**HMH Fully-Funded LPN to ASN Program Participation Agreement**

 THIS AGREEMENT entered into this \_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ by and between Hardin Memorial Hospital of Elizabethtown, Kentucky (hereinafter referred to as “Hospital”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as “Participant”).

The Hospital offers a fully-funded Licensed Practical Nurse (LPN) to an Associates of Science in Nursing (ASN) degree through Western Kentucky University (WKU), to allow certain selected employees who qualify to attain their Associate’s level nursing degree. This program helps to support the Hospital’s LPN staff to pursue their associate-level nursing degree in an effort to support their educational interests.

As a result, the Hospital has implemented a fully-funded LPN to ASN program (herein referred to as “Program”.) It is agreed that Participant desires to participate in the Program, has met the eligibility requirements of this program and has been selected through a selection process established by the Hospital.

**Eligibility**

In order to be eligible for participation in this program, Participants must meet the following minimum requirements:

* An active employee of Hospital for a minimum of 12 months.
* Be in good standing (have received no corrective action for the past 12 months at time of acceptance into the program.)
* Have the support of their supervisor/manager, as evidenced by a statement from their supervisor/manager indicating this support and why they feel the employee should be accepted into the program.
* Must be admitted to WKU and be accepted into their LPN to ASN degree program.
* Be in a full-time position at the time of acceptance into the program. Part-time employees will be considered dependent on the number of program applicants, with priority given to full-time employees.
* Participate in an Application Interview conducted by an Applications Committee, comprised of the Vice President and Chief Nursing Officer, the Vice President of Human Resources and other invited leaders of HMH.
* Have a college GPA of 2.75 or greater. Grade point average for LPNs will be calculated using only the LPN to ASN Program’s required non-nursing courses completed.

**Selection Criteria**

As a means of selecting the most appropriate employees for a program with a finite number of resources, priority is given to employees who meet the following criteria:

* Full-time employment status (minimum 36 hours per week)
* Sole employment with Hospital
* Review of Participant’s Program Application
* Review of Participant’s Human Resources file
* Recommendations from supervisor/manager
* Have a college GPA of 2.75 or greater.

**Program Specifics**

1. As consideration for the receipt of scholarship benefits outlined herein, the Participant agrees to be bound by the terms and conditions contained in this Agreement, as well as all other rules, regulations and policies implemented by the Hospital affecting the Program.
2. The Program will allow up to a maximum of 10 students and will cover tuition only costs for core nursing classes from inception to degree completion.
3. Interested and eligible employees must apply for one of the available spots within the Program. Employees must complete the HMH Fully-Funded LPN to ASN Program Participation Application (copy attached; accessed online) and submit supporting documentation prior to stated deadlines. Applications are then reviewed by the Vice President, Human Resources and/or the designee and the Chief Nursing Officer and/or the designee. Program applicants will then be interviewed by an Applications Committee comprised of the Vice President and Chief Nursing Officer, the Vice President of Human Resources and other invited leaders of HMH. Using the selection criteria outlined above, the Hospital accepts the Participants into the Program.
4. The Program is subject to the availability of funds and may be discontinued by the Hospital at any time. The Participant acknowledges that the Hospital is under no obligation to continue the Program and that the Hospital may discontinue the Program at any time.
5. During the program, the Participant must: (a) remain employed on a full-time basis consisting of at least 36 hours per week; (b) refrain from receiving any corrective action or discipline; (c) maintain and fulfill all work-related obligations imposed by the Hospital; (d) maintain the support of his/her supervisor/manager; (e) maintain a grade-point average of 2.0 or greater or grade of C or higher; and (f) remain satisfactory academic progress as defined by WKU. Should the Participant violate any of these conditions, Participant acknowledges that he/she may be immediately removed from the program.
6. Participants acknowledge and agree that WKU may and will apprise the Hospital of any Participant that does not meet the minimum grade point average. Participants acknowledge and waive any right to privacy, whether arising under federal or state law, in their educational records to the extent the Hospital must review them to assess eligibility described in Paragraph 5. Participants affirmatively give the Hospital consent to review their education records for the purposes described herein.
7. Participants acknowledge and understand that their eligibility to remain in the program will be reviewed on a yearly basis. Participation in the program, or receiving funding to participate in the program, for one year does not guarantee the same for the following year.
8. For a two-year period beginning the day following the attainment of the ASN, the Participant must remain employed by the Hospital on a full-time basis consisting of at least 36 hours per week.
9. Participants who do not complete their program of study, who are removed from the program for violation of any provision outlined in Paragraph 5, or who fail to fulfill their work commitment as outlined in Paragraph 8 shall immediately reimburse the Hospital for any tuition costs expended by the Hospital on the Participant’s behalf.
10. Participants must apply for federal and state aid by completing the Free Application for Federal Student Aid (FAFSA) and other forms of assistance if available. Any allowable grants awarded by the state or federal government or any other third party must be applied toward tuition first before the Hospital pays for any balance of tuition.
11. Participant has read and understands the attached information regarding the tax implications under IRS laws for educational assistance received by employees and agrees to the payment of any additional taxes not allowed by law, which is estimated to be based on your federal and state exemptions and filing status.

**General Program Provisions**

This agreement does not create a right or contract of employment in favor of the Participant and Participant agrees that he/she will at all times be an employee-at-will of Hospital, subject to termination of employment at any time, with or without cause, at Hospital's discretion. Enforcement of the post-educational assistance work requirement is vested solely in Hospital. In the event Hospital terminates Participant's employment prior to beginning the post-educational assistance work requirement, Participant shall fully reimburse Hospital. If Hospital terminates Participant's employment during the post-educational assistance work requirement, Participant shall reimburse Hardin Memorial Hospital on a pro-rata basis.

This Agreement is governed by the laws of the Commonwealth of Kentucky.

Hardin Memorial Hospital is an equal opportunity employer and will not discriminate against its employees or applicants for employment on the basis of their race, color, religion, sex, or national origin.

THEREFORE, THE PARTIES HAVE SIGNED THIS AGREEMENT BELOW AS OF THE DATE ENTERED ON THE FIRST PAGE OF THE AGREEMENT.

Hardin Memorial Hospital Participant

By: By:

Title: Date:

Date:

**IRC Sec. 127**

Educational assistance provided to an employee of the hospital for tuition, books, and course fees that qualify under IRC Sec. 127 is not considered taxable income to the employee up to a maximum of $5,250 per calendar year (IRC Sec. 127). Any amounts of educational assistance received by an employee in excess of $5,250 per calendar year will be considered taxable educational assistance and governed by the provisions listed below under the section entitled “Taxable Educational Assistance.”

**IRC Sec. 132**

A more limited provision allows hospital employees that receive job-related educational assistance from the Hospital to exclude the entire amount from gross income as a working condition fringe benefit under IRC Sec. 132. In order for educational assistance provided by the hospital to qualify as a working condition fringe benefit, the assistance must be provided for education that either:

* Maintains or improves the skills required by the individual in his or her employment or other trade or business; or
* Meets the expressed requirements of the individual’s employer or the requirement of an applicable law or regulation, imposed as a condition of employment.

However, educational assistance provided that is either:

* Needed to meet the minimum educational requirement to qualify the individual for employment in a new trade or business; or
* Required as part of a program of study that can qualify the individual for a new trade or business

will not qualify as a working condition fringe benefit under IRC Sec. 132. Any educational assistance provided that is needed to meet the minimum educational requirements or qualifies the individual for a new trade or business must be analyzed under the provisions of IRC Sec. 127 as described above.

*Taxable Education Assistance*

**IRC Sec. 61 Loan with Forgiveness Clause**

If the hospital provides educational assistance to an employee that would qualify under IRC Sec. 127 were it not for the $5,250 annual limitation, the excess assistance provided will be treated as a loan to an employee. Because the employee is also required to complete a minimum work commitment with the hospital, the hospital will forgive the amount of the loan pro-rata over the duration of the employee’s work commitment with the Hospital. IRC Sec. 61 requires an individual to recognize gross income on the amount of the loan that is forgiven as the loan is forgiven over the duration of the work commitment. Recipient will be required to sign a promissory note.

In addition, the hospital is required to impute interest income to an employee on all employee loans that have balances of $10,000 or more. Once an outstanding loan balance drops below $10,000, interest no longer is required to be imputed to an employee. Any imputed interest is included in an employee’s Form W-2 in the year that the interest is charged to the employee.