



EMPLOYEE TUITION DISCOUNT POLICY – Updated October 2023

PRIMARY OBJECTIVES

Western Governors University (WGU) believes formal education has a positive impact on an employee's contribution to the university. One method through which WGU supports self-development and educational efforts is by offering employee tuition discount benefits toward WGU degree programs, certificate programs, and course offerings.

The 2023 Employee Tuition Discount redesign seeks to achieve the following key objectives:

- **People First:** Minimize disruptions to employees currently enjoying the tuition discount benefit
- **Uniformity:** Develop solutions that provide equivalent benefits to all WGU Employees (as defined below in the "Glossary")
- **Simplicity:** Streamline the employee tuition discount policy and subsequent communications
- **Compliance:** Ensure all state/federal tax code obligations are met and documented by WGU

POLICY AT-A-GLANCE

KEY FEATURES

- Eligible employees may receive a 75% tuition discount toward their own undergraduate degree program, graduate degree program, certificate program, or course offering at Western Governors University.¹ The discount will not be applied retroactively to any prior terms.
- Qualified family members of eligible employees may receive a 50% tuition discount at WGU under the same terms as an employee receives the discount.
- 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.
- 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.

¹ Certificate programs and course offerings that are not part of a degree program may be hosted and serviced by WGU Academy.

- WGU will gross-up employees' income to match the sum of taxes owed, based on the information provided during the application process (See "Tax Liability.")
- Employees must submit a separate tuition discount request for each student, and each applicable term, through a digital application in Workday.

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 the "Glossary"
- 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 (outlined above in "Key Features")
 - *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 the "Glossary"
- 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 (outlined above in "Key Features")
 - *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 offering once the eligible employee has completed the disqualifying offering.

FAMILY MEMBER DISCOUNTS

Eligible WGU employees may apply for a 50% tuition discount on behalf of their qualified family members who enroll in a WGU degree program, certificate program, or course offering. For purposes of this policy, “family members” are defined as the following individuals, in direct relation to an eligible employee:

- Legal Spouses
- Domestic Partners (defined below in the “Glossary”)
- Legal Children
- Children-in-Law
- Parents
- Parents-in-Law

Any family members who do not meet the policy criteria above, but for whom an employee discount exception was applied in the past, shall be grandfathered in for the duration of their education at WGU.

TAX LIABILITY

APPLICABLE TAX CODES

WGU complies with federal and state tax regulations governing any applicable taxability, tax reporting, and/or withholding of taxes for any employee tuition benefits. The Internal Revenue Code (IRC) provides three sets of rules that may be used to determine tuition benefit taxability.

Section 117(d) Qualified Tuition Reduction

- This reduction may only be provided to eligible WGU employees, their spouses, and dependent children.
- This reduction is not available to employees of WGU Corp. or affiliated entities.
- This reduction only applies to undergraduate tuition, not graduate tuition.
- This reduction does not have a dollar limit.

Section 127 Educational Assistance Plan

- This plan is available to all eligible employees of WGU, WGU Corp., and its affiliates and does not discriminate in favor of officers or highly compensated employees or their dependents. This plan is not available to spouses or dependents.
- This plan is subject to an annual dollar limit of \$5,250 per employee.
- This plan may be used for graduate, undergraduate, or other educational courses but cannot be used for sports, games, or hobbies.

- Benefits provided by this plan may only be used for educational costs and cannot be used to satisfy other types of costs or benefits.
- Educational costs include, but are not limited to, tuition, fees, and books.
- Educational costs do not include:
 - meals, lodging, and transportation, or
 - tools and supplies that could be retained by the employee after completing their courses or education (i.e., laptops, tablets, calculators, etc.)

To access WGU’s complete Section 127 Educational Assistance Plan, please click [HERE](#).

Section 132 Working Condition Fringe Benefit

- This benefit may be provided to all eligible employees of WGU, WGU Corp., and its affiliates. This benefit is not available to spouses or dependents.
- The total dollar amount provided must be reasonable.
- This benefit may apply to graduate, undergraduate, or other educational courses.
- This benefit must be “job-related,” meaning it must:
 - maintain or improve skills required for the employee's then-current job, or
 - comply with certain express employer-imposed conditions for continued employment.
- This benefit cannot be provided to meet minimum job qualifications or qualify an employee for a new trade or business.

COMPENSATION GROSS-UP

The IRS allows certain employee tuition discounts to be tax-exempt. However, WGU’s policy offers employee tuition discounts in excess of what is tax-exempt under IRS laws and regulations. This means certain WGU employee tuition discounts are required to be taxed.

As a benefit to its employees, WGU will pay the incremental tax related to the discount. This will be done by grossing-up your annual compensation at the end of each calendar year, which will result in no change to your net take-home pay.

For a complete list of which employee tuition discounts are subject to this gross-up, please refer to the [Employee Tuition Discount Taxability Chart](#) shared in the [WGU MyBenefits Document Library](#).

RESPONSIBILITIES

WGU EMPLOYEES

Employees must submit a tuition discount application – whether for themselves or on behalf of their family member(s) – through the Benefits menu in Workday, no later than the applicable term start date for WGU degree programs or the start date of a certificate or course offering. Separate submissions are

required for each student for whom the discount will be applied and for each term for which the student is seeking the discount.

Additionally, employees are expected to abide by the following requirements:

- Make payment arrangements by the first day of the term
- Become familiar with and adhere to WGU's Financial Policy
- All coursework must be completed on the employee/student's own time, not WGU's time

Any violation of this policy may result in loss of tuition discount benefits and corrective action, up to and including termination of employment.

Note: 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 policy at any time. This policy 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 policy.

ADDITIONAL RESOURCES

REFERENCES

More information on the Employee Tuition Discount is available for review on the WGU My Benefits website and Knowledge Base Articles. Additionally, employees may obtain direct support and answers from subject matter experts within various organizations – including (but not limited to) People & Talent, Employee Benefits, and Payroll – by submitting a detailed request via WGU People Center.

- [WGU MyBenefits | WGU Tuition Discount](#)
- [WGU People Center | KB Articles & Inquiries](#)

Employees with questions or concerns regarding the Employee Tuition Discount application process may contact employee discounts@wgu.edu for assistance.

GLOSSARY

WGU Employee: Individuals employed in the United States with Western Governors University and its affiliates listed as participating Employers in Appendix A.

Domestic Partner: This relationship status applies to you if you are a registered domestic partner, or if each of the following statements are true:

- You maintain the same principal place of residence and intend to do so in the future
- You agree to be responsible for each other's basic living expenses should either of you be unable to provide such expenses for yourself
- You are both 18+ years of age

- Neither of you are married
- You are not related by blood to such a degree that you would be prevented from marrying in the state in which you reside
- Neither of you has maintained coverage for another domestic partner under any health plan within the last six months – Any domestic partner who has died within the last six months is excluded from this criterion
- You agree to notify WGU immediately upon your failure to satisfy any of the criteria of domestic partnership

MISCELLANEOUS

- **Conflict of Policies:** In the event of any conflict or inconsistency between this policy and other policies related to tuition discounts at WGU or WGU Academy, the terms of this policy shall control.
- **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 Corporation
- WGU Academy
- WGU Labs