Rice University Policy No. 430

TUITION REMISSION FOR DEPENDENTS

I. General Policy

This policy applies to eligible dependents of Faculty and Staff who are eligible for benefits, as well as eligible dependents of retirees.

Rice University provides eligible dependents a remission of undergraduate tuition at Rice University (and at other universities having reciprocal tuition arrangements with Rice).

Definitions and Eligibility

The following dependents may be eligible for this benefit:

1. Spouses and registered (under Rice procedures) domestic partners of Rice Employees/Retirees (as defined below) and who are seeking their first undergraduate degree, and

2. Eligible Dependent Children (as defined below) of a Rice Employee/Retiree, and

3. Eligible Dependent Children of a deceased Rice employee who was actively employed at Rice until their death and would have qualified for Retiree status under Rice Policy 422 had they chosen to retire before their death.

For purposes of this policy, "Rice Employee/Retiree" means an eligible active faculty, active staff member or a Retiree under Rice Policy 422 (in the case of a Retiree, whether living or deceased). Rice Employee/Retiree also includes a deceased employee who was actively employed at Rice until their death and would have qualified for Retiree status under Rice Policy 422 had they chosen to retire before their death.

For purposes of this policy, "Eligible Dependent Children" means those who meet each of the following four criteria:

1. seeking their first undergraduate degree, and

2. under age 25 at matriculation, and

3. one of the following:

   • the unmarried biological child of the Rice Employee/Retiree and for whom the Rice Employee/Retiree is the legally designated parent;
   • the unmarried stepchild of the Rice Employee/Retiree and who is the biological or adopted child of the Rice Employee/Retiree's current spouse;
   • the unmarried legally adopted child of the Rice Employee/Retiree and for whom the Rice Employee/Retiree is the legally designated parent; or
   • the unmarried biological or adopted child of the Rice Employee/Retiree's domestic partner (as currently registered under Rice procedures) and for whom the domestic partner is the legally designated parent, and

4. a dependent of the Rice Employee/Retiree at the time the benefit is awarded and for any previous three years during the child's life. A child is considered a dependent when at least one of the following statements is true:
• the child is claimed as the Rice Employee/Retiree's dependent at least every other year on his/her federal income tax returns, or
• the Rice Employee/Retiree's household provides more than 50% of the child's financial support, or
• the child lives primarily with the Rice Employee/Retiree when he/she is not away at school.

The intent of these eligibility criteria is to provide tuition for children in close, long-term child/parent relationships with a Rice Employee/Retiree. This policy does not attempt to extend the benefit to all possible child/guardian relationships. For example, grandchildren and other children for whom the Rice Employee/Retiree is a guardian are not eligible.

Upon request, the Rice Employee/Retiree must provide Rice with proof of relationship, dependency, and/or residency, which may include providing IRS forms, high school enrollment forms or other proof of residency, and birth or marriage certificates.

**Commencement of Eligibility**

Eligibility begins the first semester following the faculty or staff member's completion of three continuous years of employment in a benefits eligible position at Rice University. The three years of continuous benefits eligible service must be completed by the first day of classes to permit use of the benefit in that semester. Spouses, registered domestic partners, and children continue to be eligible as long as their spouse or parent is employed in a benefits eligible status at the beginning of each semester and all other eligibility criteria continue to be met.

**Termination of Service or Eligibility**

Should employment cease (or eligibility for this benefit otherwise cease) during an academic year, the benefit will continue through the end of the semester in which employment or benefits eligibility ceases, and will end immediately thereafter. Dependent children who marry as undergraduates lose eligibility for tuition remission beginning with the semester after the date of their marriage. If a divorce or revocation of domestic partner registration causes a student to lose eligibility, the student loses eligibility for tuition remission beginning with the first semester after the date of the divorce or revocation of domestic partner registration.

**Use of the Benefit at Rice**

The student's admission to Rice University is not automatic. Eligible dependents must be accepted to Rice through the standard admission process. To be admitted as an undergraduate degree candidate at Rice, the prospective student must submit a formal application to the Rice University Office of Admission according to the admission calendar and must meet established deadlines. The student must competitively meet the University's requirements for admission and pay applicable application fees.

Upon the eligible dependent's admission to Rice or to a university with which Rice has a reciprocal agreement, the Rice Employee/Retiree must complete the Application for Dependent Tuition Remission, and return it to the Director of Benefits. Eligibility is reviewed semester-by-semester, and the Application for Dependent Tuition Remission must be submitted annually for approval and review to determine whether the benefit is taxable. Typically, students will not be awarded tuition remission after the beginning of a semester nor will tuition remission be withdrawn before the end of a semester.

Additionally, the Rice University Application for Financial Assistance must be completed and returned to Student Financial Services, and the FAFSA (Federal Application for Student Aid) must be completed online at www.fafsa.ed.gov. Student Financial Services uses this information to verify dependency for purposes of eligibility for federally-funded financial aid and to assist the family with additional financing options. For questions about student financial aid to Rice University, contact Student Financial Services.
The benefit for each eligible dependent is limited to a maximum of eight semesters. In the case of transfer students, this benefit is limited to the number of semesters necessary at the time of transfer to complete the first undergraduate degree at Rice (not to exceed, and most likely, less than, eight semesters.)

Study at Rice (or any other) summer school is not covered by this benefit.

No more than two semesters of approved study abroad (fall or spring semesters only) will qualify for tuition remission for the full cost of the program's tuition, not to exceed the amount of tuition remission for the same semester at Rice. Summer study abroad is not covered by this benefit.

**Reciprocal Agreements with Other Universities**

To be admitted as an undergraduate degree candidate at universities with reciprocal tuition arrangements with Rice, the prospective students must meet all admission requirements and established deadlines of the reciprocal institution. Rice may have reciprocal tuition agreements with other universities at any given time, and these arrangements may change without notice. However, should a qualifying dependent matriculate under a reciprocal tuition agreement which is terminated during the student's undergraduate college years, the tuition scholarship will continue for up to a total of eight semesters, subject to the terms and limitations of this policy. This change may trigger a taxable event, for which the employee is responsible.

Reciprocal tuition agreements are administered by the Office of Enrollment at Rice. Participating schools reserve the right to limit the total number of students to whom they grant a tuition scholarship; therefore Rice urges students to apply as early as possible and to respond to an offer of admission as soon as possible. Students should notify the Office of Enrollment upon applying to a university with a reciprocal agreement. Upon accepting admission to a reciprocal tuition university, please contact the Office of Enrollment to complete the appropriate forms.

Dependents meeting all requirements of the reciprocal university can use up to eight semesters of tuition scholarship in their progress toward their first undergraduate degree at reciprocal exchange universities. For those selected for the program, for tax valuation purposes, each semester this benefit has a value equal to that semester's tuition at the participating institution.

In order to maintain eligibility, the student must meet all requirements of the participating institution, which may be different from those of Rice University. All rules concerning admission, leaves of absence, residency and graduation requirements, and their effects on tuition remission under this program are solely those of the reciprocal universities. Students must resolve all academic and enrollment issues with the participating school directly.

For more information, please contact the Office of Enrollment at Rice.

**Taxability**

Tuition remission is intended to provide benefits that are, to the extent possible, excluded from taxation under the Internal Revenue Code and other applicable laws. Tuition remission is not taxable for dependents defined by IRS rules, but it is taxable if the dependent does not meet applicable federal tax law definitions (for example, the IRS does not recognize as a dependent any Eligible Dependent Child whose age is greater than 23 and whose taxable income, as reported on a W-2, is more than the individual withholding limit for the applicable tax year.)

The full value of this benefit will be reported as income to the employee when Rice determines that the benefits cannot be excluded from taxation. This occurs, for example, with an Eligible Dependent Child of a domestic partner, who is not, under IRS definitions, a legal dependent of the Rice employee. Employees should consult their tax advisors for information regarding potential tax liability relating to tuition.
remission.

**Application and Restrictions**

This policy applies solely to undergraduate degrees at Rice University and to undergraduate degrees at universities with current reciprocal tuition agreements with Rice. This policy does not extend tuition remission benefits retroactively; there are no benefits for past study other than those created under the prior Policy 430-94.

The definition of eligible dependents in this policy is effective August 1, 2009 and may be utilized by eligible dependents of Rice Employee/Retirees as early as the fall semester of 2009. The three-year employment vesting requirement does not apply to a Rice Employee/Retiree appointed or hired on or before July 1, 2010; for such employees, the one-year employment vesting requirement in the prior Policy 430-94 applies, instead.

Dependents of a Rice Employee/Retiree appointed or hired after July 1, 2010 are subject to all eligibility criteria and limitations under this policy.

All students matriculating in the fall of 2009 or later are limited to eight semesters of study. The ten-semester limitation in the prior Policy 430-94 will continue to apply for any students who matriculated prior to the fall of 2009.

Some of the provisions of this benefit may not apply to schools with reciprocal tuition agreements, and are instead governed by inter-institutional agreements in place at the time of matriculation. Please consult with the Office of Enrollment for more information.

For questions on tuition remission for eligible students admitted to Rice, contact the Director of Benefits. For questions on reciprocal tuition agreements with other universities, contact the Office of Enrollment.

Any questions of interpretation regarding this policy shall be referred to the Human Resources Office for a determination.

**II. Responsible Official and Key Offices to Contact Regarding the Policy and its Implementation**

Responsible Official: Vice President for Administration
Key Office: Human Resources

See also: Benefits Eligibility
Retiree Definition and Benefits

Signed David W. Leebron
David W. Leebron, President

Policy History
Clerical Change: February 2, 2018
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