



**Tuition Reimbursement Program**  
Effective January 1, 2016

## About The Tuition Reimbursement Program

The Tuition Reimbursement Program is available to all full-time employees in good standing with at least one year of continuous service with Sodexo. Eligible employees are reimbursed 100% of tuition costs up to an annual limit of \$2,500 per year. To be eligible for reimbursement, the course of study must be job-related and offered at an accredited high school, technical school, college or training institution. A passing grade of "C" or better is required for reimbursement. For courses where no grade is given, a certificate of completion is necessary. Reimbursement is for tuition, registration expenses, and laboratory fees only. Other expenses, such as books and athletic fees, will not be reimbursed.

### Reimbursement Procedures

**Before you enroll:** To ensure eligibility for reimbursement, the following steps must be completed **before** the course begins:

1. You must complete and return the Application for Tuition Reimbursement to your manager.
2. Your manager must complete the questionnaire regarding taxable status found on the back of the application, approve the application, and send it and the questionnaire to your Human Resources office for final approval.
3. Your Human Resources office must review your application and notify you whether the course has been approved for reimbursement. The Human Resources office will also determine, in accordance with IRS rules, whether the tuition reimbursement request is taxable or non-taxable to you and notify you accordingly.

**After you complete the course:** To be reimbursed when you have satisfactorily completed the course, as indicated by a passing grade of "C" or better or a certificate of completion, submit a copy of the grade report and proof of payment to the PeopleCenter at [HumanResources-PeopleCenter.Usa@sodexo.com](mailto:HumanResources-PeopleCenter.Usa@sodexo.com), or contact the PeopleCenter at 855 SodexoHR (855 763 3964) for further instruction.

Depending on the type of course and Internal Revenue Codes in force at the time of the reimbursement, income taxes may be withheld from the payment. Tuition reimbursement is counted toward the annual limit in the calendar year it is paid—not necessarily in the year the course is taken. The calendar date is based on the date on your pay statement, not the date processed. If you are paid bi-weekly, you'll need to submit your reimbursement request by mid-December in order for it to appear on your final pay statement for that calendar year. An HR representative at the PeopleCenter can tell you the date by which you need to provide your grade and proof of payment in order for it to be included on the final pay statement for the year.

### Questions and Answers

#### **Are online courses eligible under this program?**

*Yes. As long as the course is given by an accredited school and meets the same job-related criteria as other courses.*

#### **How long must an employee be employed with the company to participate in the program?**

*Employees must have worked for the company at least one year before participating in the program. The first class of any course selected must begin after the employee's one-year anniversary.*

#### **If an employee transfers to a new unit/department before completing a course, which unit/department should be charged with the reimbursement?**

*The new unit/department is responsible for the reimbursement since the employee is actively on its payroll.*

#### **An employee is in a degree program which is job-related; however, the current course submitted is an elective and is not job-related. Is this course eligible for reimbursement?**

*Yes. Elective courses as part of a job-related degree program are eligible for reimbursement. Since the course is not job-related, the reimbursement will be reported as earnings on the employee's W-2 and will be subject to tax withholding.*

#### **If the reimbursement is considered taxable income, is it reported during the year the course is taken or when the employee is reimbursed?**

*The reimbursement is taxed the same year that the employee receives the reimbursement. The calendar date is based on the date on your pay statement, not the date processed. If you are paid bi-weekly, you'll need to submit your reimbursement request by mid-December in order for it to appear on your final pay statement for that calendar year. Your HR representative can tell you the date by which you need to provide your grade and proof of payment in order for it to be included on the final pay statement for the year.*

#### **An employee is taking a course this fall, but won't receive reimbursement until January of next year. Will the reimbursement count toward the maximum limit for this year or next year's limit?**

*The reimbursement applies toward the year in which it is paid to the employee.*

#### **What if an employee leaves the company after his course is approved but before he has completed it?**

*An employee who leaves the company before completing a course is no longer eligible for the reimbursement.*

#### **Can a manager decide not to approve an application?**

*Tuition reimbursements are paid by the employee's unit. As such, a manager does have the right to deny a tuition reimbursement application. In this case, the employee should be notified immediately in writing.*

#### **What if the course is taken when reimbursements are non-taxable, but the tax laws are revised before the reimbursement?**

*Reimbursements are subject to tax laws in effect when they are paid, not when the course was completed or approved.*





## Questionnaire to Determine Taxability

**Please have your supervisor/department head complete this form.**

Your supervisor/department head must complete this form for each course reimbursed, including those that are part of a degree program. Under IRS guidelines, individual courses may be considered taxable to you even though they are part of a job-related degree program.

**Is the Reimbursement Taxable?** (*Employee's supervisor/department head must complete this portion.*)

According to IRS rules, the course must meet strict job-related standards to be tax-free. If this job-related standard is not met, tuition reimbursements must be included in the employee's taxable income, subject to tax withholding.

Tuition reimbursement may be considered to be job-related if at least one of the following conditions is met:

	Yes	No
1. The course is required by the company or by law to keep the employee's present job, salary or status.	<input type="checkbox"/>	<input type="checkbox"/>
2. The course maintains or improves skills required in the employee's current job.	<input type="checkbox"/>	<input type="checkbox"/>

Even if the course meets either or both of the above conditions, the tuition reimbursement is **not** considered to be job-related if the answer to either of the following questions is yes.

3. The course is required to meet the minimum educational requirements for the job.	<input type="checkbox"/>	<input type="checkbox"/>
4. The course is part of a study program that will lead to qualifying the employee for a new trade or business.	<input type="checkbox"/>	<input type="checkbox"/>

Each educational course must be reviewed to determine if the reimbursement must be included in the employee's earnings that are reported on the W-2. This form will enable the PeopleCenter to determine if a reimbursement is taxable or non-taxable to the employee as follows:

- If the answers to Questions 1 and 2 above are both no, then the reimbursement is taxable. Use Earnings Code ERT when completing the Miscellaneous Earnings and Deductions Worksheet.
- If the answer to either Question 1 or 2 is yes, then the answers to Questions 3 and 4 must be reviewed.
- If the answer to either Question 3 or 4 is yes, then the reimbursement is taxable. Use Earnings Code "ERT" when completing the Miscellaneous Earnings and Deductions Worksheet.
- If the answers to Questions 3 and 4 are both no, then the reimbursement is non-taxable. Use Earnings Code "ERN" when completing the Miscellaneous Earnings and Deductions Worksheet.

CPA or law bar exam review courses are considered courses that qualify the employee for a new profession. Reimbursements for such tuition reimbursements are always considered to be taxable unless the employee is already licensed and is merely seeking qualification in a new jurisdiction.

The PeopleCenter must notify the employee of the taxability or non-taxability of each reimbursement.