax-exempt.

1. Reimbursements for Non-Taxable Payments

If you have to make a payment for tuition directly to the child’s school, the Tuition Grant Administrator will issue a reimbursement check to the child’s school. The child’s school will issue a credit or reimbursement upon receipt of payment from the Tuition Grant Program; typically, if the child is over 18, the child receives the credit or reimbursement.

2. Non-Taxable Payments to Foreign Institutions

Foreign Institution *invoiced* amounts are converted into US Dollars. Stanford uses the OANDA (<http://www.oanda.com/convert/classic>) currency converter website to determine what the US Dollar payment amount will be. We use the currency exchange rate in effect when the invoice is paid. The institution cannot set a currency

rate on their invoice for the Tuition Grant Program to convert. It must be the current currency exchange rate in effect upon payment.

We cannot exceed the maximum US dollar amount of the TGP benefit. If the currency exchange does not cover all of the tuition fees and mandatory fees, the parent is responsible for paying the currency exchange difference and any remaining fees.

The TGP office will conduct random audits of applications throughout each academic year and may request additional proof of relationship and taxability information in order to ensure compliance with IRS and TGP guidelines.

IMPORTANT: You must notify the TGP office promptly if the tax dependent status of an eligible child in the Program changes or when your child reaches 24 years of age. Proof of tax dependency must be provided when requested by the Tuition Grant Program Administrator.

B. Taxable Payments

In general, if your eligible child is not claimed as your dependent on your federal income tax return for the year that includes the date on which a benefit is paid, the benefit payment is taxable. In this case, you will make the payments directly to the college or university and Stanford will reimburse you.

1. Reimbursement for Taxable Payments

In a circumstance in which (based on the information you provide) benefits are taxable, EAP will notify you after the application is processed and approved. Generally, taxable reimbursements will be made for each approved term when you provide the following items:

- a) A copy of a bill from the institution that itemizes the actual cost of the tuition, and
- b) Proof of Payment (a receipt or a copy of both sides of a canceled check). Note: If a receipt contains both the charges and proof of payment, no other documentation will be required.
- c) The reimbursement will be classified as supplemental compensation subject to tax withholding. The University will not help pay any taxes due on such compensation. Also, this supplemental compensation will not change your base salary; other benefits you may receive from Stanford will continue to be calculated on your regular salary.

There are other circumstances which could result in benefits being treated as taxable compensation. We strongly encourage you to consult your tax advisor concerning your specific situation.

V. Tax Implications

A. Taxable Situations - Examples

1. If tuition payments are made on behalf of a child of your domestic partner and you have not legally adopted the child, the Program benefits will be treated as taxable compensation to you.
2. If the child provides over 50% of his or her own financial support, tuition payments made on behalf of the child will be treated as taxable compensation to you.
3. If the child has attained age 24 (19 if not a full-time student), has gross income equal to or exceeding the federal income tax exemption amount, and is not disabled, the child will not qualify as a dependent and Program benefits will be treated as taxable compensation to you.

B. Academic Time off

Taxable TGP benefits for a child will not be paid over a period of more than 4 consecutive years. If benefits for a child become taxable part way through the child's college education, the remaining benefits for which the child is eligible must be taken in consecutive regularly-scheduled quarters or semesters for all benefits to be available.

If time off is taken during the period of time in which the benefit is taxable, the consecutive quarters/semesters rule remains in effect and the student will only have the remaining consecutive quarters/semesters in which to use TGP benefits. If the TGP benefits are not fully utilized in this timeframe, they are forfeited. See examples of how academic time off affects your TGP benefit on the TGP web site at <http://hreap.stanford.edu/tgp.html>.

VI. How to Apply

To apply for the TGP, complete and submit an application on behalf of your eligible child for any semesters and quarters in each year the child attends (including summer term), and for each change of school.

Application forms and instructions are available online at the University Human Resources Educational Assistance Programs (EAP) web site at <http://hreap.stanford.edu/tgp.html> and in the SLAC Benefits Office. As soon as you know the college or university the child will attend, complete and submit the application, if you are eligible for TGP.

Applications are accepted throughout the year, but to ensure timely payments directly to your child's school, you should submit applications between April 1 and July 1. Failure to do so may result in a required deposit or other administrative delays. Faculty and staff located at SLAC should submit applications directly to the SLAC Benefits Office.

If you become eligible (see employee eligibility guidelines above) before or after the official application period, please submit your application for your eligible child immediately in order for TGP benefits to begin as soon as possible. Please note, if you become eligible during a current term, that term will be pro-rated based on the number of days remaining in that term. All other terms will be processed as indicated above.

You may submit your application by U.S. mail, fax, email, or Stanford ID mail, but please only submit the application once.

The Educational Assistance Programs Office will review and acknowledge all applications. If you and the eligible child qualify for TGP benefits, Stanford University will issue a Tuition Grant Authorization letter to you, the employee. The letter will verify that payment from Stanford is guaranteed and provides important billing instructions for the institution.

IMPORTANT: As the participating employee, it is your responsibility to be sure that the institution receives the Tuition Grant Authorization letter and other relevant information.

The Associate Vice President of Operations & Systems (or his/her delegate, if any) has the discretionary authority to determine all matters with respect to the Program, including eligibility issues, benefit amounts, qualifying tuition and the eligibility of foreign institutions. All decisions of the Associate VP (or his/her delegate, if any) are final and binding on all persons.

A. Children Attending Stanford University

For eligible children attending Stanford University, the TGP office notifies the Stanford Financial Aid Office and you that the application has been processed and approved. When registering, the student receives the applicable credit toward Stanford's tuition through the process specified in the University's registration procedures.

B. Invoice Deadline

Invoices for eligible tuition must be filed in a timely manner. All requests for payments and reimbursements should be submitted prior to the end of the current academic year. The Tuition Grant Program will not make retroactive benefit payments.

VII. Other Information

A. Administration

University Human Resources Educational Assistance Programs administers this Program for tuition benefits. The University will communicate with employees about Program applications, policies and operation. The web site where TGP information is posted is: <http://hrep.stanford.edu/tgp.html>

If necessary, the TGP office can communicate with a spouse, partner or eligible child of the employee who is over the age of 18. In order for the TGP office to do so, the employee must provide authorization in a letter or email to the TGP office. Stanford University reserves the right to request any reasonable information it deems necessary to determine that the requirements of the Program have been or will be met.

B. Termination for Misconduct

If you are terminated for misconduct, all TGP eligibility will end as of the date of termination and your eligible child(ren)'s coverage will stop when the current term ends.

C. Financial Aid Consideration

This Program for tuition benefits could affect other financial aid benefits. Contact the Financial Aid Office at the college, university or institution to be attended for more information.

D. Appeal

Any request for appeal should be made in writing to:

Educational Assistance Programs
Stanford University
Attention: Director, Tuition Grant Program
3160 Porter Drive, Suite 250

E. Status and Duration of Program

To the extent possible, this Program is intended to provide benefits excluded from taxation under U.S. Internal Revenue Code Section 117(d)(1) or other applicable laws. The Program may be changed at any time by the University to effectuate or maintain compliance with that Code section or such other laws. The University also reserves the right to modify this Program in any other respect, or discontinue this Program, at any time.

Eligibility and benefits under the program will be determined and administered in accordance with the guidelines in effect for the academic term for which the application is made.