**APPLICATION TO DETERMINE WHETHER AN EMPLOYEE’S GRADUATE REMITTED TUITION QUALIFIES FOR NON-TAXABLE TREATMENT**

(You should consult with your tax advisor before completing this form)

**Employee Information (please print)**

|  |  |
| --- | --- |
| Name: | SU ID #: |
| Dept. Name: | Campus Phone #: |
| Job Title: | Email: |

|  |
| --- |
| Job Description: |

**Course Information – A separate form must be submitted for each course. (please print)**

|  |  |  |
| --- | --- | --- |
| **Semester/Year** | **Course #** | **Course Title** |
|  |  |  |

|  |
| --- |
| Course Description: |

**To the Employee: Please answer yes or no to the following questions regarding the above course.**

1. Is the course required to meet the minimum education requirements for my current position? \_\_\_\_\_\_

***(See number 1 on page 4 before answering this question.)***



1. Is the course part of a program of study that will qualify me for a new trade or business? \_\_\_\_\_\_

***(See number 2 on page 4 before answering this question.)***



3. Will the course help me maintain or improve skills in my current position? \_\_\_\_\_\_



4. Is the course required as a condition to retain my current position or pay rate? \_\_\_\_\_\_



*For the course to be considered as whether it qualifies as a non-taxable working condition fringe benefit, the answers to the first two questions must be “No,” and the answer to either the third or fourth question must be “Yes.”*

By signing below, I certify that I have answered the above questions accurately, and that I believe my course may be non-taxable. I understand that if the value of the course is later determined by the IRS to be taxable, I shall be responsible for paying any income taxes, FICA tax payments, and/or penalties and interest that are assessed to the University by the IRS with respect to such course (“Assessment”). If such an Assessment occurs, I agree to pay to the University an amount equal to the Assessment within fifteen (15) days after the University first requests such payment. I also agree that if I fail to timely pay such amount to the University, the University shall have all rights permitted by law to recover or recoup such amount from me and I shall be responsible for paying any reasonable attorneys’ fees incurred by the University in connection with such recovery or recoupment.

***Signature of Employee Date***

**Supervisor/Dept. Head Certification**

**To the Supervisor: Please answer yes or no to the following questions regarding the above course.**

1. Is the course required to meet the minimum education requirements of the employee’s current position? \_\_\_\_\_\_

***(See number 1 on page 4 before answering this question.)***



1. Is the course part of a program of study that will qualify the employee for a new trade or business? \_\_\_\_\_\_

***(See number 2 on page 4 before answering this question.)***



3. Will the course help the employee maintain or improve skills in his/her current position? \_\_\_\_\_\_



4. Is the course required as a condition for the employee to retain his/her current position or pay rate? \_\_\_\_\_\_

*For the course to be considered as whether it qualifies as a non-taxable working condition fringe benefit, the answers to the first two questions must be “No,” and the answer to either the third or fourth question must be “Yes.”*

By signing below, I certify that I have answered the above questions accurately, and that I believe the employee’s course may be non-taxable. I understand that if the value of the course is later determined by the IRS to be taxable, my department may be charged for any taxes on the value of the course, and/or for any penalties and interest, that are assessed to the University by the IRS, until such time as all applicable taxes, penalties, and interest are paid to the University by the employee.

***Signature of Supervisor/Dept. Head Date Campus phone #***

***Please Print Name of Supervisor/Dept. Head***

**Division Head Certification**

I have reviewed the above application and approvals. I understand that the Payroll Office is responsible for review of this application with respect to the University’s determination of taxable status. Should the application be approved by the Payroll Office, but later be determined to be taxable by the IRS, I acknowledge and accept my area’s responsibility for any resulting financial obligation to the University as described above.

***Division Head Signature Date***

***Please Print Name of Division Head***

**Payroll Office Review**

***Payroll*** ***Office Date Approved / Not Approved***

**SYRACUSE UNIVERSITY**

**Application to Determine Whether an Employee’s**

**Graduate Remitted Tuition Qualifies For Non-Taxable Treatment**

**--Instructions--**

**NOTE: Remitted tuition benefits used by an employee for graduate course(s) in excess of $5,250 will be treated as being taxable unless and until an Application to Determine Whether an Employee’s Graduate Remitted Tuition Qualifies For Non-Taxable Treatment (“Application”) is received and approved by the Payroll Office.**

**Step # 1 Employee:**

 Complete the Application.

A separate Application must be submitted for each course.

* Consult with your tax advisor before completing the Application.
* Using the Flow Chart on page 4 as a guide, determine whether the course will be taxable.
* Answer questions in the Employee section of the Application.
* If believed to be non-taxable, complete Employee section of the Application.
* Give signed Application to supervisor or department head.
  + **This should be done prior to the start of the course.**

**Step # 2 Supervisor or Department Head:**

 Review Application within 5 business days of receipt.

* Using the Flow Chart on page 4 as a guide, answer questions in Supervisor/Dept. Head Certification section of the Application.
* If believed to be taxable, return Application to employee.
* If believed to be non-taxable, sign and give copy of Application to employee and forward original to the Division Head for your area.

**Step # 3 Division Head:**

 Review Application within 5 business days of receipt.

* If you certify, forward to application to Payroll Office.
* If you do not certify, return application to Supervisor/Dept. Head.

**Step # 4 Payroll Office:**

 Review Application within 5 business days of receipt from Division Head.

* Approve or disapprove, and notify employee.
* Make any appropriate adjustment to employee’s pay.

**For taxable tuition benefits, the value of the course (after applying the calendar year $5,250 exclusion) will be added to the employee’s pay as wages, and applicable Federal and State income taxes and FICA taxes will be deducted from the employee’s pay during the semester in which the course is taken. In addition, any applicable taxable income will be reflected on the IRS Form W-2 for the calendar year when the remitted tuition benefit is used by the employee.**

**Taxability Determination Flow Chart for Graduate Remitted Tuition Used by an Employee**

Is the graduate remitted tuition required to meet the minimum education requirements for qualification in the employee’s trade or business? 1

**TAXABLE**

Yes

No

Is the graduate remitted tuition part of a program of study that will lead to qualifying the employee for a new trade or business? 2

Yes

No

Is the graduate remitted tuition required by law, or by written University policy, as a condition to retain the employee’s current position or pay rate?

Does the graduate remitted tuition maintain or improve skills that are required, appropriate or helpful to the employee’s current position?

No

No

Yes

Yes

**NOT TAXABLE**

**About this Chart:** Remitted tuition benefits used by employees in excess of the $5,250 exclusion are taxable wages. However, certain job-related education is not taxable if it satisfies the requirements for being a working condition fringe benefit. This flow chart is intended to assist in determining whether graduate remitted tuition benefits qualify as a working condition fringe benefit. **This flow chart does not constitute tax advice to employees, and employees should consult their personal tax advisors.**

**Graduate Assistants**: Certain graduate students who have an assistantship from Syracuse University qualify for a different tax exclusion that allows them to receive their graduate tuition on a tax-free basis. Graduate assistants are not covered by this flow chart.

**1. Minimum Required Education:** For example, suppose an employee, who holds a bachelor's degree, obtains temporary employment as an instructor at the University and takes graduate courses as a candidate for a graduate degree. Also, suppose the rules applicable to the employee’s temporary employment provide that the employee can become a faculty member only if the employee can get a graduate degree, and that the employee can keep his or her temporary job as an instructor only as long as he or she can show satisfactory progress towards getting this degree. The employee has not met the minimum education requirements to qualify as a faculty member. The fair market value of such graduate courses, therefore, will be taxable, unless the $5,250 exclusion applies.

**2. New Trade or Business**. For example, a program of study generally qualifies an employee for a new trade or business if successful completion of the program would qualify the employee to: (1) meet a new category of professional licensure or certification required to perform a particular job (e.g., a nurse practitioner certification); or (2) be employed in a position that has a different educational requirement than his/her current position, either within or outside the University. NOTE: Intention or actual job change is irrelevant; even if the employee does not intend to change positions, or does not take a new position, the tuition benefit generally is taxable if the employee becomes qualified to do so. Examples of programs of study that have been held to qualify an individual for a new trade or business include, but are not limited to, programs that allow a non-attorney to become an attorney, a non-certified accountant to be an accountant, a teaching assistant to become a teacher, a computer operator to become an electronic data processing auditor, an engineering aide to become an engineer, and a mental health practitioner to become a staff psychologist.