

Tuition Remission Accommodation for Creighton Faculty/Staff Transitioning to Alegent Employment

July 16, 2012

To support and accommodate those Creighton faculty/staff transitioning to Alegent, the University has developed accommodations for the various tuition remission benefits currently available. These rules and requirements were developed with input from CMA faculty/staff representatives, the Creighton Affiliation Leadership Group, and Creighton Human Resources.

Benefits included in this transition plan are:

- A. Faculty/staff dependent tuition remission (spouses and children)
- B. Faculty/staff tuition remission – for faculty and staff who enroll in classes at Creighton
- C. Tuition Exchange Program (TEP)
- D. Faculty and Staff Children Exchange Program (FACHEX)
- E. High School Reciprocal Program

Faculty/Staff Dependent Tuition Remission Accommodation

The University has developed a set of eligibility rules that will apply to this Alegent transition only. Eligibility rules are:

1. Faculty/staff transitioning to Alegent having students enrolled at Creighton as of fall 2012 will continue receiving dependent remission benefits under the policy while employed with Creighton, up to the current 136-hour maximum. Upon transition to Alegent, the remission will become taxable, however no remission administration fee will be charged.
2. Faculty and staff who are retirement-eligible (age ≥ 60 and ≥ 10 years of service) at the time of the transition will be eligible for remission as a retiree. Retirees are eligible for this accommodation tax free. The administrative fee will continue to apply for each fall and spring semester.
3. Future student/dependent tuition remission accommodation (spouses and children)
 - Faculty/staff transitioning to Alegent will be eligible for an extended dependent tuition remission accommodation if they have reached 5 years of service by August 1, 2012 (affiliation transaction effective date).
 - The length of remission accommodation will be based on the length of service as of the faculty or staff's transition date to Alegent, up to a maximum of 15 years of remission accommodation.
 - Faculty/staff with less than 5 years of service at Creighton and not having dependents currently enrolled or eligible for enrollment for fall of 2012, would not be eligible for future remission accommodations.

Examples:

- Employee A
 - As of August 1, 2012, Employee A has worked for Creighton for 7 years from his/her most recent hire date; he/she has earned eligibility under this remission accommodation.
 - At the time he/she transitions to Alegent employment, Employee A has 8 years of service based on his/her most recent hire date.
 - Under the accommodation, Employee A would have 8 years from his/her transition date to take advantage of remission.
- Employee B
 - As of August 1, 2012, Employee B has worked for Creighton for 17 years from his/her most recent hire date; he/she has earned eligibility under this remission accommodation.
 - At the time he/she transitions to Alegent employment, Employee B has 17 years of service based on his/her most recent hire date.
 - Under the accommodation, Employee B would have 15 years, the maximum available, to take advantage of remission.
- Employee C
 - As of August 1, 2012, Employee C has worked for Creighton for 2 years from his/her most recent hire date; he/she has not worked at Creighton long enough to earn eligibility under this remission accommodation.

- Remission received for semesters occurring after the faculty/staff member's date of transition to Alegent would be considered taxable wages, subject to federal, state and FICA taxes.
- The tuition remission administrative fee (currently \$1,250 per semester) would not be assessed where the remission is considered taxable.
- Valuation of the waived tuition for tax purposes would be based on the average undergraduate discount rate (currently 49%).

Example: Annual undergraduate tuition	\$31,850
Taxable rate (1- discount rate)	<u>x 51%</u>
Taxable value of tuition waived	\$16,244

(Note: the out-of-pocket cost due to taxes would be reduced by having no administrative fee, which is \$2,500 per year under the remission program.)

Transitioning faculty and staff can elect to utilize the described tuition remission accommodations or accept University financial aid awards, but not both in combination.

Faculty/staff tuition remission

- Faculty or staff currently enrolled and taking classes would be afforded a tuition remission accommodation through Spring 2014.
- The usage of the remission benefit will be evaluated at that time for possible continuation.
- Remission received after a faculty/staff member's date of transition would be considered taxable based on the value of remission granted.

Tuition Exchange Program (TEP)

- Transitioning faculty and staff with students currently receiving TEP benefits or who are enrolled through TEP as of Fall 2012, would be grandfathered and continue receiving TEP tuition for up to 8 full-time Fall and Spring semesters, or until a bachelor's degree is obtained, whichever comes first (based on current program benefits).
- Transitioning faculty and staff with students not participating in TEP as of Fall 2012 would not be eligible.

FACHEX

- Transitioning faculty and staff will be eligible to apply for FACHEX tuition benefits under the same eligibility criteria as described above for the Creighton tuition remission accommodation (based on current FACHEX program benefits).

High School Reciprocal Program

- Transitioning faculty and staff receiving benefits through the High School Reciprocal Program with students enrolled at a participating high school as of Fall 2012, would continue receiving tuition discounts while employed with Creighton.
- Participation in this program ends the semester after employment with Creighton University ends.

General Rules

- If an offer from Alegent is not accepted, all remission benefits end upon termination.
- All remission benefits (including TEP and FACHEX where applicable) are contingent upon continued employment with Alegent.
- Continued remission benefits are subject to the accommodation provisions, limits, requirements, and procedures for application.
- Dependent must meet acceptance and continued eligibility requirements as established in the current tuition remission policy.
- Creighton University reserves the right to modify, amend or terminate the tuition remission policy or accommodation at any time.