



UNIVERSITY  
*of* HAWAII'<sup>1</sup>  
SYSTEM

Financial Management Office

## **Employee Tuition Waiver**

## Employee Tuition Waivers

Board of Regents Policy RP6.207 states:

- Faculty and staff who register for a course are exempted from the payment of tuition and other fees (subject to the following provisions...)

## Collective Bargaining Agreements

- Collective Bargaining Agreements for Units 7 and 8 include tuition exemption provisions applicable to both Employee and Employee's Spouse/Domestic Partner
  - Unit 7 Agreement: Article III, Conditions of Service
  - Unit 8 Contract: Article 26 - Development Opportunities

## Who May Be Eligible:

- A faculty or staff member who is employed on a half-time basis or more; those excluded from collective bargaining must have an appointment exceeding three (3) months
- Spouses and domestic partners of UH employees in BU 07, 08, 87 and 88

## Who May **Not** Be Eligible:

- Graduate Teaching and Research Assistants (Graduate teaching and research assistants may be awarded a tuition exemption that is different from the employee tuition waivers)
  - Casual Hire employees
  - Civil Service Emergency Hires
  - RCUH Employees/ UH Foundation Employees
  - etc.
- 
- *If you have any questions regarding your eligibility for the Employee Tuition Waiver, please consult with your department's Human Resources representative*

## Other Considerations:

- The employee's normal duties of employment must be carried out as usual
- The student's enrollment places no undue or unusual burden on the instructor of the course

## What charges are Eligible for the Waiver:

- Tuition and Mandatory student fees for up to 6 credits per semester (Fall, Spring, Summer)
- Tuition and fees for courses registered during the campus' **late** registration period

## What charges are NOT Eligible for the Waiver:

- Tuition and fees for courses registered during the campus' **regular** registration period
- Tuition for individual instruction in such fields as music
- Administrative fees for Summer Session
- Course fees, nursing and dental hygiene clinical fees, lab fees, professional fees, or special funded courses, which have insufficient revenue to cover costs
- Tuition and Fees for Non-Credit Courses



## To Enroll in a Credit Course at any University campus:

- Apply for admission to the campus you wish to attend
- Be sure to check the campus' admission requirements deadlines
- For more information about Admissions, please visit <http://hawaii.edu/admissions/>

## Get A UH Username

- Get a UH username if you do not already have one
- <https://myuh.hawaii.edu:8888/sessionid=nobody/am-sso-check-status>

## Make Sure your Student Account is in Good Standing

- If you are a continuing student, you may already have a student account. Be sure to review your account, to make sure it is up to date, and that you do not have any existing holds which may prevent you from registering or making registration changes.
- Holds may be placed by certain University departments if you have not fulfilled certain requirements. Examples include:
  - Unpaid financial obligations
  - Health clearances
  - Academic advising
- To review your student record:
  - Login to MyUH
  - Click on “Check Registration Status”

## Check Your Registration Time

- Students are given a registration date and time to register for their courses, depending on their class standing. However if an employee or their spouse/domestic partner registers during the normal registration period, they will not be able to use the Employee Tuition Waiver for those courses.
- In order to use the Employee Tuition Waiver, employees/spouses/domestic partners should disregard the registration date and time posted on MyUH and wait until the Late Registration Period begins to register for their courses.
  - The Late Registration Period varies at each campus, so be sure to check the Academic Calendar for the campus you are enrolling at.

## Register Online on MyUH

- Log in to MyUH
- Click on “Add/Drop” Courses under the “Getting Started” panel on the left side of the page
- For more information on MyUH registration, click here:

<http://myuhinfo.hawaii.edu/page/registration>

## How to Apply for an **Employee** Tuition Waiver for Fall/Spring only

- The employee must login to MyUH
  - Click on “View Charges/Make Payment”
  - Scroll down, and click on “Faculty Staff Tuition Waiver Processing”
  - Select a Payment Term
  - Click on Agree to the terms of the Tuition Waiver
- 
- The Student Information System will attempt to process your application for the Employee Tuition Waiver that evening. Please check your student account the following day, to see if the waiver was accepted electronically.
  - If it was not electronically processed, complete the paper form (see slide 18) and turn it in to the Cashier’s Office at any campus. The paper form must be signed by the employing department’s Human Resources representative.

## How to apply for the Employee Tuition Waiver by a Spouse or Domestic Partner for Fall/Spring only

- The Employee must login to MyUH
- Click on the “My Profile” tab
- Review the “Employee Tuition Waiver Benefit” section, and edit as necessary. The employee must declare the name of their spouse or domestic partner, to make them eligible to use the tuition waiver benefit.
- It is the employee’s responsibility to update this section with any changes in status.

## How to apply for the Employee Tuition Waiver by a Spouse or Domestic Partner for Fall/Spring only (cont.)

- After the employee has declared a student as their spouse or domestic partner, the student must login to MyUH
- “View Charges/Make Payment”
- Scroll down, and click on “Faculty Staff Tuition Waiver Processing”
- Select a Payment Term
- Click on “Agree” to the terms of the Tuition Waiver
  
- The Student Information System will attempt to process the application for the Employee Tuition Waiver that evening. Please check the student account the following day, to see if the waiver was accepted electronically.
  
- If it was not electronically processed, complete the paper form (see slide 18) and turn it in to the Cashier’s Office at any campus. The paper form must be signed by the employing department’s Human Resources representative.



## How to apply for an Employee Tuition Waiver (Employee, Spouse or Domestic Partner) for **Summer** only

- The electronic application for the Employee Tuition Waiver is not available online for the Summer term.
- Complete the applicable paper forms (see slide 18) and turn it in to the Cashier's Office of the campus you are attending.
- An Administrative Fee for each summer session will be charged, and will not be covered by the waiver.

## Paper Forms

If the electronic submission of the Employee Tuition Waiver is not processed for any reason, please complete the applicable paper forms and submit it in person to the Cashier's Office at any campus:

- <https://www.pers.hawaii.edu/forms/Benefits/TuitionWaiver/TuitionWaiver.pdf>
- <https://www.pers.hawaii.edu/forms/Benefits/TuitionWaiver/Declaration.pdf>

## Additional Information

- Completed waivers must be submitted and posted to the student account by the end of the late registration period of the campus where the course is being offered.
- Failure to submit a waiver by the deadline means payment will not be posted and a financial obligation will be placed on the student account.
- Students must review their account to make sure residency status, tuition amounts charged, as well as the value of the waiver are correct, as amounts may be subject to tax withholding.

## Additional Information (continued)

- University employees who are non-residents for tuition purposes, may apply for an exemption from the non-resident rate. Take a copy of your Payroll Notification Form (PNF) to the Admissions Office and request an exemption from the non-resident tuition rate **BEFORE** using a tuition waiver to pay for tuition and fees. Failure to request this exemption will result in the assessment of full non-resident tuition charges and could affect taxability of this benefit.

## Taxability of the Employee Tuition Waivers

- The taxability of tuition waivers is governed by the Internal Revenue Code (IRC) section 117(d), as a Qualified Tuition Reduction.
- Depending on the education provided, such as below the graduate level or graduate education, the taxability of the employee tuition waivers will be applied differently.
- Please refer to the respective IRS code or regulation for more information on qualified tuition reductions, or consult with your tax advisor if you have any questions regarding the taxability of this benefit.

## Withholding of Taxes

- The value of the tuition waiver may be included in the employee's gross income and reported as wages or other compensation on the employee's W2 and is subject to employment taxes.
- Taxable amounts will be transmitted through the State Payroll System. These taxable amounts will increase the employee's Federal, State and FICA taxable income and will generate additional withholding assessments against gross payroll wages.

## Withholding of Taxes (continued)

- These payments are not payroll payments, but serve to increase taxable income and are defined as Wages-in-Kind.
- The Employee's Earnings Statements and the annual W-2 Statements will therefore reflect taxable income and withholding amounts related to both payroll wages and wages-in-kind.

# Withholding of Taxes for Employees

## For Tuition Waivers used by the employee:

- The value of the tuition waiver will not be included in wages-in-kind, and is not subject to withholding.



## Withholding of Taxes (continued)

### For Tuition Waivers used by the Spouse of an Employee:

- The value of the tuition waiver for undergraduate student spouses will not be included in wages-in-kind, and is not subject to withholding.
- The value of the tuition waiver for graduate student spouses is included in wages-in-kind, and is subject to withholding.

## Withholding of Taxes (contintued)

### For Tuition Waivers used by the Domestic Partner of an Employee:

- The value of the tuition waiver for student domestic partners, both undergraduate or graduate, is included in wages-in-kind, and is subject to withholding.

## Sample Paystub - Wages in Kind (WIK) will affect the following taxes:

- State
- Federal
- Social Security
- Medicare

| GROSS EARNINGS                      |         |                          | DEDUCTIONS/REDUCTIONS |       |                 |                                     | TAX        |                      | YEAR TO DATE GROSS EARNINGS |  |
|-------------------------------------|---------|--------------------------|-----------------------|-------|-----------------|-------------------------------------|------------|----------------------|-----------------------------|--|
| TYPE                                | AMOUNT  | HOURS/DAYS               | TYPE                  | AGENT | AMOUNT DEDUCTED | YEAR TO DATE                        | REPORT     | YEAR TO DATE         |                             |  |
| REG-PAY                             | 1790.00 |                          | MR                    | 701   | 249.20          | 5283.88                             | STATE      | 212.52               | 2037.92                     | 40197.00                               |
|                                     |         |                          | PR                    | 701   | 54.74           | 1118.75                             | FED        | 496.62               | 3492.96                     |  |
|                                     |         |                          | VR                    | 701   | 3.09            | 68.86                               | SOC SEC    | 193.31               | 2164.36                     | GROSS PAY<br>1790.00                   |
|                                     |         |                          | DR                    | 701   | 21.11           | 472.66                              | MEDI-ARE   | 45.21                | 506.18                      |  |
|                                     |         |                          | SD                    | 717   | 20.85           | 471.52                              | RETIREMENT |                      |                             |  |
|                                     |         |                          | DC                    | 001   | 75.00           | 1125.00                             | REG        | AMOUNT 107.40        | YEAR TO DATE 2411.82        | TOTAL DEDUCTIONS/REDUCTIONS<br>1479.05 |
|                                     |         |                          |                       |       |                 | BONDS                               |            |                      |                             | <b>NET PAY</b><br>310.95               |
|                                     |         |                          |                       |       |                 | NO. OF BONDS ISSUED THIS PAY PERIOD |            | BOND BALANCE ON HAND |                             |  |
|                                     |         | WAGES-IN-KIND<br>1656.00 |                       |       |                 |                                     |            |                      |                             |  |
|                                     |         | COST OF LIVING ALLOWANCE |                       |       |                 |                                     |            |                      |                             |  |
|                                     |         | WAGES-IN-KIND            |                       |       |                 |                                     |            |                      |                             |  |
| NON-NEGOTIABLE                      |         |                          |                       |       |                 |                                     |            |                      |                             |  |
| KEEP THIS STATEMENT FOR YOUR RECORD |         |                          |                       |       |                 |                                     |            |                      |                             |  |

## When will the withholding be processed?

Tax withholding for employee tuition waiver benefits will be processed on the pay dates below:

- For waivers posted between November 1st and April 15th, withholding will occur on 5/20
- For waivers posted between April 16th and August 15th, withholding will occur on 9/20
- For waivers posted between August 16th and October 31st, withholding will occur on 12/05

## Withholding of Taxes (continued)

- In general, inclusion of this tuition waiver benefit as one lump sum to wages is in compliance with rules set forth by the Internal Revenue Service.
- However, should the lump sum be large enough to cause a substantial tax withholding in decreasing the employee's pay check, the University may consider allocating this lump sum into different pay periods.
- Hence, if an employee's taxable benefit amount is greater than the employee's regular gross semi-monthly payroll amount, the taxable benefit amount will be split between 2 pay periods, the designated pay date shown above and the next following pay date.

## Questions?

- Please call Derek Seu in the UH Cashier's Office at [dseu@hawaii.edu](mailto:dseu@hawaii.edu)



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Thank You for attending this presentation