TO: Foundation Benefited Employees

FROM: Stephanie Moreno
Associate Director of Human Resources & Admin Services

SUBJECT: Foundation Educational Assistance Program eff. 07/01/08

In an effort to maintain employee benefits comparable to CSULB, the CSULB Foundation has enhanced its Educational Assistance Program.

Effective July 1, 2008, the program will now include the ability to transfer the benefit to a dependent child (under the age of 23 years), spouse or domestic partner. Approval must be obtained in advance by the employee (or on behalf of their child, spouse or domestic partner). Since this program is funded as a direct project expense, approval is subject to the availability of funding, Project Director approval and program sponsor approval (if required by the sponsor). Eligible staff includes full time regular and part time regular CSULB Foundation employees.

Enclosed is a copy of the revised CSULB Foundation Educational Assistance Program policy and procedure. The "Request for Educational Assistance" form can be found on the Foundation website (http://www.foundation.csulb.edu) under the forms section.

If you have any questions please do not hesitate to contact me.
PURPOSE
The purpose of this program is to promote career and professional development for eligible staff employees and their dependents through the CSULB Foundation Educational Assistance Program.

STAFF ELIGIBILITY
The program is available full time regular and part time regular CSULB Foundation employees.

EMPLOYEE EDUCATIONAL ASSISTANCE PROGRAM
The CSULB Foundation Educational Assistance Program allows eligible CSULB Foundation employees to receive reimbursement of tuition/enrollment fees equivalent to six (6) units of instruction at the prevailing CSULB rate per semester (Fall Academic Semester, Spring Academic Semester and Summer Session). All classes must be taken for grades or for credit/no-credit. Course work completed must be in pursuit of an individual's initial Bachelor's or initial Master's degree. Since this benefit is solely funded by direct program funds, approval is contingent upon availability of funds, program sponsor approval (if required by sponsor) and Project Director approval. Written approval for Educational Assistance must be received by the Foundation Human Resources Department prior to course enrollment. Reimbursement is not limited to the CSU system.

Employees who wish to take classes during normal business hours and have the prior approval of their Director/Manager to alter their work schedule will either be required to make up the time spent away from work or use accrued vacation or OPA hours in order to be compensated.

If the employee chooses to take other classes in addition to those covered under the Educational Assistance Program, the employee will be responsible for 1) paying any difference between the amount paid on their behalf and the full basic registration/course fees and, 2) paying any late registration/course fees if appropriate registration deadlines are not met.
DEPENDENT EDUCATIONAL ASSISTANCE PROGRAM (Effective July 1, 2008)

Employees who are eligible for the CSULB Foundation Educational Assistance Program can transfer their existing benefit maximum of six (6) units to a dependent child/spouse/domestic partner. The eligibility requirements for the employee's dependent child/spouse/domestic partner are subject to the following conditions:

- Employee's dependent child/spouse/domestic partner must be claimed as a dependent on the employee's health benefits or Income Tax returns. (Copy of necessary documentation will be requested for verification purposes.)
  - **Dependent Child** - Dependent child is defined as 1) your child or stepchild under the age of twenty-three (23) and who has never been married 2) a child living with you in a parent-child relationship who is economically dependent upon you, under the age of twenty-three (23) or above who is incapable of self-support due to a disability which existed prior to age twenty-three (23).
  - **Dependent Spouse** - The benefit for a spouse is contingent upon the employee being legally married while collecting Educational Assistance. (Copy of marriage certificate will be requested for verification purposes).
  - **Dependent Domestic Partner** - The benefit for a domestic partner is contingent upon the employee having a Declaration of Domestic Partnership on file with the California Secretary of State. (Copy of necessary documentation will be requested for verification purposes.)
- Courses taken by a dependent child/spouse/domestic partner have to be matriculated toward a degree and be for credit toward the degree's requirements.
- Educational assistance eligibility may be transferred to only one (1) person per employee per semester, regardless of whether that individual uses the full entitlement of six (6) units.
- If both parents are employed by the CSULB Foundation and are eligible to transfer their educational assistance benefit to a dependent child, each employee may transfer the benefit. Therefore, it is possible for one (1) child to receive both benefits and be eligible to enroll in up to twelve (12) units on an educational assistance basis. Alternatively, each employee could transfer his/her benefit to a different child and each child would be entitled to six (6) units of reimbursement eligibility.
- Dependent reimbursement applies only to certain fees incurred by California residents. Thus, the dependent child/spouse/domestic partner who does not meet established in-state residency requirements (and those who do not qualify for classification as a resident in accord with the provisions of Title 5, Section 41910, California Code of Regulations) will be responsible for paying non-resident tuition charges based upon the total number of units enrolled.
- A dependent child/spouse/domestic partner taking units in addition to the approved CSULB Foundation assisted units shall pay any differences in fees.
- Normal academic standards must be maintained by the dependent child/spouse/domestic partner in order to continue participating in the Educational Assistance Program.
- Policy only applies to new requests received on or after July 1, 2008.
TAX ISSUES
According to the Internal Revenue Codes under the CSULB Foundation Educational Assistance Program, the following tax-free or taxable benefits are available to CSULB Foundation employees and their children, spouses and/or domestic partners:

<table>
<thead>
<tr>
<th>Eligible Participant</th>
<th>Course Level(s)</th>
<th>Tax Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSULB Foundation Employee</td>
<td>Undergraduate and Graduate</td>
<td>Nontaxable</td>
</tr>
<tr>
<td>Employee's Spouse/Dependent Child</td>
<td>Undergraduate</td>
<td>Nontaxable</td>
</tr>
<tr>
<td></td>
<td>Graduate</td>
<td>Taxable</td>
</tr>
<tr>
<td>Employee's Domestic Partner</td>
<td>Undergraduate</td>
<td>Taxable</td>
</tr>
<tr>
<td></td>
<td>Graduate</td>
<td>Taxable</td>
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</tbody>
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NOTE: Nothing contained herein should be construed as tax advice. Employees are advised to consult their tax advisor regarding taxes associated with this benefit.

SEPARATION/CHANGE OF EMPLOYMENT
Employees who separate from the CSULB Foundation or otherwise become ineligible (i.e., change in employment status) prior to completing the semester and submitting the necessary reimbursement documentation shall become ineligible for the Educational Assistance Program and will not be reimbursed.

REQUEST/APPLICATION PROCEDURES
Prior to enrolling in a course, the employee must complete and submit the CSULB Foundation "Request for Educational Assistance Form" (form available on Foundation website or from Foundation HR Department) to the Foundation Human Resources Department with necessary back-up documents for approval. These documents include, but are not limited to the following:

- Program description *
- Course description *
- Verification of dependency status (as applicable)
- Signature approval from the employee's program sponsor (if required by sponsor) and Project Director/Manager associated with the employees' department

NOTE: Program description and course description information can be copied from a course catalog or the institution's website.

REIMBURSEMENT PROCEDURES
Reimbursement by the CSULB Foundation for pre-approved academic units will only be made upon submission proof of successful completion of the course work. For reimbursement, the employee is required to submit the following documentation:

- Proof of successful course completion (grade of C or better; or proof of "passing" the course if the course was taken as credit/no credit)
- Itemized proof of course payment/registration