

**Section:** Employee/Labor Relations

**Section Number:** 4.3.7

**Subject:** Fringe Benefits: Dependent Tuition Adjustment

**Date of Present Issue:** 10/03/11

**Date of Previous Issues:**  
03/87, 09/89, 02/93, 11/97, 10/98, 08/00, 10/01,  
08/09

**POLICY:**

Dependents of employees who are regular (not temporary) and full-time, meeting the IRS definition of dependency, except as noted under Eligibility below, shall receive a tuition discount of up to 50% of their tuition and up to 50% of their enrollment fees. There are no other discounts. Dependents will be required to pay 100% of all other fees (course fees, etc.) for courses in which they are enrolled carrying University credit applicable towards a certificate, associate or baccalaureate degree. Dependents working on Master's degrees are excluded from receiving discounts.

In order to receive a discount on a continuing basis, eligible employee status by the employee and Satisfactory Academic Progress by the dependent must be maintained.

Eligibility: Spouses of eligible employees and unmarried children or stepchildren under the age of twenty-five (25) will be considered eligible regardless of whether they meet the IRS definition of dependency. For all other dependents, the prior year's federal tax declaration form (1040) or a birth certificate will be required as documentation.

Service Requirement: Dependents will not be eligible for discounted tuition for any semester in which classes begin after the employee's final day of full-time regular employment status.

Application: Application for discounted tuition must be processed prior to the end of the add period for **each** semester for which the discount is requested.

Financial Aid: The dependent tuition discount will not exceed 50% of actual tuition cost, less other university aid and any tuition-specific aid. If the student also receives a university scholarship or any tuition-specific aid, the dependent's discount may be reduced. In no case will a dependent student receive more than 100% of tuition via university tuition discount or university scholarship or tuition specific aid.

For example, if the semester tuition cost is \$4,500, the dependent tuition discount would normally be \$2,250. If the student also qualified for a university scholarship (not specifically designated for room and board) or a tuition-specific form of financial aid, the student's discount would be reduced for any amount received that is greater than one-half of the tuition expense. If the student received a university scholarship for \$2,500, then the maximum dependent discount would be \$2,000 for the semester (a reduction of \$250).

Calculation:

Tuition: \$4,500  
Scholarship: \$2,500  
Maximum tuition discount:  $\$4,500 \times 50\% = \$2,250$   
Actual tuition discount:  $\$4,500 - \$2,500 = \$2,000$   
The actual tuition discount that will be credited to the student is \$2,000.

The following procedure applies:

WHO	DOES WHAT
Employee	Completes "Application for Tuition Discount for Dependents" <b>PRIOR TO THE TUITION DUE DATE.</b>
	Enrolls dependent in classes and lists credits on application form; submits form to Human Resources Office with a copy of the most recent year's Federal 1040 form.
Director of Human Resources	Verifies documentation of dependency, signs application, forwards to Registrar. <b>Indicates the correct employee group on the form.</b>
Registrar	Verifies enrollment of dependent in courses and whether classes qualify for credit toward a baccalaureate degree. Forwards to Financial Aid Office.
Financial Aid	Verifies that the number of credits approved on the form matches the student's current enrollment (The FAO may reduce the number of credits on the approved form but may not increase it - a new form is required). Completes the form and calculates the amount of the discount up to 50% of tuition and verifies that the total of University and tuition-specific aid does not exceed 100% of the tuition charge, then posts the actual discount to the student's

	<p>account.</p> <p>At the end of each semester, the FAO reviews Satisfactory Academic Progress and notifies the student according to the University SAP requirements for recipients of aid.</p>
Human Resources	<p>Returns original to Human Resources Office. Files original.</p>

To be eligible for the tuition discount, dependents must meet “Satisfactory Academic Progress” (SAP) as defined by federal financial aid guidelines. **In the event the student appeals SAP to the Financial Aid committee and the committee reinstates the student’s financial aid, the student will be eligible for the tuition discount.** See current Lake Superior State University catalog for an explanation of SAP.

REVISION HISTORY:

Revision Date	Revision Summary	Revision Made By	Title/Dept
10/3/2011	Renamed policy from Fringe Benefits: Dependent Tuition Adjustment to Fringe Benefits: Dependent Tuition Discount. Standardized the use of “discount”. Updated Dependent verbiage in 1st paragraph. Increased dependent eligibility to age 25 years. Updated the Financial Aid section. Expanded the example to include a calculation. Updated the Procedure. Changed passing grade language to SAP language.	T. McLain	President/ Administration