Eligibility for Tuition Waiver

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Status
All employees with regular employment status, beginning work on or after January 1, 1992, who meet all admission requirements established by the university are covered under this policy. Employees hired before January 1, 1992 are grandfathered under a prior policy.

Work Schedule
A staff member must be working at least 30 hours a week, for 12 months of the year (1,560 hours per year); and a faculty member must be under full-time contract (75% or more).

Service Time
Eligibility begins at one year of service.

Employee status is determined as of the first day of class, in any session. Should employee status be lost due to resignation during a semester or other session, that session may be completed with the tuition waiver benefit intact. If employee status is lost due to involuntary termination of employment, tuition waiver benefits for enrolled students may be extended to the end of the academic year (end of spring semester), with the approval of the division vice president and Senior Director of Human Resources.

Employees coming to Biola directly from other institutions of higher learning will be given eligibility credit for their continuous years of full-time service at those institutions.

Eligibility for Spouse or Dependent Child Tuition Waiver
Persons who qualify are the employee's spouse and any children who are dependent children, as defined by the Internal Revenue Service (dependents are those who receive over 50% of their financial support from the employee and are claimed as dependents on the employee's federal income tax form; dependent children age 24 and over must earn less than $3,950 per year from all sources). Spouse and dependents must meet all admission requirements established by the university. While in the program, spouse and dependents must meet the Satisfactory Academic Progress (SAP) requirements of the university.

Dependent status is determined as of the first day of class in any session. Should dependent status be lost during a semester or other session, that semester or session may be completed as though the student were still a dependent. All dependents who are eligible for state scholarship aid must apply for California Grant "A" aid, prior to requesting tuition waiver. The granted tuition waiver benefit is limited to the difference between the scheduled Biola tuition and the total amount of Cal Grant aid, Biola Scholarships, and other institutional aid. Failure to make application for the Cal Grant will result in the benefit being reduced by an amount equal to the maximum Cal Grant.

Application Fee
There is a discounted application fee of $15 for the employee, spouse, or dependent child who applies for admission to a Biola educational program, under the tuition waiver benefit.
General Schedule of Benefits

The tuition waiver covers a percentage of basic on-campus tuition costs only. The only off-campus program funded is Biola London, which receives a partial waiver. Tuition waiver does not include any fees associated with a course such as lab fees, charges for private lessons, registration fees (e.g. late, add, and drop fees), nor enrollment and/or housing deposits. Also, the waiver does not apply to the cost of textbooks, the cost of travel, or other expenses associated with a course. At a 100% waiver, a charge of $20/unit is applied for classes taken during Interterm and Summer Sessions.

The employee personal use tuition waiver can be applied to undergraduate, master's, and doctoral programs. The spouse tuition waiver can only be applied to undergraduate and master's programs. The dependent child tuition waiver can only be applied to undergraduate programs.

Certain programs at Biola are funded via a special revenue-expense budget model. Many of these program budgets cannot support tuition waiver students. Therefore, effective September 15, 2009, new students to the programs listed at the end of this policy may not apply tuition waivers to their costs.

Tuition waiver students are not counted toward the minimum class size requirements. Therefore, courses may be cancelled when the number of non-waiver students does not reach minimum enrollment requirements.

Personal Use Tuition Waivers: Undergraduate, Master's, or Doctoral

The following tuition waivers apply to all employees:

<table>
<thead>
<tr>
<th></th>
<th>1 Year of Service</th>
<th>2 Years of Service</th>
<th>5 Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per Semester</strong></td>
<td>80% of 3 units</td>
<td>80% of 6 units</td>
<td>100% of 6 units</td>
</tr>
<tr>
<td><strong>Interterm</strong></td>
<td>80% of 3 units</td>
<td>80% of 4 units</td>
<td>100% of 4 units</td>
</tr>
<tr>
<td><strong>Summer</strong></td>
<td>80% of 3 units</td>
<td>80% of 6 units</td>
<td>100% of 6 units</td>
</tr>
</tbody>
</table>

The maximum number of undergraduate units (either covered by the tuition waiver or not) that an employee can take in any semester or other session is 6 units. Were an employee to take 7 units or more, employee status would be lost and student status would be gained, resulting in the termination of tuition waiver eligibility. However, the number of graduate units that an employee takes in any semester has no effect on employee status.

At the discretion of an employee's department head, one course may be taken during working hours. If the employee’s supervisor requires the course, the time missed from work will be paid. If the course is an employee elective, but is deemed by the supervisor to be directly related to the
employee's job, the department head may, at his/her discretion, approve paid time off. If an elective course is not found to be directly related to the employee's job, the time off work will not be paid. At the supervisor's discretion, the employee may be required or may be allowed to make up the missed work time within that pay period.

**Spouse Undergraduate Tuition or Master’s Program Waivers**

For a regular employee working at least 30 hours/week, for at least 12 months, the maximum allowable units waived will follow the personal use chart for employees, even though the waiver is taken for the spouse's privilege.

The following applies for spouses of all eligible employees:

<table>
<thead>
<tr>
<th></th>
<th>1 Year of Service</th>
<th>2 Years of Service</th>
<th>3 Years of Service</th>
<th>4 Years of Service</th>
<th>5 Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per Semester</strong></td>
<td>80% of 3 units</td>
<td>80% of 6 units</td>
<td>80% of 9 units</td>
<td>80% of 18 units*</td>
<td>100% of 18 units*</td>
</tr>
<tr>
<td><strong>Interterm</strong></td>
<td>80% of 3 units</td>
<td>80% of 4 units</td>
<td>80% of 4 units</td>
<td>80% of 4 units</td>
<td>100% of 4 units</td>
</tr>
<tr>
<td><strong>Summer</strong></td>
<td>80% of 3 units</td>
<td>80% of 6 units</td>
<td>80% of 9 units</td>
<td>80% of 9 units</td>
<td>100% of 9 units</td>
</tr>
</tbody>
</table>

*A maximum of 16 units at Rosemead.

**Dependent Child Undergraduate Tuition Waivers**

The following applies to dependents of all eligible employees:

<table>
<thead>
<tr>
<th></th>
<th>1 Year of Service</th>
<th>2 Years of Service</th>
<th>3 Years of Service</th>
<th>4 Years of Service</th>
<th>5 Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per Semester</strong></td>
<td>80% of 3 units</td>
<td>80% of 6 units</td>
<td>80% of 9 units</td>
<td>80% of 18 units*</td>
<td>100% of 18 units*</td>
</tr>
<tr>
<td><strong>Interterm</strong></td>
<td>80% of 3 units</td>
<td>80% of 4 units</td>
<td>80% of 4 units</td>
<td>80% of 4 units</td>
<td>100% of 4 units</td>
</tr>
<tr>
<td><strong>Summer</strong></td>
<td>80% of 3 units</td>
<td>80% of 6 units</td>
<td>80% of 9 units</td>
<td>80% of 9 units</td>
<td>100% of 9 units</td>
</tr>
</tbody>
</table>

*A maximum of 16 units at Rosemead.
Audit
Courses may be audited under the tuition waiver program, subject to the approval of the instructor.

Benefit Continuation
Spouse/Dependent of Deceased or Fully and Permanently Disabled Employee
The currently enrolled spouse/dependent of an employee who dies while employed at Biola University will continue to be eligible for the same percentage and number of tuition waiver units they are currently receiving, until the present degree being pursued is completed and continuous enrollment is maintained.

A spouse or dependents not currently enrolled at Biola will receive undergraduate 100% tuition waiver units, according to the following schedule of consecutive years of full-time employment by the deceased employee:

<table>
<thead>
<tr>
<th></th>
<th>6 Years of Service</th>
<th>8 Years of Service</th>
<th>10 Years of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per Semester</strong></td>
<td>100% of 6 units</td>
<td>100% of 9 units</td>
<td>100% of 18 units*</td>
</tr>
<tr>
<td><strong>Interterm</strong></td>
<td>100% of 4 units</td>
<td>100% of 4 units</td>
<td>100% of 4 units</td>
</tr>
<tr>
<td><strong>Summer</strong></td>
<td>100% of 6 units</td>
<td>100% of 9 units</td>
<td>100% of 9 units</td>
</tr>
</tbody>
</table>

*A maximum of 16 units per semester at Rosemead.

The policy above will also apply in the same manner to qualified dependents of employees who become fully and permanently disabled while employed at Biola.

Should a spouse remarry or dependent children marry, or should the disabled employee be determined to no longer be permanently disabled, while receiving tuition waiver credit, the waiver will continue through the end of the session during which the change occurs and then ceases.

Retired Employee
An employee who retires at age 60 or older, with a minimum of 10 years of service, will be eligible to receive up to 6 units of personal use undergraduate or graduate tuition waiver per session.

Tuition Waiver Exchange Programs
Biola is a member of two educational associations that allow tuition waiver-eligible employees to seek reciprocal tuition scholarships for dependents at participating undergraduate institutions.

The Coalition of Christian Colleges and Universities offers the Tuition Waiver Exchange Program (TWEP), with over 80 private Christian institutions participating. Students desiring to be considered
for a tuition waiver at a participating institution must apply for admission to that institution as well as apply for the TWEP through Biola’s Office of Enrollment Management. As each participating institution has its own decision schedule, a January 1 deadline is advised. A complete list of participating institutions can be found at www.cccu.org/administration_and_faculty/tuition_waiver_exchange_program.

The Tuition Exchange (TE) is a non-profit, educational association that provides tuition waiver-eligible employees the opportunity for reciprocal tuition scholarships in undergraduate programs, at approximately 600 private and public institutions. Employees interested in pursuing the TE for a dependent should notify Biola’s Office of Enrollment Management no later than December 1 of the student’s high school senior year. A complete list of participating institutions can be found at www.tuitionexchange.org.

On-Campus Programs for Which Employees Only Are Eligible on a Space-Available Basis (Effective Fall 2012)

M.A. Apologetics
M.A. Science & Religion

Talbot:
Ph.D./Ed.D. Program

School of Education:
Special Education Certificate

On-Campus Programs Not Eligible for Tuition Waiver
All on-campus programs are eligible for tuition waiver, except for the following:

Applied Psychology
Bible Bridge
Smart Start

School of Education:
M.S. Curriculum & Instruction
M.S. Special Education

Talbot:
Ph.D. Current Faculty Track
Talbot ITS Courses
Spiritual Formation

Crowell School of Business:
MBA Program*
MPAcc Accounting Program

*Limited Number of 50% Waivers. The 50% waiver includes all types of institutional aid including,
but not limited to, restricted, endowed, and unrestricted funds.

**Employee Tax Implications of Tuition Waivers (subject to changes in IRS regulations):**

**Undergraduate**
Undergraduate tuition waivers for employee, spouse, and dependent children are considered a tax-free fringe benefit, so there are no tax implications for either the employee or their dependents.

**Graduate**
Graduate tuition waivers for a spouse or dependent children (grandfathered under prior policy) are fully taxable to the employee. For employees who receive graduate tuition waivers on classes that they take, the first $5,250 of waivers in any calendar year is exempt from taxes. Waivers that exceed this amount are taxable, unless the education is work-related education.

To be considered work-related, the education must meet at least one of the following two tests:

- The education is required by Biola to keep the employee’s present salary, status, or job. It must serve a bona-fide business purpose.
- The education maintains or improves skills needed in the employee’s present job.

However, even if the education meets one or both of the above tests, it is not qualifying work-related education if:

- It is needed to meet the minimum educational requirements of the employee’s present job, or
- It is part of a program of study that will qualify the employee for a new trade or business.

The final determination of whether education will be considered work-related is to be made by Human Resources. Upon receipt of the *Graduate Tax-Exempt Education Request Form*, a decision will be made based upon the employee’s current job description and the recommendation of the employee’s supervisor.

The amount of the taxable waivers will be considered “imputed income” to the employee and will be spread over a number of pay periods during the term in which the classes are taken.