



Lehigh University Human Resources Policy

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Effective Date:	circa 1965
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Applicability:	All Full Benefits Eligible Faculty and Exempt Staff Members

TUITION CASH GRANT PROGRAM POLICY

Purpose:

Policy on tuition benefits for faculty and exempt staff members' dependent children at other colleges and universities

Policy:

Lehigh University provides a tuition cash grant to another post-secondary degree granting institution for each child of eligible faculty and exempt staff members. The amount and terms of the cash grant are established by the Board of Trustees but shall not exceed the cost of tuition (and room and board, if applicable) at the receiving institution. Although it is anticipated that the cash grant program will continue, the Board of Trustees reserves the right to change, amend, or cancel the program at any time.

Eligibility for the Tuition Cash Grant Program

This benefit is available to salaried faculty and exempt staff members who are regularly scheduled to work at least 75 percent of a full-time schedule after they meet the waiting period conditions.

There is a five-year waiting period for the grant. The waiting period is waived for faculty members at the rank of Associate or Full Professor and exempt staff members at salary grade 11 and above.

The faculty or exempt staff member must be employed in an eligible position at the beginning of and continuously throughout the semester, trimester, or quarter to receive the cash grant for that period.

The benefits under this program continue to be available to dependent children of faculty and exempt staff who die or become totally disabled after completing ten years of continuous full-benefits eligible service. Benefits are also continued for benefits eligible faculty and exempt staff retirees.

Eligible Dependent Children

This program is governed by the terms and conditions detailed in the Internal Revenue Code [Section 117(d)]. Under this section of the Code, and after all related cross-references, the term “dependent child” applies to:

- Natural sons and daughters
- Adopted sons and daughters

- Step-sons and step-daughters

of the faculty or exempt staff member who are his or her “dependents” as defined under the other sections of the Code.

The term "dependent child of a a domestic partner" applies to:

- Natural sons and daughters
- Adopted sons and daughters

of the faculty or exempt staff member's domestic partner who are his or her "dependents" as defined under the other sections of the Internal Revenue Code.

The child must be a dependent of the faculty or exempt staff member and attending college on a full time basis. If the child is under the age of 24, he or she must be claimed as a dependent on the federal tax return of the faculty or exempt staff member or the child’s custodial parent. If the child is age 24 or older, the child must be a full time student who is residing with and supported by his or her parents.

Amount of the Tuition Cash Grant

The maximum academic-year grant for faculty and exempt staff members employed in eligible positions after September 1, 1986 is \$5,000 per child per year. The total grant available to the child is \$20,000.

For faculty and exempt staff members employed in eligible positions on or before September 1, 1986, the maximum academic-year grant is equal to 50 percent of Lehigh’s tuition for four years of participation.

If the maximum award is not necessary during the first four years of study, the remaining balance may be available if additional coursework is necessary to complete the undergraduate degree program.

Only one grant for one four-year course of study is available for each child. However, if both parents were employed in eligible positions and married to each other before September 1, 1986, their dependent children may be eligible for a double award. The total amount of the double award may not exceed the tuition and room and board allocations of the receiving institution.

Expenses Paid by the Grant

Charges identified by the receiving institution as “tuition” may be paid by the grant. Additional charges identified as “fees” are not paid by the grant (except those fees that are required of all students in all programs at that institution). Documented proof of required fees must be supplied by the faculty or exempt staff member.

Faculty and exempt staff members employed in eligible positions before September 1, 1986 may include room and board charges. If the child lives on campus, the benefit available is equal to the room charges for “double occupancy” and full board charges at the receiving institution. If the child chooses to reside off-campus, the award may include an allocation based on the receiving institution’s financial aid determination of off-campus room and board expenses. All room and board charges paid by the grant are subject to full taxation as additional income to the child’s parent.

The award is divided into equal payments over the course of the receiving institution’s academic year after subtracting any payments made for summer session coursework, if applicable (i.e., two equal payments for a semester schedule, three payments for trimesters, or four payments for quarters).

Summer session tuition can be paid if the summer course work is applied toward the child’s degree

program and the child is attending the summer session on a full-time basis. The receiving institution's definition of "full-time" for their summer schedule is used to determine coverage under the grant.

Definition of "regionally accredited, degree granting, post-secondary educational institutions"

Only regionally accredited, degree-granting institutions are covered. The school must be accredited by the Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools, Western Association of Schools and Colleges, or an equivalent accrediting body for colleges or universities located outside the United States.

Enrollment and Age Requirements

The dependent child must be enrolled on a full time basis in a program of study that leads to an associate's degree or a bachelor's degree.

Full-time status is defined by the institution the child is attending. If the child drops below full-time status, the cash grant is returned to Lehigh.

If the child does not enroll in an undergraduate program immediately following high school graduation or chooses to interrupt his or her undergraduate studies, the benefit is not withdrawn from the faculty or exempt staff member. If the child enrolls at a later date and continues to qualify as a "dependent child," the grant may be available.

After an interruption of 12 months or more, the child must be less than age 30 in the calendar year during which the academic year begins to qualify as a new enrollment or a renewal enrollment.

The grant continues to be available to the parents of dependents over age 30 provided that the child has matriculated before age 30, has been continuously enrolled on a full-time basis since age 30, and remains a dependent of the faculty or exempt staff member.

Taxation of the Benefit

If the faculty or exempt staff member is considered "highly compensated" under IRS guidelines, the full value of the award is taxable as ordinary income.

All benefits provided for the dependent children of domestic partners are fully taxable.

If the child is age 24 or older and earns more than the Internal Revenue Services individual exemption amount for the calendar year in which the grant is paid, the full value of the award is taxable as ordinary income to the parent.

All room and board charges (if paid) are considered taxable income.

Continuation of the Benefit

The Board of Trustees reserves the right to change, amend, or cancel the program at any time.

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