

# Tuition Discount Benefit FAQs

Updated as of April 7, 2020

*Disclaimer: this document is intended to provide an explanation of the application of particular policies and/or limitations found in the actual policy document. Nothing in this document should be construed to be either creating new policy or adding clauses to the approved policy. In the case of any discrepancy, the SLT-approved policy will always prevail. In addition, references to tax codes and tax liability are a good-faith understanding of possible applicability. We do not provide professional tax advice – please consult a tax professional for tax advice as needed. Further questions can be sent to Human Resources at [hr@spu.edu](mailto:hr@spu.edu). This document will be updated as more questions are added over time.*

**Q1: Do eligible employees, spouses, and children need to apply to the University through Undergraduate Admissions to participate in undergraduate courses leading to a degree?**

A1: Yes. Applying for the Tuition Discount Benefit is completely separate from the application process to the University and/or registration for classes.

**Q2: Can employees audit graduate classes?**

A2: Yes. An Eligible Employee may use the benefit for personal interest classes (whether undergraduate or graduate) based on space available, at the discretion of the University. There is no guarantee of approval. See #2 in the *Limitations & Exclusions* section of the [SPU Tuition Discount Benefit Policy for Employees](#).

**Q3: Is the value of the tuition discount received by an Eligible Employee towards Undergraduate courses subject to Federal income tax and payroll taxes?**

A3: Usually, no. IRC Section 117(d) provides the means for the undergraduate tuition discount benefit applied at SPU to be exempt from tax liability for Eligible Employees and their Dependent Child(ren). However, graduate tuition is handled differently: under IRC Section 127 and the tax benefits provided are limited by the Code to \$5,250 per tax year (see [IRS p5137](#)).

**Q4: Can spouses participate as non-matriculated student?**

A4: Yes. The legal spouse of an Eligible Employee may use the benefit for personal interest classes based on space available, at the discretion of the University. See #2 in the *Limitations & Exclusions* section of the [SPU Tuition Discount Benefit Policy for Employees](#).

**Q5: Can a spouse use the benefit only for 5 years total or 5 years for each degree pursued?**

A5: A spouse may only use the benefit during the five years immediately following the first use of the benefit. It is notable that an Eligible Degree for a spouse is either a first undergraduate degree or a first graduate degree; not both in succession. See #3 in the *Limitations & Exclusions* section of the [SPU Tuition Discount Benefit Policy for Employees](#).

**Q6: Can this benefit be applied to other schools in either the Council of Christian Colleges and Universities (CCCU) or Christian College Consortium (CCC)?**

A6: Yes, it can be, but is subject to individual consideration by both of the schools involved. Requests are considered on a case-by-case basis and there is no guarantee of acceptance. You may submit your request for consideration to HR in writing and this request will be reviewed. See the *Tuition Exchange Programs...* section of the [SPU Tuition Discount Benefit Policy for Employees](#).

**Q7: Is this benefit available to employees whose contract does not include summer?**

A7: For this benefit, an Eligible Employee is one who is a full-time employee, defined as a minimum of 0.80 full-time equivalency (FTE) for staff and 0.75 FTE for faculty. The full-time faculty member that has a contract that does not include summer quarter work would still be considered to be full-time. For clarity on your specific situation, contact Human Resources at (206) 281-2809 or [hr@spu.edu](mailto:hr@spu.edu).

**Q8: Can the benefit be extended to include part-time employees?**

A8: At this time, the benefit is only available to Eligible Employees as defined in the policy document as stated above. Definitions of eligibility may be changed in the future if the policy is changed by the University when it is reconsidered.

**Q9: How does this benefit interact with INTERLINK intensive English courses?**

A9: Because of the limits of IRC Section 117(d), the SPU Tuition Discount Benefit is limited to Eligible Degrees and the classes *offered by SPU* that make up the academic catalog used to pursue these degrees. Other classes, though valuable (and perhaps even offered on-campus), that are not in this category do not qualify for the use of this benefit (see [IRS p5137](#)).