EMPLOYEE TUITION FEE WAIVER PROCEDURES

Policy Id:
HR.004 - Employee Tuition Fee Waiver Procedures

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EMPLOYEE TUITION FEE WAIVER PROCEDURES:

PLEASE READ BEFORE COMPLETING THE TUITION FEE WAIVER FORM (OFSR 305)

Background:
As part of the "Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA)," which was signed into law on June 7, 2001, Section 127 of the Internal Revenue Code was extended permanently for both graduate and undergraduate courses, effective January 1, 2002. This benefit enables employers to assist workers to further their education at a cost of up to $5,250 per year tax free, whether or not the course is job-related.

Note:
CUNY eligible employees are hereby advised that undergraduate and graduate level courses in which they enroll in using the CUNY Employee Tuition Fee Waiver Form OFSR 305, may be reportable as wages and subject to withholdings if educational assistance benefits exceed the $5,250 threshold, are non job-related and do not meet the requirements of the "working condition fringe benefit" exclusion. To meet the requirements of "working condition fringe benefit" exclusion the course must: 1) maintain or improve skills that an employee is required to have for employment; and 2) be expressly required by the employer, or is legally required in order to retain an established employment relationship, status or rate of compensation. Moreover, the course must: 1) not be for the purpose of satisfying the minimum educational requirements to qualify for employment; and/or 2) not to qualify the employee for a promotion or transfer to a new trade or business.
**Procedures:**

A. Obtain the CUNY Employee Tuition Fee Waiver (Form OFSR 305) from the HR Office of the College of Employment. Failure to submit a completed Form OFSR 305 to the HR Office of the college of employment may result in the inclusion of the value of your tuition assistance as wages.

B. Submit the completed Form OFSR 305 to the registrar at the College of Enrollment who will complete the registration certification portion of the waiver form and forward a copy of the waiver form to the HR Director at the College of Enrollment. In addition, a copy must be submitted to the Bursars at the College of Enrollment.

C. The HR Director at the College of Enrollment will forward the OFSR 305 form to the HR Director at the College of Employment.

D. You must submit to the College of Employment evidence of enrollment, including the Management Certification, bursar's receipt and the course description, in order to ascertain whether the course you are taking is taxable. The management representative designated by your college will use the University Accounting Office guidelines to determine whether the course you are taking is job related.

E. If the educational benefit exceeds the $5,250 threshold and the course is determined to be non-job related and does not meet the working condition fringe benefits exclusion within the Internal Revenue and University Accounting Office guidelines, the HR Director of the College of Employment will so advise the Payroll Office so that the actual dollar amount of the tuition fee that has been waived will then be reported as wages and be subject to tax withholding. The determination will be recorded on the reverse side of this form.

F. A copy of your certified Form OFSR 305 with a record of transmittal to Payroll will be kept on file at the HR office at your College of Employment. You may request to obtain a copy for your records.

**IF YOU ADD OR DELETE A COURSE PLEASE SUBMIT THE APPROPRIATE DOCUMENTATION IMMEDIATELY TO THE HR OFFICE OF YOUR COLLEGE OF EMPLOYMENT.**