I. Purpose and Scope

Dependent children and spouses or other qualified dependents (OQDs) of regular, retired and deceased employees are eligible to receive tuition discounts for courses taken at Western Kentucky University. This applies to all courses offered for credit, but does not include continuing or community education courses and courses offered through overseas programs. Audit, independent learning and bi-term courses are included in this policy. Dual credit (high school/college) courses are not included as allowable coursework under this policy.

A 50 percent tuition discount applies to the full tuition and mandatory fees for courses taken. Fees which are not considered a part of this policy include course specific fees, student teaching fees, and other similar fees.

II. Policy

A. Dependent children of regular full-time employees are eligible to receive a tuition discount of 50% on all undergraduate courses until the degree requirements for one baccalaureate degree at WKU are met. Graduate courses are not included in this policy.

B. Spouses or OQDs of regular full-time employees are eligible for a 50 percent tuition discount for up to six (6) credit hours per semester (Fall and Spring) and up to six (6) credit hours during the Winter and Summer (May included) terms combined (total of 18
credit hours per calendar year). This discount applies to undergraduate or graduate course work. This benefit applies to all courses offered for credit, but does not include continuing or community education courses and courses offered through overseas programs. Audit, independent learning and bi-term courses are included in this policy. The 50 percent tuition discount applies to the full tuition and mandatory fees for courses taken. Fees which are not considered a part of this policy include course specific fees, student teaching fees, and other similar fees.

C. In order to participate in the program, the dependent child, spouse or OQD must meet general admission requirements and any specific program requirements of the University. A minimum cumulative grade point average of 2.0 on a 4.0 grade scale must be maintained. If the GPA falls below 2.0, the dependent child, spouse or OQD will be ineligible to participate in the tuition discount program until his/her GPA improves to 2.0. The tuition discount is renewable each semester by application.

1. Eligible dependent children, spouses or OQDs may receive the reduced tuition benefit only for classes which begin subsequent to the related employee's employment date. For purposes of this policy, the employee, through whom this tuition discount is gained, must be employed on or before January 15 for the Spring semester or August 16 for the Fall semester. For the May and Summer terms, individuals must be employed on or before May 1. For the Winter term, individuals must have been employed on or before December 15 of the preceding year. Should the employee, through whom the tuition discount is gained, terminate employment during the time a course is being taken or prior to its completion, the dependent child and spouse or OQD will be allowed to complete the current semester and continue to receive the previously approved tuition discount. Dependent children and spouses or OQDs of full-time employees on an approved leave of absence (including sabbatical leave) are eligible for the discounts under this program for the duration of the employee's approved absence.

2. Dependent children and spouses or OQDs receiving less than full institutional tuition scholarships are eligible for the tuition discounts provided herein, however, the combined amount of all institutional tuition scholarships and discounts shall not exceed the total amount of tuition and mandatory student fees. For dependent children and spouse or OQDs who receive full institutional scholarships and whose enrollment begins with the 2007/2008 academic year or after, the tuition discount benefit shall be applied to the dependent child’s account prior to the awarding of an institutional tuition scholarship. The sum of the discount and institutional tuition scholarship shall not exceed the total cost of tuition and mandatory student fees. The limits imposed by this policy do not affect institutional scholarships which cover charges other than tuition and mandatory fees (i.e., room, board, meals). Similarly, the limits imposed do not affect those students who receive external scholarships.

Definitions

A. For the purpose of this policy, the following definitions shall be used to determine eligibility:
1. A dependent child is defined as one who is an unmarried, natural child, adopted child, step-child, legal ward or dependent child of an employee’s OQD; who meets all requirements as set forth in the IRS guidelines for a Qualifying Child, and who (a) is claimed as a dependent by the employee on the most recently filed federal income tax return and who (b) is eligible to be claimed as a dependent for the tax year in which classes are taken.

In the case of a legal separation or divorce, a dependent child may participate in this program regardless of which parent declares the child as a dependent for income tax purposes.

In the case of an OQD’s dependent child, the child may participate in this program provided the child (a) is claimed as a dependent by the employee’s OQD on the most recently filed federal income tax return and who (b) is eligible to be claimed as a dependent for the tax year in which classes are taken. In the case where the OQD’s dependent child may be claimed as a dependent for tax purposes under his or her other biological parent, the dependent child may participate.

A dependent child of a deceased employee who was a qualified dependent at the time of the employee’s death shall be eligible for tuition discounts following the same guidelines. A dependent child of a deceased employee having less than five (5) years of full-time service who is enrolled and receiving benefits under this policy at the time of the employee’s death, shall continue to remain eligible for tuition discounts until degree requirements for one baccalaureate degree are met.

2. A spouse is defined as anyone recognized to be a legal spouse under federal and state regulations, or anyone who is considered the surviving spouse at the time of the employee’s death.

3. An OQD is defined as being financially interdependent and sharing primary residence with the employee, and has done so for the past twelve (12) months (for complete OQD eligibility requirements see Other Qualified Dependent (OQD) Guidelines which may be obtained through the WKU Department of Human Resources). Coverage requires the submission of an Affidavit of Other Qualified Dependent for Benefits Coverage Form.

4. A retiree is defined as any of the following individuals: 1) individuals who have gained official retirement status with the Kentucky Teachers’ Retirement System (KTRS) or the Kentucky Employees’ Retirement System (KERS), or 2) individuals who participate in the Optional Retirement Plan (ORP) whose age and years of full-time employment equal 60 or greater, with a minimum of ten (10) years of full-time employment.

5. A deceased employee is defined as a full-time employee whose death occurs while in an active full-time status after a minimum of five (5) years of full-time service with Western Kentucky University.

III. Procedure
A. General

1. For individuals requesting the tuition discount benefits provided by this policy, following course registration, an on-line tuition discount form must be completed each semester and forwarded to the Department of Human Resources by or before the prescribed deadline. Form submission deadlines are as follows: Winter Term – December 15th of the preceding year; Spring Term – January 15th; Summer Term (May included) – May 1st; and Fall Term – August 15th. Upon determination of eligibility, the form shall be forwarded to the Office of Billings and Receivables for posting to the student’s account.

B. Tax Reporting and Withholding Requirements

1. Under U.S. Internal Revenue Code, WKU is permitted to provide educational benefits to employees and dependents, but with different limitations and tax implications depending on the level of study. (For tax implications pertaining to “employees” please see HR Policy 4.6501.)

2. All undergraduate coursework awarded to dependent children and legal spouses, is allowed to be considered tax-free and is excluded from an employee’s taxable wages, with the exception of benefits awarded to an OQD or an OQD’s dependent child. Per IRS regulations, all undergraduate coursework discounted for either an adult OQD or an OQD’s dependent child(ren) is subject to tax implications and will be included as an employee’s taxable wages.

3. All graduate level course discounts awarded to spouses or OQDs are fully taxable income to the employee.

4. The taxable value of tuition waiver benefits will be added to employee taxable wages in February, May, September, and November for the Winter, Spring, Summer, and Fall terms respectively. This increase in taxable wages will result in an increase of tax withholdings and a reduction in net pay. All employees are encouraged to track their education-related benefits for each calendar year and the payroll implications of such.

5. Taxable educational benefits provided to the dependent children, spouses or OQDs, and OQD’s dependent children of eligible retirees beyond the retiree’s last year of employment with WKU will be reported on IRS Form 1099.

IV. Exclusions

V. Related Policies

See also: University Policy; 4.6501 Tuition Waiver Program for Employees

VI. Reason for Revision

Benefits extended to OQDs and OQD’s Dependent Children effective January 1, 2012.