



**Indiana State  
Personnel Department**

Policy Title	<b>Education Reimbursement and Tuition Assistance</b>
Effective Date	August 17, 2023
Supersedes	December 8, 2022
Approval	 <b>State Personnel Director</b>
References	26 U.S.C. § 127 Financial Management Circular 1.1 – General Management

## **PURPOSE**

To encourage state employees to grow personally and professionally through advanced academic or professional education, and to provide financial reimbursement for eligible education and tuition costs.

## **SCOPE**

This policy applies to all agencies and employees under the authority of the Governor and Lieutenant Governor.

## **POLICY STATEMENT**

Investing in state employees through advanced learning and development opportunities is key to achieving the missions and directives of state agencies. Maintaining and enhancing knowledge, skills, and abilities in the various services state government provides its citizens is important in contributing to the efficacy and credibility of the state. In providing a tax-free fringe benefit of education reimbursement, the state further demonstrates its commitment to the personal and professional growth of its employees.

Education reimbursements are subject to the provisions of this policy and the availability of funds for this purpose. The maximum amount of education reimbursement per employee per calendar year is \$5,250.00. Approved education reimbursements under this policy are not a contract of employment.

Any education, tuition, or similar reimbursement policies currently existing in agencies covered under this policy are superseded by this standardized policy. Agencies shall adopt agency-specific procedures to process education reimbursement requests for their employees. Any procedures adopted must be consistent with and align with the procedures and criteria outlined in this policy.

## ELIGIBILITY

### Employees Eligible for Reimbursement:

An employee who meets the following criteria is eligible for this program:

1. They have been employed full time continuously with the state for at least 12 months prior to their Education Reimbursement Application submission; and
2. They have not received a disciplinary action in the one year prior to the end of the course.

### Courses Eligible for Reimbursement:

Eligible courses include all core and elective courses required for completion of a certificate, state licensure, associate's, bachelor's, master's, or doctoral degree program offered through, in, or associated with an accredited training or educational institution, school, or professional organization. This includes credit/no credit or pass/fail courses, refresher courses, or preparatory course work for licensure or certification when required for the completion of the program.

Courses dropped after an official "drop/add" date are not eligible for reimbursement. No education reimbursement will be provided if a course is taken more than once, or an employee takes another attempt at a course previously reimbursed by the state. No education reimbursement will be provided if the employee does not complete the course with a satisfactory grade of at least a "C" or above (or an equivalent "pass" grade).

### Costs Eligible for Reimbursement:

Employees may receive reimbursement up to \$5,250.00 per calendar year. Total reimbursement calculations are determined based on the reimbursement distribution date.

Eligible costs for reimbursement are limited to tuition and required course fees.

Employees interested in pursuing advanced academic or professional education are encouraged to file a FAFSA® as they may qualify for additional federal loans, grants, and other scholarships. Receiving education reimbursement under this policy does not prohibit an employee from filing a FAFSA® for additional federal aid.

Scholarship awards, grant funding, and financial assistance (including any applicable employee discounts), other than student loans, which can be applied to tuition or course fees, must be deducted from the total amount requested for reimbursement prior to consideration for payment, except as required by federal law or regulation. However, these funds can be applied first to non-eligible courses taken concurrently with the eligible courses at the same institution before being deducted from the total amount requested for reimbursement. Student loans, including Perkins and Stafford loans, do not need to be deducted from the total amount requested for reimbursement.

Costs **not** eligible for reimbursement under this policy include any fees or other expenses not specifically for tuition or course fees; these may include, but are not limited to the following:

- Application and enrollment fees
- Transcript fees
- Textbooks and other course materials, whether physical or electronic
- Pens, notebooks, pencils, and other office or school supplies

- Personal computers or other electronic devices
- Entrance exams or preparatory classes for an entrance exam (e.g., LSAT, GMAT, GRE, etc.)
- Fees for licensure or licensure exams
- Parking
- Late fees, fines, penalties, bank charges
- Equipment rental or charges
- Room and board

Agency or employee association fees, membership dues, or licensure expenses that may not be reimbursable under this policy may be eligible for reimbursement under the State Budget Agency's FMC 1.1. However, total reimbursement per employee per calendar year for education, tuition assistance, and professional development cannot exceed \$5250 unless an exception has been approved by SPD and SBA.

## RESPONSIBILITIES

Employees seeking education reimbursement are responsible for:

- Submitting a completed Education Reimbursement Application to appropriate agency staff at least 30 calendar days prior to the completion of the course on the prescribed form;
- Requesting reimbursement only for eligible courses and costs under this policy;
- Maintaining adherence to this policy to avoid disqualification;
- Informing the appropriate agency staff of course completion and final grade;
- Submitting any required documentation or completed forms to enable reimbursement or otherwise complying with this policy; and

Appointing Authority or Designee(s) are responsible for:

- Communicating to employees the availability of education reimbursements;
- Developing a process within the agency for reviewing requests, approving requests and paying reimbursements;
- Reviewing submitted Education Reimbursement Applications to verify an employee's eligibility, intended coursework, and cost;
- Making a determination regarding the education reimbursement request;
- Communicating the determination to the employee and providing them with a copy of the completed form with approval signatures;
- Verifying successful completion of the course and determining if the employee remains eligible for reimbursement;
- Informing the appropriate agency fiscal staff when education reimbursement requirements have been successfully met and reimbursement should be made;
- Coding reimbursement expenses using the appropriate account depending on whether the reimbursement is to the employee (599227-AdmOp- EmpReimb-Tuition) or paid directly to an approved college or university described in Addendum A (599250-Education Institution Tuition Reimbursement);
- Supporting and recognizing the learning and development efforts of employees; and
- Reporting on the availability and use of funds for requests under this policy as requested by the State Budget Agency.

The HR Representative is responsible for:

- Working with Agency Leadership to assess employee, course, and cost eligibility; and
- Maintaining a copy of the Education Reimbursement Application and approval in the employee's personnel file.

The Indiana State Personnel Department (INSPD) is responsible for:

- Interpreting this policy and advising agencies on adoption of their own processes to effectuate this policy.

The State Budget Agency is responsible for:

- Periodically reviewing education reimbursements and, where necessary, reimbursing state agencies for education reimbursements.

**PROCEDURES**

Agencies shall implement specific procedures to process education reimbursement requests for their employees. All procedures adopted must be consistent with this policy.

Applying for Education Reimbursement:

Employees seeking education reimbursement must submit the following information on the forms prescribed at least 30 calendar days prior to the end of the course:

- An Education Reimbursement Application with employee information, course start date/anticipated end date, intended certificate, degree, or trade path, and explanation of the benefit of the coursework; and
- The course description(s) from the institution.

Determining Eligibility:

Appointing Authorities or Designee(s) are responsible for reviewing each application for education reimbursement to determine the following:

- The eligibility of the employee to participate in this program;
- The eligibility of the course for reimbursement; and
- The eligibility of recorded costs for which reimbursement is sought.

Following the eligibility determination, the Appointing Authority or Designee(s) must notify the eligible employee of the decision and provide them with a copy of the completed form for their records with signatures of approval.

Should any change in coursework or request be modified following the initial application, the employee must notify the Appointing Authority or Designee(s) immediately. A modification in coursework or initial application constitutes a new request and may be reviewed again for a determination.

Reimbursement to Employee:

Following successful completion of the approval process and the conclusion of the course with a satisfactory grade of at least a "C" or above (or an equivalent "pass" grade), the employee must notify the Appointing Authority or Designee(s) and provide the following:

- Official documentation for completion of the course with a grade of "C" or higher (or an equivalent "pass" grade), or the receipt of a certificate of satisfactory completion when no grade may be given by the educational institution no more than 30 calendar days from the date of course completion. A course initially designated as "Incomplete" will not be considered complete until the final grade is issued.
- Proof of payment by the employee, including itemized receipts of tuition and course fees, or account statements.

- Completed vendor forms to enable reimbursement such as the IRS Form W-9 and State Form 47551, “Automated Direct Deposit Authorization Agreement.”

Reimbursement to the employee will not be issued until the eligible course is successfully completed and official notice of the final grade is submitted for verification. A course is considered completed as of the date official notice of the final grade is provided to the employee.

Agency fiscal staff must properly document in PeopleSoft Financials system the use of funds for this purpose in accordance with standards established by the State Budget Agency. Reimbursement expenses must be coded using the appropriate account (599227-AdmOp-EmpReimb-Tuition). Reimbursement, if appropriate, should be made as soon as practicable after eligibility is determined.

Reimbursement to Approved Colleges and Universities:

Upon receipt of the following from the approved college or university:

- Official documentation for completion of the course(s) with a grade of “C” or higher (or an equivalent “pass” grade), or the receipt of a certificate of satisfactory completion when no grade may be given by the college or university, and
- An invoice reflecting the amount due for the completed course(s),

Agency fiscal staff will pay the balance due directly to the approved college or university using account 559250 – Education Institution Tuition Reimbursement.

Budget Reconciliation:

The State Budget Agency will review education reimbursement payments and, where appropriate, may reimburse state agencies for the education reimbursements.

Disqualification:

Employees who fail to comply with all guidelines and procedures set forth within this policy will be disqualified from reimbursement eligibility.

Tuition Assistance:

Employees who wish to apply for tuition assistance should follow the procedures set forth in Addendum A.

**FORMS**

[53045 Education Reimbursement Application](#)

[56530 Tuition Assistance Application](#)

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## ADDENDUM A

The State will pay up to \$5,250.00 per calendar year toward eligible tuition costs to participating educational institutions for eligible employees. A list of participating educational institutions can be found at: [SPD: Education Discounts and Partnerships \(in.gov\)](#)

### **ELIGIBILITY:**

Eligibility for tuition assistance is determined by the criteria outlined in the Eligibility section of this policy.

### **TUITION ASSISTANCE PROCEDURES:**

Agencies shall implement specific procedures to process tuition assistance for their employees. All procedures adopted must be consistent with this policy.

#### Applying for Tuition Assistance:

Employees seeking tuition assistance must complete and submit to their employing agency, at least 30 days prior to the start date of their courses, the Education Tuition Assistance Application (State Form 56530) with employee information, program start date/anticipated end date, intended certificate, degree, or trade path, and explanation of the benefit of the coursework.

Appointing Authorities or Designee(s) are responsible for reviewing each application for eligibility for tuition assistance in line with this policy.

Following the eligibility determination, the Appointing Authority or Designee(s) must notify the eligible employee of the decision and provide them with a copy of the completed form for their records with signatures of approval.

The employee should then follow the educational institution's procedure for course application.

#### Payment to Education Institution:

Upon receipt of the following from the education institution: (i) official documentation for completion of the course with a grade of "C" or higher (or an equivalent "pass" grade), or the receipt of a certificate of satisfactory completion when no grade may be given by the educational institution, and (ii) an invoice reflecting the amount due for the completed course(s), Agency fiscal staff will pay the balance due directly to the educational institution.

Employees who fail to achieve a grade of "C" or higher (or an equivalent "pass" grade), the receipt of a certificate of satisfactory completion when no grade may be given, or who have exhausted the \$5,250.00 per calendar year allotment for tuition assistance and/or reimbursement will be responsible for the full cost of the course.

#### Budget Reconciliation:

The State Budget Agency will review tuition assistance payments and, where appropriate, may reimburse state agencies for tuition assistance.

#### Disqualification:

Employees who fail to comply with all guidelines and procedures set forth within this policy will be disqualified from tuition assistance eligibility.

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