

## **TUITION BENEFIT AND DEPENDENT TUITION BENEFIT**

**Effective Fall 2010**

**For Senior Administrators, Executive Directors, APOs, & Exempt Support Staff**

### 1. Staff Tuition Benefit

1.1 The Board shall allow each Senior Administrator/Executive Director/APO/Exempt Support Staff a waiver of one hundred per cent (100%) tuition and materials and services fees for undergraduate credit courses at the University of Lethbridge, up to a maximum of 15 credit hours per semester. Co-operative courses will qualify for the Tuition Benefit.

1.2 An administration fee of \$15.00 per semester course shall be charged to Senior Administrator/Executive Director/APO/Exempt Support Staff, to a maximum of \$45.00 per employee per semester.

1.3 Normal regulations on tuition and other course fee payments and deadlines will apply.

1.4 The taxation of the instruction fee support shall be in accordance with Canada Revenue Agency regulations.

1.5 Employees will be eligible for the Tuition Benefit during any unpaid leave that exceeds 22 working days. If, after returning from an unpaid leave, an employee who voluntarily leaves the service of the University of Lethbridge prior to the expiration of the term of the appointment or within 12 months from the initial date of return, whichever period is less, they will be required to refund a portion of the Tuition Benefit.

### 2. Tuition Benefit

2.1 The spouse and dependents of a Senior Administrator/Executive Director/APO/Exempt Support Staff employee shall be entitled to a fifty per cent (50%) reduction in tuition fees, including the materials and services fee, charged for undergraduate credit courses at the University of Lethbridge, up to a maximum of 15 credit hours per student per semester. Where both parents are employees the Tuition Benefit for a dependent shall be 50%, depending upon any proration for part-time employment. Co-operative courses will qualify for the Tuition Benefit.

2.1 (a) This above clause will not be in effect until the Fall 2015 semester. The Tuition Benefit will remain an additive to a maximum of 100% where both parents are Senior Administrator/Executive Director/APO or Exempt Support Staff employees.

2.2 An administration fee of \$15.00 per semester course shall be charged to the student, to a maximum of \$45.00 per student per semester.

2.3 The spouse and dependents of an Employee with no less than one year of service, who dies while employed by the University shall be entitled to a waiver of one hundred per cent (100%) of the tuition, including the materials and services fee, for undergraduate credit courses undertaken at the University for a period of four (4) years following the death of the employee, up to a maximum of 15 credit hours per student per semester.

2.4 The definition of spouse and dependent shall be consistent with the definition used for entitlement to the Extended Health and Dental Plans. Reimbursement of Tuition Benefit is prorated for part-time employees.

2.5 Normal regulations on tuition and other course fee payments and deadlines will apply.

2.6 The taxation of the Tuition Benefit shall be in accordance with Canada Revenue Agency regulations.



July 16, 2010

Dear Exempt Support Staff, APOs, Executive Directors, Senior Administration,

I have been hearing that there is considerable discussion and concerns about the new tuition fee benefit, which was approved by the Board Compensation Committee, effective for the Fall 2010 semester. I would like to provide some context around the recommendation for the change in the benefit to give you some idea of our thought processes for the change in the benefit.

Currently, the tuition fee benefit for all employee groups is very confusing to employees who are claiming it in terms of when the application must be submitted, what the implications are if the deadlines have been missed, what the amount of the benefit will be, the benefit being a reimbursement of tuition and therefore the fees must be paid in accordance with the fee deadlines, the benefit being dependent on a grade point average of 2.00 and that the reimbursement does not occur until the semester is complete. The process is extremely time consuming both for employees and administration to manage.

In accordance with the current spouse and eligible dependent tuition fee benefits, as outlined in the employee group policies and procedures manuals, the employee and the student must submit the application form by a prescribed date for each semester. The tuition benefit is calculated after the grades are posted for the applicable semester and then a reimbursement is sent to the student for the calculated tuition benefit, which will be different each semester depending upon the number of employees who have applied for the tuition benefit. The employee or the student does not know what the reimbursement will be until the benefit is credited to the student account, thus making it very difficult for the employee or student to budget for their tuition costs. Each semester there may be significant differences in the benefit to be received, which depends on the number of employees in each employee group who apply for the benefit and the total amount in the respective tuition benefit pools, since currently there is a maximum total entitlement per employee group.

The change in the policy is a guarantee of a 50% tuition waiver for a spouse and/or eligible dependents. This change will allow the employee or student to immediately know the value of the benefit and the waiver amount would be deducted directly from the fees owing and thus eliminating the need for the employee or student to pay for the fees in advance and receive an undetermined benefit amount as much as up to 4 months after the payment is made for the semester. A new provision has also been added to allow the tuition benefit for dependents to extend up to 4 years following the death of an employee.

I had reviewed the tuition benefit at other post-secondary institutions and for those that do provide this benefit the norm is in the form of a tuition fee waiver, which is the process being adopted. It is worth noting as well that this benefit is not offered by many Universities in Canada.

Some people have commented on the change in the amount reimbursed. When the recommendation was made to make the change to a fixed amount (50%) the long term use of the pool was reviewed. It is true in recent semesters the reimbursement has been closer to 100% for some employee groups but this has not been the norm over the previous 10 years. I feel the change to the immediate reimbursement of a fixed 50% is fair and offsets the current language that provided for the unpredictable potential of more than a 50% reimbursement. The 50% guaranteed reimbursement applies to all employees groups which has had various reimbursement levels so the 50% will standardize the benefit to all employee groups. However, in order to provide a bridge to this guaranteed 50% reimbursement rate, the amount of the current Board's contribution into each employee groups' tuition benefit fund will be allocated in full if there is a difference between the Board's contribution and the guaranteed 50% tuition waiver until the Fall 2015 semester. If the 50% waiver is in excess of the Board's tuition fund contribution then only the 50% waiver will be in effect. Illustrations of this are as follows:

	Example 1	Example 2
Board's Contribution to the tuition benefit fund	\$50,000	\$50,000
Tuition Fee Waiver (50% guaranteed)	\$40,000	\$40,000
Balance in Fund	\$10,000	\$(10,000)
Balance of Allocation <sup>(1)</sup> to the 20 students who received 50% guaranteed waiver	\$ 500 to each student	\$0 to each student

<sup>(1)</sup> maximum waiver up to 100% of tuition and materials and services fees for undergraduate credit courses at the University of Lethbridge

Note that if there are still funds left in the tuition benefit funds (each employee group accounted for separately), then the balance of the funds will be carried over into the following year and made available for the tuition fee waiver, until the Fall 2015 semester.

From what I am hearing, you are content with the simplification of the reimbursement process, the guarantee of 50% tuition fee waiver and the immediate benefit of not having to pay the total tuition up front and wait for a reimbursement. What seems to be the second issue is the clause included in Section 2.1 "*Where both parents are employees the tuition waiver for a dependent shall be 50%, depending upon any proration for part-time Members.*" This is a change in the current policy but one that is common at other institutions, with the idea that students should be responsible for some of their post-secondary education costs. That being said, I do understand the concern expressed by employees in how they are budgeting for tuition. As a result, the above clause of a maximum of 50% where both parents work at the University will be delayed and not implemented until the Fall 2015 semester. This should allow all current student dependents to complete their degree, as well as accommodate for those students who will be just entering into the University over the next year.

I trust that this change to the tuition benefit will alleviate your concerns.

Sincerely,

Nancy Walker  
Vice-President (Finance & Administration)

c. Don MacDonald Associate Vice-President (Human Resources & Administration)