

# State of Florida Employee Educational Assistance Program

WHEREAS Section 1009.265(1), Florida Statutes (2002), provides:

As a benefit to the employer and employees of the state, subject to approval by an employee's agency head or the equivalent, each state university and community college shall waive tuition and fees for state employees to enroll for up to 6 credit hours of courses per term on a space-available basis;

WHEREAS the State of Florida, as employer, in recognition of the dedicated public service of its employees, desires to assure its employees the maximum opportunity to receive the fringe benefit of this statutory tuition and fee waiver program without incurring additional income tax liability; and

WHEREAS pursuant to 26 U.S.C. §127 (Internal Revenue Code Section 127), the State of Florida may provide tax free educational assistance to its employees under a qualified educational assistance plan;

THEREFORE the State of Florida has adopted this State of Florida Employee Educational Assistance Program (the Program) for the exclusive benefit of employees of the executive, legislative and judicial branches of State government in accordance with the terms and conditions set forth below.

## Section 1. Educational Assistance Benefits

- 1.1 Eligible participants shall receive waivers that cover the cost of tuition and applicable fees.
- 1.2 Waivers may cover undergraduate or graduate courses.
- 1.3 Courses need not be work-related.
- 1.4 Courses may be taken at a state university or community college.
- 1.5 Pursuant to Section 1009.26(4), F.S., persons paying full fees and state employees taking courses on a space-available basis shall have priority over those persons whose fees are waived in all cases where classroom spaces are limited.

## Section 2. Program Eligibility

2.1 In order to be eligible for participation in the Program, an individual must be currently employed by the State of Florida in a budgeted authorized position of the executive, legislative, or judicial branch. An individual compensated exclusively through Other Personal Services funds is not entitled to receive State fringe benefits and is not eligible to participate in the Program.

2.2 Pursuant to proviso language in the General Appropriations Act, individuals must be employed full-time (i.e., 1.0 full-time equivalent).

2.3 Individuals who are on an approved educational leave, with or without pay, may participate in the Program.

2.4 No individual who is a currently employed full-time employee of the State of Florida occupying a budgeted authorized position in state government shall be deemed ineligible for participation in the Program because his or her position is included within any existing collective bargaining unit.

2.5 A participant who resigns, terminates, or otherwise loses eligibility during an academic term will remain eligible for the remainder of such academic term.

## Section 3. Approval for Participation

3.1 Pursuant to Section 1009.265(1), F.S., the head of each executive branch agency and the equivalent executive level administrative functionary within the legislative and judicial branches, must approve participation of eligible individuals within their respective employment.

3.2 The Chief Financial Officer will maintain an Employment Verification Database for use by the enrolling institution to verify the employment status of individuals applying to enroll in courses.

3.3 Approval for participation in the program does not constitute a guarantee of enrollment in any particular course offering. Whether an approved Program Participant achieves enrollment in any desired course offering is subject to the determination of the enrolling institution that space is available in that course offering and that the Program Participant has fulfilled all necessary curricular

prerequisites for the offering in question.

#### Section 4. Educational Assistance Limitations

4.1 The maximum educational assistance available to any eligible employee under the Program is expressly limited to 6 credit hours per term (18 credit hours per Plan Year). For purposes of this section, the Plan Year is calculated on a calendar year basis, i.e. January 1-December 31.

4.2 No assistance is available under the Program for the cost of application, books, supplies, equipment or any other type of educational materials or local institutional fee associated with credit hours taken under the Program.

4.3 Courses involving sports, games or hobbies are not available for tax-free treatment under this Program, unless such a course is required as part of a degree program.

4.4 Each state university and community college is responsible for establishing the criteria by which courses are deemed eligible for “space available” status.

#### Section 5. Valuation of Tuition and Fee Waivers

5.1 For purposes of the Program, each credit hour taken by an eligible employee under the statutory tuition waiver will be valued at the hourly rate charged by the enrolling institution for Florida residents or non-residents, as applicable, during the Plan Year.

5.2 Each state university and community college shall notify the program participants of applicable credit hour rates and fees, as needed to monitor the dollar value of waivers received during the Plan Year.

#### Section 6. Other Exclusions and Limitations

6.1 Pursuant to 26 U.S.C. §127, no more than \$5,250 in educational assistance provided per Plan Year under the Program qualifies for tax-free treatment. Any educational assistance provided to a participant under the Program which is valued in excess of \$5,250 will be reported to the Internal Revenue Service as income received by the participant.

6.2 No eligible employee may receive monetary or other compensation in lieu of participation in the Program.

## Section 7. Miscellaneous

7.1 It is the sole responsibility of each approved Program Participant to register and enroll, on a space-available basis, at the enrolling institution where the participant desires to take one or more courses for credit, subject to the limitations of the program. No assistance with matriculation or enrollment will be provided to a participant by his or her employer.

7.2 The educational assistance provided under this Program is in addition to any other non-work related educational assistance that individual agencies may be providing in the form of tuition reimbursement, vouchers, fellowships, etc., none of which constitute a part of this Program.

7.3 Participation in this Program shall not be deemed to give any participant the right to be retained in the service of the state or to interfere with the right of the employing agency to terminate employment at any time, regardless of the effect such termination has on continued participation.

## Section 8. Record-Keeping and Audit Control

8.1 As with all other non-cash fringe benefits, each employing agency is responsible for keeping accurate records of all educational assistance provided to employees, including waivers granted under this program.

8.2 The employing agency is responsible for determining when employees have received any taxable educational assistance during a Plan Year and notifying them of their respective tax liabilities. Agency responsibilities in connection with taxable educational assistance benefits will be as specified in Volume VI, Section 3, Part G.

Education Assistance, of the State Payroll Preparation Manual.

## Section 9. Notice to Employees

9.1 The employing agency is responsible for informing its employees concerning the provisions of the State of Florida Employee Educational Assistance

Program. Each agency is encouraged to provide each of its employees with a copy of the Program and to post a copy of the Program in areas where agency notices to employees are customarily posted.

9.2 A copy of the State of Florida Employee Educational Assistance Program shall be posted on the Chief Financial Officer's website and on any other relevant website maintained by the State of Florida to provide employment related information to State employees.

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Chief Financial Officer/Bureau of State Payrolls