

Tuition Waiver FAQ's

WHO QUALIFIES FOR A TUTION WAIVER?

In some cases, there may be tax liabilities associated with tuition waiver.
Please refer to the section on Tax Implications.

STAFF HANDBOOK – VSC Personnel Handbook

- Full-time employees of the Vermont State Colleges, their spouse, dependent children, and legal wards, whether married or unmarried, may enroll in any course or program, with the exception of self-supporting programs, at a VSC college without payment of tuition. Employees are required to pay associated fees.
- Eligible VSC Retirees and their spouse may enroll in any course or program at a VSC system college on a space available basis without payment of tuition. However, retirees and spouses will pay any applicable fees.

PART TIME FACULTY FEDERATION AGREEMENT – Article XXXII

- Part-time faculty members who have taught for five (5) semesters or more and who are currently in active service, and their immediate family members, may receive a pro-rated tuition reduction waiver of 100% based upon the corresponding number of courses taught by the part-time faculty member in that given semester. For purposes of this benefit, the waiver is based on a full-time teaching course load of 12 credits. For example, 3 credits taught in a given semester will yield a 25% waiver for the faculty member and immediate family members; 4 credits taught is a 33.3% waiver; 6 credits taught is a 50% waiver; 9 credits taught is a 75% waiver; etc. The term "academic year" as used in this Article shall refer to the Fall and Spring semesters only. The tuition waiver can only be used at bargaining unit colleges and thus specifically excludes course work at the Community College of Vermont.
- The tuition waiver under this Article can apply to either part time or full time study for bargaining unit members and/or their immediate family members.
- Please refer to the Part Time Faculty Federation Agreement for further details regarding tuition waiver.

FACULTY FEDERATION – Article 37

- Full-time faculty and their immediate families may enroll in courses offered by the Vermont State Colleges without payment of tuition for such courses. “Immediate family” is defined as including spouse and dependent children including legal wards whether married or unmarried.

STAFF FEDERATION- Article 41

- Upon the date of hire, full-time employees and their immediate families, including legal wards, may enroll without payment of tuition in any course or program, including graduate and summer, at any member College. Immediate family shall include spouse and dependent children, including legal wards, whether married or unmarried. Full-time bargaining unit employees shall pay associated fees not to exceed \$25 per course or \$100 in aggregate per semester. Part-time employees employed more than 20 hours per week and their immediate families also may enroll in any course or program, including graduate and summer, at any member College with a prorated tuition waiver. Please refer to the Staff Federation handbook, Article 41 for specific guidelines.
- Courses may be taken during working hours only with the permission of the President and such time shall not be counted as fulfilling part of the workweek for overtime purposes.

PAT/SUP- Article 28

- Full-time employees of the Colleges, their spouses, dependent children and legal wards, whether married or unmarried, may enroll in any course or program at a VSC system college, including graduate courses and programs, without payment of tuition. Part-time employees and their immediate families may also enroll in any course or program, including graduate and summer, at any member college, excluding the Community College of Vermont, with a pro-rated tuition waiver. Tuition will be waived in direct proportion to the part-time employee’s percentage of employment. For example, a .6 employee shall receive a 60% tuition waiver and pay 40% of the College’s tuition costs.

Bargaining unit members will pay any applicable fees, not to exceed \$25 per course or \$100 in the aggregate per semester. “Fees” means costs that apply to all students generally such as costs charged to students for registration, orientation, student activities, or facilities. “Fees” do not include course-specific costs for such items as books, equipment, tools, uniforms, travel, lodging, and lab expenses.

1. Are VSC retirees eligible for tuition waiver?

VSC UP PAT and SUP retirees and their spouses may enroll in any course or program at a VSC system college on a space available basis without payment of tuition. Retirees and spouses are responsible for any applicable fees.

Non-Bargaining Unit retirees and their spouses may enroll in any course or program at a VSC system college on a space available basis without payment of tuition. Retirees and spouses are responsible for any applicable fees.

2. How do I apply for tuition waiver?

You can apply for tuition waiver online. Go to the Portal, Go to Web Services, Click on Employee tuition Waivers, Tuition Waiver Form and fill in the information for yourself, spouse or dependent. You, your spouse, or dependent must be registered as a student before you can apply for the waiver.

After you have submitted the application, it will be approved electronically and you will receive an email notifying you that the waiver has been approved. If you have applied for VSC tuition waiver, you do not need to do anything further. The waiver will be processed by the Business Office.

If you have applied for a UVM tuition waiver, your college will need to send a letter to UVM notifying them of the approval. You should check with your Business Office or Human Resources Office for details on this.

3. Is there a deadline for tuition waiver?

To avoid late fees, please complete your request by the first day of classes at the college.

4. Who is considered a dependent?

For the purposes of tuition waiver, the VSC uses the IRS definition of dependent. Each of the following tests must be met to claim dependency for the VSC Tuition Waiver Benefit.

- Relationship Test

A child must be related to you in one of the following ways: (a) your child; (b) your legally adopted child; (c) your stepchild; or (d) your legal ward. Parent/child relationships established by marriage are not ended by divorce, your stepchild of a previous relationship continues to be your stepchild for the purposes of VSC tuition Waiver until your former spouse remarries.

- Age Test

The child must be under age 25 at the end of the calendar year that he or she begins taking classes.

- Joint Return Test

If the child is married, he/she may not have filed a joint tax return with his/her spouse for the most recent Federal filing.

- Support Test

You must provide more than half of the prospective student's total support during the calendar year to meet the support test.

5. Do I have to pay anything to take classes at any of the colleges?

Tuition waiver means that you do not pay tuition. You will, however, be responsible for room and board if your dependent is going to live on campus. You will also be responsible for textbooks and other supplies. All employee groups, except those who are in the VSCSF, pay associated fees as stated previously. **See taxability section below.**

6. What happens when my dependent turns age 25?

Once your dependent turns 25, he/she will no longer be eligible for Tuition Waiver at any of the Vermont State Colleges. However, if your dependent turns 25 in the middle of a semester, he/she will be allowed to complete the semester.

7. What happens if I retire as a VSC eligible retiree and I still have children who qualify as dependents?

If you are eligible for VSC retiree benefits, your dependents will continue to be eligible for tuition waiver as long as they are under age 25.

8. What happens if I am divorced, but my children live with the other parent?

It does not matter if your children live with you or the other parent. As long as you provide support to the children as outlined on the Tuition Waiver form, they are eligible for tuition waiver.

9. Does the benefit apply to graduate courses?

Yes. Tuition Waiver for graduate courses applies to VSC courses only.

10. My program requires that I take classes offered at Champlain College and St. Michael's College. Can I receive a tuition waiver for these courses?

No. Tuition waiver applies only to the Vermont State Colleges and UVM. The VSC does not have a tuition waiver agreement with any other institutions in Vermont.

11. As an employee, can I take classes during the work day?

You must receive approval from your supervisor to take classes during scheduled work time.

12. What happens if I die, become disabled or retire?

- If you are a member of the VSC UP PAT or SUP in the event an employee dies or is permanently disabled, during the time dependent children are enrolled, said children will be provided the continuation of tuition waiver until

the completion of a bachelor's degree or up to a limit of one hundred fifty (150) credits, whichever comes first.

In the event that an employee with at least four (4) years of continuous service should die, or be permanently disabled, or retiree under the provisions of this *Agreement*, his or her spouse if currently enrolled and any dependent children will be provided tuition waiver through the completion of a bachelor's degree (see agreement).

- In the event the VSC Full Time Faculty Federation member dies or is permanently disabled, the child (children) enrolled at the time shall be guaranteed the continuation of free tuition until the completion of his/her degree. Any child of a faculty member in active service who has completed at least five years of service with a member College shall be guaranteed free tuition until the completion of his/her undergraduate degree, or up to a limit of 150 credits, in the event the faculty member dies or is permanently disabled, or is retired.

Upon acceptance by the University, children, legal wards and step children of any full-time faculty member of the Vermont State Colleges may enroll in courses at the University of Vermont without payment of tuition, under the terms of the Tuition Remission Agreement between the Vermont State Colleges and the University of Vermont, dated June, 1967, as amended on November 26, 1991 (see agreement). The Vermont State Colleges shall notify the Federation of any change in such agreement no later than 15 days after such change.

For each year of the contract, a total of \$14,000 in tuition benefits shall be provided for faculty who take courses at the University of Vermont. This amount will be distributed evenly among the four colleges. Funds not spent by a college during any given year will revert to the college and not roll over (see agreement).

- Members of the VSCSF in the event the employee dies or is permanently disabled, the child or children enrolled at the time of death or disability will be guaranteed the continuation of free tuition until the completion of the degree. Further, in the event an employee on active service who has completed at least five (5) years of service with a member College should die or be permanently disabled, or should retire, any child or children will be guaranteed free tuition until the completion of his/her undergraduate degree subject to the tuition remission agreement between UVM and VSC (see agreement).
- If you are a Non Bargaining Unit employee, in the event an employee dies or becomes permanently disabled during the time dependent children are enrolled, said children will be provided the continuation of tuition waiver until

the completion of a bachelor's degree or up to a limit of 150 credits- - whichever comes first.

In the event that an employee with at least four years of continuous service should die or become permanently disabled or retire according to the VSC criteria for eligible non-bargaining unit employees, any dependent children will be provided a tuition waiver through the completion of a bachelor's degree or up to a limit of 150 credits (see personnel handbook).

13. What happens if I am laid off or go on leave of absence?

- VSC – UP PAT and SUP free tuition will be continued for one (1) year if the employee goes on a leave of absence or two (2) years if the employee is laid off.
- VSCSF employees are entitled to tuition waiver for up to one (1) year in the event of a layoff or leave of absence.
- Non-Bargaining Unit Employees are not entitled to any tuition waiver benefits in the event of a layoff. An employee on an unpaid leave of absence will retain this benefit for the first year of such leave.
- Full Time Faculty are not entitled to any tuition waiver benefits in the event of a layoff.

14. Is there any limit to the number of courses that my dependent or I can take per semester?

No. However, if you are a VSC employee or faculty member, you must get approval from your supervisor to take courses during scheduled work time.

15. What about summer courses?

The benefit also applies to summer courses at the Vermont State Colleges.

16. Do I have to wait until after my probationary period to apply for tuition waiver?

No. There is no requirement that a new employee must complete his/her probationary period before applying for tuition waiver.

TAX IMPLICATIONS

TAXABILITY QUESTIONS – There are certain circumstances where you will be responsible for federal and state taxes on the amount of the tuition waiver benefit you receive. The questions below are based on regulations issued by the Internal Revenue Service. If you have additional questions, please contact a tax advisor.

17. Are there any tax implications for receiving a tuition waiver for undergraduate courses?

If you, your spouse or your dependent(s) receives a tuition waiver for any VSC college or UVM, you are exempt from taxes on the amount of the undergraduate tuition waiver.

18. I (employee) am interested in taking graduate level courses at the VSC. Do I (employee) have to pay taxes on the amount of the benefit?

Yes. Any amount above \$5,250 for the employee in a calendar year will be taxable. The amount of the benefit will be included on your W-2.

19. My spouse is interested in taking undergraduate and/or graduate courses at the VSC. Would I have to pay taxes on the amount of this benefit?

Yes. The Internal Revenue Service would require that you pay taxes on the amount of the tuition waiver for the graduate level courses in a calendar year. The undergraduate courses are not taxed. The amount of the benefit will be included on the employee's W-2.

20. My spouse's dependent qualifies for tuition waiver. Is that benefit taxable?

If the child is eligible to be claimed as a dependent on the employee's tax return, the benefit is not taxable. Unless, it's for graduate level courses which will be taxed per calendar year and included on your W-2.

21. My college has agreed to reimburse me for obtaining an advanced degree at a non-VSC college. Will I have to pay taxes on this?

Yes. This will be considered a taxable benefit to you and will be included on your W-2.

University of Vermont Tuition Waiver

22. How does the UVM tuition waiver benefit work?

The Vermont State Colleges have a separate agreement with UVM for tuition waiver benefits. **The UVM benefit is for dependents only.** Employees or spouses are not eligible. It is for an undergraduate degree only (150 credits). All students must follow UVM admissions procedures and must pursue an acceptable course of study in an undergraduate degree program.

23. How do I apply for tuition waiver for UVM?

You can apply for tuition waiver online. Go to portal.vsc.edu. After you log in, click on the Web Services icon. Then click on Employees. Tuition Waiver will be a menu choice on the left hand side of the page. Your dependent must be registered as a student before you can apply for the waiver.

After you have submitted the application, it will be approved electronically and you will receive an email notifying you that the waiver has been approved. If you have applied for VSC tuition waiver, you do not need to do anything further. The waiver will be processed by the Business Office.

Your college will need to send a letter to the appropriate office at UVM notifying them of the approval. You should check with your Business Office or Human Resources Office for details on this.

24. How is “dependent” defined under the UVM agreement?

According to the agreement with UVM, “children, legal wards, and stepchildren of any full time employees” are eligible for tuition waiver. However, the student must begin college prior to age 21 and complete his/her education prior to age 28.

25. Are there any exceptions to the above? Yes.

If college education is deferred for military service, the education must have started prior to age 25 and must be completed within 7 years or prior to reaching age 32.

26. What happens if I am on medical leave, disability leave, sabbatical leave, maternity or military leave from the Vermont State Colleges?

Your dependents will continue to be eligible for UVM tuition waiver if you are on any of the above leave statuses.

27. What happens if I become disabled or if I die?

Your dependents will continue to qualify for tuition waiver for UVM until they complete their degree or up to 150 credits if you die or become disabled.

28. What happens if I retire from the Vermont State Colleges?

If you have at least 4 years of active service in the VSC, your dependents will qualify for tuition waiver for UVM as outlined above.

29. What about summer courses at UVM?

Your dependent may take summer courses at UVM if the course is necessary to satisfy degree requirements.