

## **SECTION 127 EDUCATIONAL ASSISTANCE PLAN**

WGU Academy (Academy) believes that formal education has a positive impact on an employee's contribution to the Academy and the Western Governors University (WGU) system. One method through which Academy supports self-development and educational efforts is by offering an Educational Assistance Plan to provide educational assistance to eligible employees of Academy.

Section 127 of the Internal Revenue Code of 1986, as amended, provides, in general, that gross income of an employee does not include amounts paid or expenses incurred, up to \$5,250, by an employer for educational assistance to an employee if the assistance is furnished pursuant to a qualified written educational assistance plan. This Plan, as summarized in WGU's [Employee Tuition Discount Policy](#), as fully adopted by Academy, and as outlined in this document, is intended to be such a plan and is for the exclusive benefit of employees to provide them with educational assistance.

### **A. Definitions**

For purposes of this Plan, the following terms are defined as follows:

#### **1. Education**

"Education" includes any form of instruction or training that improves or develops the capabilities of an individual, but does not include education related to sports, games, or hobbies. Education paid for or provided under a qualified program may be furnished directly by Academy or WGU, either alone or in conjunction with other employers, or through a third party.

#### **2. Educational Assistance**

"Educational assistance" means:

- the payment, by an employer, of expenses incurred by or on behalf of an employee for education of the employee (including, but not limited to, tuition, fees, and similar payments, books, supplies, and equipment); and

- the provision, by an employer, of courses of instruction for such employee (including books, supplies, and equipment).

“Educational assistance” does not include:

- payment for, or the provision of, tools or supplies which may be retained by the employee after completion of a course of instruction, or meals, lodging, or transportation; and
- payment for, or the provision of any benefits with respect to, any course or other education involving sports, games, or hobbies.

### 3. Employee

“Employee” includes, for any calendar year, any employee who is currently employed by the Employer and is eligible to receive benefits as of the Term Start Date. This does not include an employee’s spouse or dependents.

## **B. Educational Assistance Program**

### 1. Eligibility

Eligible employees may receive a 75% tuition discount toward their own enrollment in WGU Academy programs and undergraduate and/or graduate degree programs at Western Governors University.

As of start of the term for which the benefit is to be applied, Academy employees must meet the following eligibility requirements:

- Actively employed as of the Term Start Date
- Be classified to work in a regular position, regardless of Part-Time or Full-Time status
- Non-regular roles are ineligible (e.g., temp roles, visiting professors, contractors, etc.)
- Must have applied for the Employee Tuition Discount no later than the Term Start Date
- May not be the recipient of any scholarships offered through Academy or WGU

This plan does not discriminate in favor of Academy employees who are highly compensated employees or their spouses or dependents.

### 2. Principal Shareholders or Owners

Academy does not have principal shareholders or owners. As such, Section 127(b)(3) is not applicable to Academy.

3. Alternative Benefits

The total benefit provided under this plan may not exceed \$5,250 and are exclusively for educational assistance. Employees may not choose between educational assistance and other remuneration.

4. No Funding Required

The Educational Assistance Plan is not required to be funded.

5. Notification of Employees

Reasonable notice of the terms and availability of the Plan will be made available to employees on Academy's employee website and on the Employee Tuition Discount Policy. Academy employees may also request a copy upon written request to [employeediscounts@wgu.edu](mailto:employeediscounts@wgu.edu).

**C. Miscellaneous**

This policy is construed and enforced according to the laws of the State of Utah, to the extent those laws are not preempted by any federal law. WGU reserves the right to amend or terminate this plan at any time. This plan does not give any employee the right to continued employment, regardless of any effect a termination would have on an employee who is a participant in this plan.