

Executive Summary of the Updated Tuition Remission Policy

The updated tuition remission policy strengthens our institution's ability to attract, develop, and retain talented employees by offering a clear, comprehensive, and equitable educational benefit. Tuition remission has long been one of our most effective employee recruitment and retention tools, supporting employees and their families in pursuing meaningful academic and professional growth. By expanding access and formalizing our processes, this policy reinforces our commitment to investing in our workforce and cultivating a culture of continuous learning.

Until now, tuition remission guidelines existed across multiple handbooks, webpages, and informal practices. This updated policy consolidates all references into a single, formal document that clearly outlines eligibility, benefit levels, and administrative procedures. This consolidation improves transparency, ensures consistent application, and provides employees and supervisors with a reliable framework for understanding and using the benefit.

Several significant enhancements are included in this update:

- **Expanded Access to Academic Programs:** All previously excluded programs are now eligible for tuition remission, with the sole remaining exclusion being the Doctor of Physical Therapy (DPT) program. This expansion opens new pathways for employees and their families to pursue degrees aligned with their goals and the institution's workforce needs.
- **New Benefits for Employees:** Employees now receive 50% tuition remission for doctoral programs after two years of service, creating a clear pathway for advanced professional development. This investment directly supports skill enhancement, leadership readiness, and long-term institutional capacity.
- **New Benefits for Spouses:** Spouses are now eligible to receive 50% tuition remission for doctoral programs after two years of service. This enhancement supports family learning, strengthens our community, and increases the overall value of employment at the institution.

By modernizing the policy, expanding access, and documenting a consistent administrative process, this update positions tuition remission as a cornerstone of our employee value proposition. It reflects our belief that supporting education, whether for employees, spouses, or dependents, strengthens our workforce, enhances institutional excellence, and reinforces our mission.

Tuition Remission Policy
For Employees of Bradley University
Summer 2026

Introduction: Tuition remission at Bradley University is an employee benefit designed to attract exceptional talent and foster educational advancement for employees and their families. This policy reflects the University's commitment to supporting both professional growth and lifelong learning.

Policy Statement: The purpose of this policy is to define tuition remission benefits to employees, their spouse, and dependent children.

Policy Holder: Human Resources

How to Apply: Please contact Human Resources for the appropriate application. Questions regarding eligibility should be directed to Human Resources and financial questions should be directed to the Financial Aid Office. Please refer to all Attachments.

Definitions:

- **Dependent:** For purposes of this policy, eligible dependent children are those who meet all of the following criteria:
 1. Age Requirement: The child is under age 25 at the start of the semester during which the benefit will be used.
 2. Relationship Requirement: The child must have one of the following relationships with the employee
 - Biological child - the natural-born child of the employee or retiree and for whom the employee or retiree is the legally designated parent;
 - Stepchild - the biological or adopted child of the employee or retiree's current legal spouse;
 - Legally adopted child - a child for whom the employee or retiree has a final decree of adoption;
 - Legal Ward - a child for whom the employee or retiree has been granted permanent legal guardianship by a court of law.
 3. IRS Dependency Standards: To be eligible, the child must meet the following criteria:
 - Financial support: the child must not provide more than one-half of their own financial support for the calendar year.
 - Tax status: the child must be claimed as a dependent of the employee's or retiree's most recent federal income tax return. In cases of divorce or separation, the child remains eligible as long as the employee or retiree is the legal parent or guardian, regardless of which parent claims the child for tax purposes.
 - Marital status: the child must be unmarried.

The intent of these eligibility criteria is to provide tuition for children in child/parent relationships with an employee or 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 employee or retiree is not the legal guardian are not eligible.

Upon request, the employee or retiree must provide proof of relationship, dependency, and/or residency, which may include providing IRS forms, high school enrollment forms or other proof of residency, birth or marriage certificates or guardianship documents.

- **Spouse:** For purposes of this policy, a spouse is defined as an individual legally married to the employee as of the first day of the semester term for which the benefit is requested. Documentation may be required.

- **Semester/Block Terms:** A semester/block term includes the main full-length term along with any sub terms or interims (modules) that are billed cumulatively on a billing statement.
 - Fall Semester/Block – Fall, Fall 1, and Fall 2
 - Spring Semester/Block – January interim, Spring, Spring 1, and Spring 2
 - Summer Semester/Block – May interim, Summer, Summer 1 and Summer 2

Eligibility Requirements: This entire section should be in the Faculty Handbook in full

1. Active Employees:

- Regular status full-time employees accrue a year of service credit upon completing 1 year of full-time employment. To maintain eligibility, the employee must maintain regular status employment. Employees are considered full-time, if they work 30 hours a week at least 9 months per calendar year (1560 hours).
 - Regular status part-time employees accrue a year of service credit upon completing a full-time equivalent of 1560 hours. To maintain eligibility, the employee must maintain regular status employment.
 - Affiliate faculty members accrue tuition remission credit hours after teaching an initial 9 semester hours. For each credit hour taught, one tuition remission credit will be accrued.
- **Retirees:** Full-time, benefits-eligible employees who retire after reaching age 62 and have at least 10 years of full-time service with the University at the time of retirement remain eligible for tuition remission benefit as if the retiree were still active and working full-time at the time the benefit is applied.
 - **Long-Term Employees:** Full-time, benefits-eligible employees who have completed at least 20 years of full-time service with the University and have reached age 55 remain eligible for the tuition remission benefit as if they were still active and working full-time at the time the benefit is applied.
 - **Deceased Employees:** In the event that an active employee passes away, any dependent child who would have been eligible for tuition remission will continue to be eligible for this benefit as if the employee were still actively employed on a full-time basis at the time the benefit is applied.
 - **Separating Employees:**
 - Employees who voluntarily separate from the University must remain employed through the full semester term to retain tuition remission for that semester. If the employee voluntarily separates before the semester end date, the tuition remission will be removed in full, and the tuition amount will become the responsibility of the student. No proration applies.
 - Employees who are involuntarily separated for cause will lose tuition remission immediately. The student will be responsible for the full tuition amount for the current semester. No proration applies.
 - Employees who are involuntarily separated not for cause, remain eligible for tuition remission if the employee has completed 10 or more years of full-time service. Employees with less than 10 years of full-time service at the time of a university-initiated release remain eligible for the remainder of the semester.
 - **Change of Status:** If an employee's full time status goes below 1560 hours annually, they may continue the tuition benefit following the part-time employee process as defined above starting with the next semester term.

Program Terms and Conditions:

Undergraduate tuition remission provided to the employee, the employee's spouse, or dependents is excluded in full from gross income. Tuition remission benefits received for Graduate or Doctoral degrees may be considered taxable income. See Attachments for the taxability of benefits. Please consult a tax advisor or personal accountant for information or advice on this matter.

The employee or participating student will be responsible for paying all applicable fees, including university fees and course fees, at the current rate.

Employees using tuition remission benefits are strongly encouraged to complete the Free Application for Federal Student Aid (FAFSA). The FAFSA results are used to determine eligibility for all types of federal and state assistance including IL MAP Grant, Federal Pell Grants and Federal Student Loans. These programs may be available to assist with any costs beyond those covered by tuition remission. Tuition remission will be combined with other tuition-directed aid, the total value of all tuition directed aid may not exceed a student's tuition charges for each term, or annually.

For affiliate faculty using tuition remission credits for themselves, a dependent or their spouse, 1 credit is deducted per undergraduate course hour and 2 credits are deducted per graduate or doctoral course hour. Credit usage for undergraduate courses may be adjusted based on other financial aid awarded. All tuition remission benefits received by a part-time faculty may be considered taxable income. See Attachments for the taxability of benefits. Please consult a tax advisor or personal accountant for information or advice on this matter.

Charges for the Study Abroad and Study Away programs are not eligible to be covered under the tuition remission benefit. Students are encouraged to apply for Bradley Scholarships for financial assistance for these programs.

The overall policy and the discount rates described below are subject to regular review and modification. Any program availability or limitations will be listed in the Attachments.

Tuition Exchange does not fall under the purview of Bradley University's Tuition Remission Policy. If you are interested in information about, or participating in, Tuition Exchange, please visit Bradley University's Human Resources page. To review what schools are available through Tuition Exchange please visit: <https://tuitionexchange.org/>

Employee Benefits:

- **Undergraduate Degree** – Employees who are admitted to the University will be able to obtain 1 bachelor's degree utilizing tuition remission. The benefit will be available at the beginning of the next semester after completing 1 year of full-time service.
- **Graduate Degree** – Employees who are admitted to a graduate program will be allowed to obtain up to 1 graduate degree utilizing tuition remission. The benefit will be available at the beginning of the next semester after completing 1 year of full-time service.
- **Doctoral Degree** – Employees who are admitted to a doctoral program will be allowed to obtain up to 1 doctoral degree utilizing tuition remission. The benefit will be available at the beginning of the next semester after completing 2 years of full-time service.
- **Courses** – Employees who are admitted to the University as a non-degree seeking student can utilize the benefit at the beginning of the next semester after completing 1 year of full-time service.

Employee Benefits Summary:

Eligibility Timing	Undergraduate Degree	Graduate Degree	Doctoral Degree
0-1 year of service credit	0% Tuition	0% Tuition	0% Tuition
1-2 years of service credit	100% Tuition	100% Tuition	0% Tuition
2 + years of service credit	100% Tuition	100% Tuition	50% Tuition

Exclusions and Conditions -

If a desired course takes place during an employee's regular work hours, time away from work to attend the class must be discussed with your direct supervisor before registering for that course. A supervisor has the discretion to request you to look for a different section if it interferes with departmental operations.

To promote strong work performance and effective learning, tuition remission will cover up to 7 credit hours per semester during undergraduate, graduate and doctoral studies, generally 2 courses.

The ability for an employee to participate in any level of course will be contingent on seat availability for specific sections. If there is a waitlist for a specific section of a course, employees using tuition remission may be required to switch sections or take the course at another time.

Dependent Benefits:

- **Undergraduate Degrees** – Dependents admitted will be able to attend Bradley University to obtain 1 bachelor's degree utilizing tuition remission. Employees become eligible for this benefit in 25% increments over 4 years of full-time service. The benefit will be available at the beginning of the next semester after each completed year of full-time employment.
- **Graduate Degrees** – Dependents admitted to a graduate program will be able to obtain up to 1 graduate degree at 50% tuition remission. The benefit will be available at the beginning of the next semester after completing 2 years of full-time employment.
- **Doctoral Degrees** – Dependents of employees are not eligible for the tuition remission benefit for doctoral degree programs.
- **Courses** – Dependents who are admitted to the university as a non-degree seeking student can utilize the benefit for 6 credit hours.

Dependent Benefits Summary:

Eligibility Timing	Undergraduate Degree	Graduate Degree	Doctoral Degree
0-1 year of service credit	0% Tuition	N/A	N/A
1-2 years of service credit	25% Tuition	N/A	N/A
2-3 years of service credit	50% Tuition	50% Tuition	N/A
3-4 years of service credit	75% Tuition	50% Tuition	N/A
4 + years of service credit	100% Tuition	50% Tuition	N/A

Spousal Benefits:

- **Undergraduate Degree** – The spouse of an employee will be able to attend Bradley University to obtain 1 bachelor’s degree utilizing tuition remission. Employees become eligible for this benefit in 25% increments over 4 years of full-time service. The discount will become accessible at the beginning of the next semester following each completed year of service.
- **Graduate Degree** – The spouse of an employee who is admitted to a graduate program will be able to attend Bradley University to obtain up to 1 graduate degree utilizing tuition remission. The discount will be available at the beginning of the next semester following 1 year of full-time employment.
- **Doctoral Degree** – The spouse of an employee who is admitted to a doctoral program will be able to obtain up to 1 doctoral degree at 50% tuition remission. The discount will be available at the beginning of the next semester following 2 years of full-time employment.
- **Courses** – Spouses who are admitted to the university as a non-degree seeking student can utilize the benefit for 6 credit hours.

Spouse Benefits Summary:

Eligibility Timing	Undergraduate Degree	Graduate Degree	Doctoral Degree
0-1 year of service credit	0% Tuition	0% Tuition	0% Tuition
1-2 years of service credit	25% Tuition	100% Tuition	0% Tuition
2-3 years of service credit	50% Tuition	100% Tuition	50% Tuition
3-4 years of service credit	75% Tuition	100% Tuition	50% Tuition
4 + years of service credit	100% Tuition	100% Tuition	50% Tuition

ATTACHMENT A

Taxability of Tuition Remission for Employees

While undergraduate tuition remission is generally not taxed for employees of educational institutions, the Internal Revenue Service has ruled that the graduate tuition benefit is not excluded from the income of these employees. Employees who do not work for educational institutions are not eligible for the same income exclusion for undergraduate coursework as those that do.

WHEN IS TUITION REMISSION TAXED?

In general, IRS regulations consider anything of value provided to an employee by an employer to be a form of compensation. All compensation must be reported as taxable wages and is subject to income tax withholding, unless specifically excluded by the Internal Revenue Code.

Under section 117(d) of the Internal Revenue Code, educational institutions offering a full reduction of tuition charges to employees, their spouses and dependent children for undergraduate coursework may exclude the value of this education from their employees' taxable wages. The exclusion under this section does not extend to graduate coursework and only applies to employees of an educational institution.

Section 127 of the Code allows all employers, whether or not they are an educational institution, to provide their employees (not spouses or dependents) with educational assistance for both undergraduate and graduate work. Employers may provide each employee with up to \$5,250 of educational assistance per year on a tax-free basis. The tuition remission benefit that the University offers employees not covered by the above exclusion is eligible for this exclusion.

Therefore, graduate-level tuition remission received by employees of educational institutions and all tuition remission received by those who are not employees of educational institutions is taxable once the value exceeds \$5,250 per tax year. In addition, all tuition remission received by spouses and dependents of employees who are not employees of educational institutions is fully taxable (no \$5,250 exclusion). The Internal Revenue Code requires that taxable tuition remission must be added to employees' taxable wages and employment taxes must be withheld.

WHAT HAPPENS TO THE TAXES THAT ARE WITHHELD?

The additional taxable income and taxes withheld are reported on the W-2 form. The University is required to issue W-2 forms to employees by January 31st to provide the information necessary for completing their tax returns. Educational assistance in excess of the excludable amount is subject to federal, state, Social Security and Medicare taxes. The University must withhold Social Security and Medicare taxes. The employee is given the option of having federal and/or state taxes withheld.

Example: An employee who has received \$10,250 in taxable tuition remission benefits would have \$5,000 of additional taxable income reported in boxes 1, 3, 5 and 16 of his/her W-2 (\$10,250 tuition remission received less \$5,250 exclusion) at the end of the year.

Example: A spouse or child of an employee received \$10,250 taxable tuition remission benefits. The spouse or child has received this benefit as a non-employee, and therefore this would create additional income of \$10,250 (note: the exemption does not apply to non-employees). The benefit is given to the spouse or child through the employee's relationship with the University. The employee is now taxed on behalf of the spouse or child and would have \$10,250 of additional taxable income reported in boxes 1, 3, 5 and 16 of his/her W-2 (\$10,250 tuition remission received less \$0 exclusion) at the end of the year.

ATTACHMENT B

Tuition Remission Program Availability

The ability for an employee or spouse to participate in any level of course will be contingent on seat availability for specific sections. If there is a waitlist for a specific section of a course, students using tuition remission may be required to switch sections or take the course at another time.

As of June 1, 2026, the following program limitations apply:

- Due to student demand, the Doctorate of Physical Therapy (DPT) is excluded from tuition remission.