

Tuition Reimbursement as a “Tool”

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Tuition reimbursement is a refund or grant of tuition money for employees who are taking college courses. Usually enrollment in an accredited degree program is required.

Tuition reimbursement is a wonderful first step in employee development for a number of reasons. First, it requires little effort on your part, or the part of the organization, other than to set up some guidelines which govern what types of courses are reimbursable. The majority of the work related to finding appropriate courses and registering for them is left up to the individual who wants to take the course. Tuition reimbursement typically applies only to college-level and for-credit courses, therefore you *probably* want to ensure that the individual is working toward a degree that will benefit the organization. You don't necessarily want to reimburse them for a course in Astronomy when they are the bookkeeper for your company. A second reason that tuition reimbursement is beneficial to an organization is because attending college courses typically occurs during non-business hours, therefore your employee enhances his or her knowledge and skills without impacting workplace productivity. A third reason to pursue tuition reimbursement is because the IRS allows employers to provide up to \$5,200 per year in tax-free education assistance. Finally, tuition reimbursement is a wonderful policy because it will never hurt your company to have smarter individuals working for it.

Tuition reimbursement can apply to local colleges, community colleges or universities. It may also apply to online universities and degree granting institutions. In addition to local colleges in your immediate area, check out the U.S. Distance Learning Association (<http://www.usdla.org>) for resources and to provide direction to your employees. If you have enough students who are working toward a degree you may even be able to arrange with a local college to have the instructors come to you *and* to customize a delivery schedule which is different than the standard 16-week semester.

A tuition reimbursement policy is an organizational commitment. If you choose to establish one, you will do so in conjunction with your HR department and the management or ownership of your company. Some of the things you'll need to take into consideration when constructing your policy are outlined below.

Who is eligible, and when?

- Full-time and part-time employees? If part-time, how many hours and a minimum?
- Waiting period: 90 days after employment? A year?
- What if the employee resigns or is transferred mid-semester?

When is tuition reimbursed?

- At the start of the semester or after the course is completed and a grade received?
- Does it matter what the grade was? What if the employee flunks the course?

Our employees limited to certain institutions or degree programs?

- Are online colleges acceptable?
- Are employees limited to degrees in their professional field?
- Must it be a two year or four year degree? Is a certificate acceptable?
- What if the employee just wants to take a class that interests him or her?

When is reimbursable, and how much?

- Just tuition? What about student fees, supplies, or software?
- Is the employee reimbursed 100% of tuition or a percentage?
- Is there an annual cap?

Will employees be given any discretionary time to complete coursework?

When does employee apply for reimbursement?

Is a term of service required upon completion?

- If your company just assisted an employee in getting it for your degree, doesn't expect for years of continued employment in return?

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For more information on this topic refer to **The Accidental Trainer: A Reference Manual for the Small, Part-Time, or One-Person Training Department**, Pfeiffer, ISBN 0-7879-8046-3