

## SECTION 127 EDUCATIONAL ASSISTANCE PLAN

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

Section 127 of the Internal Revenue Code of 1986, as amended, generally provides that gross income of an employee does not include amounts paid or expenses incurred of 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 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 WGU or hosted and serviced by WGU Academy, either alone or in conjunction with other employers, or through a designated 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 (this may include tuition, fees, and similar payments, books, supplies, and equipment); and
- the provision by an Employer of courses of instruction for such Employee (and may include 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 any employee who is currently employed by an Employer and is eligible to receive benefits as of the start of the offering in which the employee is enrolled. This does not include an employee’s spouse, dependents, or other family members.

#### 4. Employer

“Employer” means WGU and its affiliates listed as Participating Employers in Appendix A.

### **B. Educational Assistance Program**

#### 1. Eligibility

#### **WGU Degree Program Eligibility**

As of start of the term for which the tuition discount is to be applied, WGU employees must meet the following eligibility requirements:

- Be a WGU Employee, as defined in Section A
- Be 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.)
- Have applied for the Employee Tuition Discount no later than the term start date
- Not be the recipient of any scholarships offered through Western Governors University
- Meet the applicable progress requirements:
  - Students enrolled full time at WGU: For purposes of this policy, full-time students are undergraduate degree program students who are enrolled in 12 or more competency units and graduate degree program students who are enrolled in 8 or more competency units. Full-time students must maintain [On-Time Progress \(OTP\)](#) – as defined by the WGU Student Policy Handbook – to retain their tuition discount.
  - Students not enrolled full time at WGU: For purposes of this policy, students not enrolled full time are undergraduate students who are enrolled in 11 or fewer competency units and graduate students who are enrolled in 7 or fewer competency units. These students must complete 100% of course enrollment to retain their tuition discount.
  - *Note:* If a tuition discount recipient drops below their progress requirement in any given term, they will receive a tuition discount “grace term” in which they have the opportunity to meet their progress requirement anew. If the recipient does not meet their progress requirement again during the grace term, they will no longer be eligible for the tuition discount and will not receive the discount in subsequent terms. However, eligible employees may reapply for the tuition discount once the discount recipient has again met their progress requirement for at least one term. Please note, this is not an exception to the academic progress policy found in the [WGU Student Handbook](#).

## WGU Certificate Program or Individual Course Offering Eligibility

As of start of the offering for which the tuition discount is to be applied, WGU employees must meet the following eligibility requirements:

- Be a WGU Employee, as defined in Section A
- Be actively employed as of the start of the offering in which the employee is enrolled
- 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.)
- Have applied for the Employee Tuition Discount no later than the start date of the offering
- Not be the recipient of any scholarships offered through Western Governors University
- Be enrolled in one certificate or course offering at a time.
- Meet the applicable progress requirements:
  - Students enrolled in certificate programs or individual course offerings hosted by WGU Academy: For purposes of this policy, students must complete a certificate program or course offering pursuant to the offering requirements, including completing the courses within the specified timeframe, to retain their tuition discount.
  - *Note:* If a tuition discount recipient does not complete a certificate or course offering within the specified timeframe outlined in the offering requirements, they will no longer be eligible for the tuition discount. This means employees will be responsible for any payments accrued after the timeframe outlined in the offering requirements. However, eligible employees may reapply for the tuition discount for subsequent certificate or course offerings once the eligible employee has completed the disqualifying offering.

\*This plan does not discriminate in favor of officers, shareholders or highly compensated employees, or their spouses or dependents.

### 2. Alternative Benefits

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

### 3. No Funding Required

The Educational Assistance Plan is not required to be funded.

### 4. Notification of Employees

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

## C. Miscellaneous

### 1. Reservation of Rights

The Educational Assistance Plan 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, including amending the list of participating Employers, 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.

### 2. Participating Employer Status

No participating employer shall be deemed a joint employer of the other participating employer's employees. Nothing contained in this Policy shall be deemed to create the relationship of principal and agent, employer and employee or a joint venture or partnership between the employers.

## **APPENDIX A**

### Participating Employers

WGU Corp.

WGU Academy

WGU Labs