

Pitzer College
Taxability Determination Form
For Employee Graduate-Level Tuition Remission Benefit

Employee Name: _____ Title: _____

Supervisor Name: _____ Title: _____

Degree Program of Study: _____

School: _____

Starting Semester: Fall 20____ Spring 20____ Summer 20____

Attach a brief description (2-3 sentences) of your Program of Study to this form and submit both to your supervisor. A copy of the completed form will be returned to you within 10 business days of submission to HR.

I have read the summary of the IRS regulations on the back of this form concerning taxation of tuition remission payments. I understand that in conjunction with my supervisor, HR and the Treasurer's office will determine if my tuition remission payments will be reported for taxation to Payroll based on the information submitted below. I further understand that if my program of study should change I must fill out a new Taxability Determination Form at that time.

Employee Signature _____ Date _____

Section to be completed by Supervisor

Your staff member will be taking graduate-level coursework. Please answer the questions below regarding the taxability of graduate-level coursework and sign verifying the chosen coursework of study and these descriptions. Submit the completed form and program description to the Human Resources office for review.

Under current IRS regulations for graduate level tuition reimbursement benefits (a *Tuition Reduction Program*); a determination must be made concerning taxability, based on the criterion below.

(Note: You may refer to the back side of this memo for a longer description of tuition reimbursement benefit taxation according to IRS regulations effective January 1, 2002)

1. Is the graduate degree program required by either Pitzer or law to keep the employee's present salary, status, or job? Yes____ No____
2. Is the graduate degree program directly related to the employee's current position? Yes____ No____
3. Is the graduate degree program being undertaken for the purpose of maintaining and improving the skills required for the current job? Yes____ No____
4. Is the employee a graduate student who teaches or performs research activities at Pitzer? Yes____ No____
5. Does the graduate degree qualify the employee for a new trade or business? Yes____ No____

Supervisor's signature verifying the information above:

Supervisor: _____ Date: _____

Section to be Completed by Human Resources/Treasurer's Office

The above information has been reviewed by either the Treasurer/VP of Administration or the Director of Human Resources. Based on the answers to the questions as well as a review of the program description, it has been determined that the Graduate level tuition remission benefits:

Meets the IRS Criterion for a **Non-Taxable** Benefit

Signature: _____

Date: _____

Title: _____

Meets the IRS Criterion for a **Taxable** Benefit

Signature: _____

Date: _____

Title: _____

**Summary of IRS Regulations Regarding Taxation
of Graduate-Level Tuition Remission Benefits**
(Sources: IRS Publication 15-B for 2010 and Publication 970 for 2009)

1. Pitzer administers a qualified **Tuition Reduction Program** as defined by IRS Regulations Sec. 170. Such plans permit non-taxable tuition rebates to employees and their dependents when registered as students at the employee's institution. Pitzer's Tuition Reimbursement Program provides for tuition reimbursement for employees and their dependents when enrolled as degree students at any of The Claremont Colleges. However, a tuition reduction for graduate education qualifies for this taxable benefit exclusion only if it is for the education of a graduate student who performs teaching or research activities for the educational organization.
2. Under the **Working Conditions Benefits Allowance** as defined by IRS Regulations Sec. 132 students enrolled in graduate level courses may be eligible for exclusion of taxable benefit on tuition reduction payments when the program of study is "undertaken for the purposes of maintaining or improving skills required in the taxpayer's employment or other trade or business; or meeting the express requirements of his or her employer, or the requirement of applicable law or regulations imposed as a condition to the retention of the taxpayer of an established employment relationship, status or rate of compensation." Studies that would qualify an employee for a new trade or business are not considered deductible.

*Please note: Pitzer's Tuition Remission Program covers dependent children as well as employees, which disqualifies the program as an **Educational Assistance Program** as defined by the IRS Regulations.*