

## University Tuition Waivers Taxation Information and Schedule

The following Internal Revenue regulations apply to employer-provided tuition assistance programs.

### **Undergrad Level Tuition Waivers:**

The University Educational Assistance Program, in compliance with IRS §117, undergrad level tuition waivers are not taxable.

- **Taxability of Tuition Waivers to Employees**

Tuition waivers are not taxable for employees for education below graduate level. However, for employees enrolled in graduate level courses may be taxed over \$5250.

- **Taxability of Tuition Waivers to Employee Spouses and Dependents**

Tuition waivers are not taxable for employee spouses and dependents for education below graduate level based on the student's classification at the time of registration.

- **Taxability of Tuition Waivers to Employee Domestic Partners**

The value of tuition waivers afforded to domestic partners for education at any level is taxable to the University employee.

### **Graduate Level Tuition Waivers:**

- \* **Graduate Level - Employees**

The University Educational Assistance Program, in compliance with IRS §127, graduate level tuition waivers, \$5250 per calendar year, is nontaxable. If the amount exceeds \$5250, the excess is deemed income under the IRC 127 and taxed accordingly.

- \* **Graduate Level – Spouses and Dependents**

The graduate level tuition waiver is fully taxable to the employee.

Taxation Schedule to post to paychecks:

- Spring Semester      March  
                                    April  
                                    May (possible adjustments)
- Summer Semester    August  
                                    September (possible adjustments)
- Fall Semester         October  
                                    November  
                                    December (possible Yearend adjustments)