# **Employee Reduced Tuition Benefit Quick Reference**

Both the Employee Reduced Tuition Plan and Enhanced Employee Reduced Tuition Plan provide financial assistance to full-time, benefits eligible Northwestern employees. This assistance can be applied toward the cost of undergraduate or graduate courses taken at Northwestern University, as well as non-credit, on-campus Professional Development Programs through the School of Professional Studies.

A list of some eligible Northwestern programs can be found in the Professional Development section of our <u>website</u>.

This application only needs to be submitted once per **calendar year**, not academic year. If course of study starts in the Fall, you will complete one application in the fall, then another in January for Winter. Now you will only need to submit the application in January for every year.

This benefit is subject to additional payroll taxes. Your net pay (take-home) will be reduced due to additional payroll taxes. See tax section on next page.

	Employee Reduced Tuition	Enhanced Employee Reduced Tuition
Plan ID	ER	EER
Employment Status	Full-time, benefits- eligible	Full-time, benefits-eligible, actively working and on the University payroll
Years of Service	No requirement	At least 3 years of continuous, full-time, benefits-eligible service
Salary	No requirement	Have a salary of less than \$100K gross annually
Benefit	90% Reduced Tuition	90% Reduced Tuition
Annual Limit	\$12,000	No limit

### **Eligibility**

Both the Employee Reduced Tuition Plan and Enhanced Employee Reduced Tuition Plan provide financial assistance to full-time, benefits eligible Northwestern employees. For a course to be covered by the plan, it must start on or after the date you become a full-time, benefits eligible employee.

### **Using the Benefit**

- 1. Determine the course of study or program in which you would like to participate.

  A list of some eligible Northwestern programs can be found in the <a href="Professional">Professional</a>
  Development section of our website.
- 2. Apply for and be accepted into the program.
- 3. Register for your courses.
- 4. Pay Student 10% of the total tuition.
- 5. Apply for the tuition benefit. See <u>step-by-step guide</u>.
- 6. Enter the year for the first term of the calendar year (not academic year).

#### **Taxes**

## Your net pay (take-home) will be reduced due to additional payroll taxes.

All Employee Tuition Benefits above \$5,250 received per calendar year must be taxed as non-cash compensation and added to an employee's taxable wages. Taxes are assessed in the year in which the funds are received. Additional information can be found on the <a href="IRS website">IRS website</a>.

Review the Tuition Taxation website for more information and tools.

#### **Things to Consider**

- The benefit applies to any courses that is billed through <u>CAESAR</u> at
   Northwestern that start on or after you first day as a <u>full-time</u>, <u>benefits eligible</u>
   employee. Part-time employees are not eligible fot this beneift.
- One online application is required once for each calendar year (Jan Dec) of study. Use this <u>step-by-step guide</u> for assistance applying.
- Allow 4 weeks for the benefit to be applied to your Student Finance account.