

Tuition Program for the Children of Haverford Employees

Effective the fall semester, 1997, Haverford College has made college tuition grants for children of eligible employees of the College. The definition of children includes those children who were born, were legally adopted at least seven years prior to utilization of the benefit, or are legally dependent stepchildren* (evidenced by declaration as a dependent on the employee's federal income tax returns or other proof that the stepchild received over one-half of his or her support from the Haverford employee for the seven years preceding utilization of the benefit).

There are two College Plans as outlined below:

Plan "B"

This program is available on an equal basis to all employees, including faculty hired after December 31, 1996, and as such, its grants currently are not subject to income tax.

Plan "A"

An existing program, Plan "A" is restricted to faculty employees hired prior to December 31, 1996. Some of the grants under this plan are subject to income tax. By plan design, faculty hired prior to December 31, 1996 automatically will become participants in the program, Plan A or Plan B, that provides the most advantageous tax situation for the employee as determined by the College. Plan A will remain in effect as long as there are faculty eligible to participate in it.

*Stepchildren include children entering the family through the marriage of a parent and children entering the family by establishment of a qualified domestic partnership.

Grants will be made on the following basis:

1. The child for whose benefit the grant is made must be enrolled as a fulltime student in an associate, bachelor degree or certificate program at an institution of post-secondary education which is accredited by a regional or professional accrediting agency recognized by the U.S. Secretary of Education. The current edition of the HEP *Higher Education Directory* (available in the Human Resource Office) lists such institutions. The tuition grant for any one child is limited to the equivalent of four full-time academic years (e.g., 8 semesters or the equivalent).
2. The grant shall be made only for tuition. Other charges such as board, room, and various academic and social fees are not covered. In no case shall the grant exceed 50% of the then current tuition charged by Haverford College or

50% of the then current tuition charged by the other institution attended, ***whichever is less.***

3. Employees and children must apply for any grants or scholarships available to them from other sources in order to be eligible for tuition grants. All awards to the student, and pending applications for awards, must be reported to Haverford College.

4. The combination of the Haverford grant plus the total of all outside grants or scholarships received by the student shall not exceed 100% of Haverford's tuition or the tuition of the other institution attended, ***whichever is less.*** Such grants or scholarships include, but are not limited to, those from foundations, societies, and other institutions of higher education, athletic scholarships, federal or state grants or scholarships, and staff benefits from other employers.

Example: Haverford's tuition is \$40,000. Tuition at the other institution attended is \$36,000. The student is eligible for an \$18,000 grant (50% of the other institution's \$36,000 tuition). The other institution offers the student a \$10,000 merit scholarship. The Haverford grant is not reduced because \$18,000 + \$10,000 does not exceed the other institution's tuition of \$36,000.

Example: Haverford's tuition is \$40,000. Tuition at the other institution attended is \$44,000. The student is eligible for a \$20,000 grant (50% of Haverford's \$40,000 tuition). The student receives a merit scholarship of \$24,000 from the other institution. The Haverford grant is reduced to \$16,000, such that the total of Haverford's assistance and that from the other institution does not exceed Haverford's tuition of \$40,000.

A grant or scholarship to the student based solely on financial need in full knowledge of Haverford's tuition grant is an exception to this rule. Such need-based financial aid will not reduce Haverford's tuition grant.

5. This tuition program is subject to a number of limitations.

A. Employees will not be eligible to participate in this program until they have been employed full-time or part-time for seven years at the College. Employees hired after the first day of classes of a Haverford academic semester will become eligible for the ***next*** full semester or term seven years later (e.g., an employee hired on October 15 will be eligible for the program during the second semester or term of the academic year seven years later).

An additional provision approved by the Faculty and Staff Policies Committee at the April 24, 2009 Board of Managers meeting states:

- B. Regular, benefits-eligible faculty and staff members who have been employed less than seven years with Haverford College at the time their children enter college are eligible for a modified benefit if their previous employer had a similar program and they were eligible for that employer's program at the time they accepted employment with Haverford College. In such cases, the College will honor the lesser of the terms of the previous employer's program, or the College's own program, until the College's seven-year eligibility requirement is achieved.
- C. Full-time employees (faculty, administrators, professionals and staff who have held full-time positions for the seven fiscal years preceding utilization of the benefit) are eligible for the 50% tuition benefit. Faculty, administrators and professionals who have held less than full-time positions in any of the seven fiscal years preceding utilization of the benefit will be eligible for grants pro-rated in accordance with the percentage of full-time employment budgeted over the seven year period. For example, a person with a .75 FTE position for each of the preceding seven fiscal years will be eligible for 75% of the 50% benefit, or a 37.5% tuition benefit for year one. For staff employees in less than full-time positions, the pro-rating will be based on the average number of regular hours budgeted over the preceding seven fiscal years. For example, 7,644 hours over seven years/12,740 hours if full-time for this position = 0.60 FTE; 0.60 FTE X 50% benefit = 30% tuition benefit.

Employees with interim, term and other temporary appointments are not eligible to participate in the tuition program. Employees paid by external grants normally would be eligible for this tuition program only if the provisions of the grant cover the costs of the program. However, if as a matter of policy, external grants do not permit coverage of a tuition benefit, the College will assume the costs for grant-related employees who meet the other eligibility requirements of Plan B.

- D. Each employee is restricted to the equivalent of two children (i.e., 16 semesters) participating in the tuition program. The tuition grants may be used by more than two children, but the total of 16 semesters cannot be exceeded. Even if both parents of a child are employees of the College, the total benefit available for that child may not exceed 50%. However, each eligible employee of the College may receive the benefit for two children; thus two eligible

employees who have four children between them may receive 50% tuition benefit for all four.

- E. Children who are 25 or more years of age at the end of a calendar year (December 31) will no longer be eligible for this program in the following calendar year (beginning January 1).
- F. Children of an employee retiring from full-time employment that is over age 60 and has served the College for twenty or more years will remain eligible to participate in this tuition program at the time the child attends college, subject to the above limitations. If the retirement occurs after seven full years of service but before twenty years of service, his/her children will be eligible for the tuition benefit on a pro-rated basis (e.g., ten years of service equals 50% of the 50% tuition program, or 25% of tuition).
- G. Children of an employee who dies or becomes disabled after seven full years of service will remain eligible for this program on the following basis. After seven full years of service but before twenty years of service his/her children will be eligible for the tuition benefit on a pro-rated basis (e.g., seven full years of service equals 35% of the 50% tuition program, or 17.5% of tuition). If the death or disability occurs after twenty years of service, his/her children will be eligible for the benefit as would the child of any other employee, subject to the above limitations.

Please contact the Office of Human Resources for instructions on participation in the tuition program. Upon receipt of the completed online form and a copy of the tuition bill, Haverford College will prepare a check for the amount of the grant. This check will be made payable to the institution at which the child is enrolled, and can be forwarded to the employee for transmission with the tuition bill. In no case can the check be made payable to the employee or the child; to do so could create problems with the IRS.

Questions of interpretation of this policy and consideration of extenuating circumstances (e.g., part-time study due to serious illness) will be addressed by the President after conferring with the Provost and the Vice President for Finance and Administration.

The Haverford College Board of Managers is responsible for the establishment of the College's comprehensive employee benefit program. While it is expected that this tuition benefit program will continue indefinitely, the Board will review this program periodically and reserves the right to make modifications to it.

Approved by the Board of Managers, December 7, 1996.
Update September 1, 2010