



NORTHWESTERN UNIVERSITY

Educational Assistance and Tuition Plans

Summary Plan Description

January 2009

Plan Highlights

Plan Highlights

Purpose

The purpose of the Educational Assistance, Reduced Tuition and Portable Tuition Plans is to provide financial assistance to:

- full-time University employees who are taking undergraduate or graduate courses at Northwestern University, and
- an employee's spouse or dependent child who are taking undergraduate courses at Northwestern University, or
- an employee's dependent child taking undergraduate courses at other accredited schools.

Educational Assistance Plan

- Full-time employees may receive a tuition reduction for courses taken at Northwestern University
- Reduction of up to 85% for undergraduate study
- Reduction of up to 75% of graduate study
- The maximum reduction is up to \$10,000 per calendar year.
- Educational Assistance benefits received for undergraduate or graduate level study above \$5,250 for a calendar year are considered by the IRS to be taxable income and the taxable amount appears on paycheck stubs as "other compensation."

Reduced Tuition Plan

- Eligible full-time employees may receive Reduced Tuition of 40% to 90% for a spouse or eligible dependent children enrolled in a Northwestern University undergraduate degree program. To qualify for the Reduced Tuition Plan, an employee must have accumulated specified years of regular status continuous full-time service.
- Eligible full-time employees may receive Reduced Tuition benefits of 40% to 90% for undergraduate courses taken by a spouse or dependent child at the School of Continuing Studies.

Portable Tuition Plan

- Eligible full time employees, who have accumulated specified years of regular, full-time continuous service may receive tuition assistance of 40% of the billed tuition up to the current NU tuition bill or up to \$5,616 for eligible dependent children enrolled in an undergraduate degree program at regionally accredited colleges and universities. The amount of tuition assistance is based on an individual's University date of employment and years of accumulated University service.
- The benefit is provided per child. In circumstances where an employee has more than one child attending college, an employee may apply for this benefit for each child. The available benefit is not divided by the number of children.

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Purpose The purpose of the Educational Assistance, Reduced Tuition and Portable Tuition Plans is to provide financial assistance to full-time University employees who are taking courses at Northwestern University and to an employee's spouse or dependent child who are taking undergraduate courses at Northwestern or at other accredited schools.

Plan Administrator The University is the Plan Administrator and has the responsibility for operating and interpreting the Plan.

For Further Information The information contained in this Summary Plan Description is intended to summarize the major features of the tuition plans. It is not intended to be a complete explanation or list of benefits provided by the tuition plans. An individual should review course descriptions

Individuals may also contact representatives from the University's Offices of Student Accounts, Financial Aid, Admissions or similar offices at the college or university a dependent child plans to attend or is attending with any questions.

Continuation of the Plan The University intends to continue this Plan indefinitely, but reserves the right to modify or terminate the Plan at any time with or without notice.

Participation in this Plan is provided to eligible faculty and staff and does not constitute a guarantee of employment. Participation in the Plan also requires continued employment and eligibility and is subject to the terms and conditions of the Plan Document.

Eligibility	This section summarizes eligibility for participation in the Educational Assistance, Reduced Tuition and Portable Tuition Plans.
Salary Requirement	Faculty and staff, other than Contributed Service and Academic Full Time faculty, must receive University compensation paid by the University's payroll system and receive sufficient income to cover specified premium amounts.

Classification of Employee

Staff. Regular status staff paid on a bi-weekly basis must be scheduled to work at least 35 hours per week (full-time). Exempt staff must be appointed on a full-time basis (100%). Part-time and temporary staff are not eligible to receive tuition benefits.

Bargaining unit employees should refer to union contracts.

Faculty. Faculty must be appointed on a full-time basis (100%) for the entire academic year. Part-time faculty are not eligible to receive tuition benefits.

Academic Full-Time and Half-Time Faculty. Such individuals must be compensated exclusively by one or more of the following affiliated McGaw Medical Center institutions including the University, Northwestern Memorial Hospital, Northwestern Medical Faculty Foundation, Children's Memorial Hospital and its related faculty practice plans, the Rehabilitation Institute of Chicago, and the VA Lakeside Medical Center. Half-time faculty are not eligible.

Contributed Service Faculty. Medical School faculty who volunteer to participate in the academic activities of the Medical School without direct financial compensation. Such individuals are eligible for Reduced Tuition benefits only.

ROTC Faculty. Employees who serve as full-time faculty for ROTC and NROTC programs on campus, while not paid by the University, are considered eligible for tuition benefits as determined by their years of qualified service to the University

Post Doctoral Fellows. Individuals classified as a Post Doctoral Fellow and appointed on full-time basis are eligible to participate in the tuition plans.

Post Doctoral Fellows – NRSA. Individuals classified as a Post Doctoral Fellow funded by a National Research Service Award (NRSA) from the National Institutes of Health (NIH) are not eligible for tuition benefits. The period of NSRA Post Doctoral Fellow status does not add to or subtract from years of previously accumulated University service.

Visiting Scholars. Individuals classified as a Visiting Scholar, appointed on at least a half-time basis, paid by the University's payroll system and meet specified salary criteria are not eligible to participate in the tuition plans.

Visiting Personnel. Individuals with full-time academic appointments at the rank of professor, associate professor and assistant professor are eligible to participate in the tuition plans.

Disabled Employees. An employee who becomes permanently and totally disabled while working for Northwestern University and who continues to be eligible for University insurance benefits remains eligible for Educational Assistance and Reduced Tuition benefits for a spouse or dependent child and Portable Tuition benefits for a dependent child.

The benefit level is determined by the employee's years of accumulated service at the onset of the disability. The employee's spouse or dependent child must have qualified for the benefit at the time the employee became disabled and continues to qualify for the duration of the period for which the benefit is requested.

Employees on a leave of absence. An employee on a paid full-time leave of absence may receive tuition benefits based on full-time status and years of accumulated full-time service.

An employee on a leave of absence without pay may receive tuition benefits if either:

- The leave is due to a verifiable medical disability, or
- The Provost or Senior Vice President for Business and Finance, as appropriate, has determined that the leave is job-enhancing and that the employee will return to the previously held position.

Any period of unpaid leave is not included in determining an employee's years of accumulated continuous University service. A period leave does not add to or subtract from the employee's years of service.

Retired employees. Individuals who retire from University employment and have met specified age and service requirements *at the time of retirement* are eligible to receive Educational Assistance, Reduced Tuition and Portable Tuition benefits as follows: Retirees must be at least age 55, and have accumulated at least ten years of continuous, full-time service.

Retirees who retire at age 55 or older and have accumulated *less than ten years* of qualifying service or who otherwise are not eligible, may continue any tuition benefit currently being applied to a spouse or dependent child's enrollment through the completion of that program of study only.

Age	Service Requirement	
	Full Time	Part Time
55	10	10
56	10	10
57	10	10
58	9	10
59	8	10
60	7	10
61	6	9
62	5	8
63	4	7
64	3	6
65+	2	2

Retiree Eligibility Requirements Reduced Tuition and Portable Plans		
If an individual retires under age 55, then ↓	If an individual retires at age 55 or older with less than 10 years of full-time continuous service, then... ↓	If an individual retires at age 55 or older with 10 or more years of full-time continuous service, then.... ↓
the individual is not eligible for tuition benefits	eligible to receive benefits through the completion of the program of study which had commenced prior to retirement	the individual is eligible to receive full tuition benefits
Educational Assistance Plan		
If an individual retires under age 55, then... ↓	If an individual retires at age 55 with less than 10 years of full-time service, then... ↓	If an individual retires at age 55 or older with 10 or more years of full-time service, then... ↓
the individual is not eligible for tuition benefits		the individual is eligible for tuition benefits

Employees Who Work at Northwestern University Satellite Campuses.

Full-time regular status employees whose customary work place is located more than 200 miles from Chicago are eligible for Educational Assistance and Reduced Tuition benefits at institutions other than Northwestern University. Such employees are also eligible for Portable Tuition benefits.

In such cases, employees should submit the Educational Assistance and Reduced Tuition or Portable Tuition applications with a copy of the institution's billing statement and proof of successful completion at the end of the term.

Upon approval of the application, the University will issue the benefit directly to the employee. The amount of the benefit granted will not exceed the amount of the corresponding benefit applied to Northwestern University tuition.

Full time employees may also participate in the Portable Tuition plan for a dependent child taking courses at a school other than NU.

Deceased Employees. A spouse or dependent child of a deceased employee is eligible for tuition benefits as determined by the employee's years of qualified full-time service at the time of death. This eligibility ceases upon remarriage of the spouse or adoption or marriage of the child.

Other Eligible
Individuals

Spouse. A spouse must be legally married to and have his or her principal residence with the eligible employee.

Surviving spouse and children of a deceased employee. An eligible spouse or dependent child of a deceased employee or deceased retired employee may receive tuition benefits based upon the employee's years of accumulated full-time continuous service at the time of his or her death. Tuition benefits for a dependent child are extended to age 25.

Domestic Partner. An employee's same-sex partner is eligible for tuition benefits subject the employee's years of qualifying service. Tuition benefits provided to a domestic partner and to his or her children are considered taxable income unless the children are the employee's or are legally adopted by the employee.

A heterosexual domestic partner and his or her children are not eligible to participate in the Tuition Plans.

Dependent child. A dependent child must be under age 25.

Qualifications for dependent status include those individuals who have their principal resident with an employee, and/or who rely chiefly on an employee for financial support.

Dependent children include unmarried natural, step, legally adopted children, and any children who are in an individual's custody under an interim court order prior to the finalization of adoption proceedings.

A dependent child must be financially dependent on an eligible employee for more than half of his or her support. In addition, a dependent must not have attained age 25 by the first day of the term for which the benefit is requested. Other indications of dependency include the following:

- the child's non-student residence is with the employee;
- the child has not previously established financial independence;
- the child is listed as a dependent on the employee's federal tax return for the past two years.

Any children who are dependent upon an employee for financial support and maintenance because of mental retardation or physical disability will be covered regardless of age if they were covered by the plan prior to reaching the limiting age.

The University reserves the right to require sufficient proof of dependent status in determining eligibility for receiving tuition benefits.

Dependent children do not include foster children or grandchildren.

Parents and grandparents. An employee's parents, grandparents and in-laws are not eligible for University-sponsored tuition benefits.

No individual may be covered more than once under the University's benefit plans.

Enrollment in academic courses or degree programs at Northwestern University

Individuals are subject to the rules and prerequisites of their school of attendance. Eligibility for any of the tuition benefits does not imply Northwestern University admission, nor does it guarantee acceptance into any University program.

To receive reduced tuition and portable tuition benefits, an eligible individual must be enrolled in an undergraduate degree program or working toward the requirements of a teaching certificate.

Eligibility Summary

Employee Status	Educational Assistance	Reduced Tuition *	Portable Tuition *
Regular Part Time	NO	NO	NO
Regular Full-Time	YES	YES	YES
Academic Full-Time	YES	YES	YES
Contributed Service Faculty	NO	YES	NO
ROTC & NROTC	YES	YES	YES
Paid full-time leave of absence	YES	YES	YES
Leave of absence for medical reasons	YES	YES	YES
Leave of Absence for personal reasons and is job enhancing	YES	YES	YES
Disabled	YES	YES	YES
Retired	YES	YES	YES
Deceased	YES	YES	YES
* A specified service requirement must be met to be eligible for these benefits			

Spouse	NO	YES	NO
Dependent child	NO	YES	YES
Same-Sex Domestic Partner	NO	YES	NO
Domestic partner's child	NO	YES	YES
Parents and grandparents	NO	NO	NO

Duration of Eligibility

An employee may receive tuition benefits through the end of the term of study in which the loss of eligibility occurs. The amount of the tuition benefit is determined by the applicable tuition plan.

Plan Options

The following sections summarize the major provisions of the Educational Assistance, Reduced Tuition and Portable Tuition Plans.

Benefits

This section summarizes benefits available from the Educational Assistance, Reduced Tuition and Portable Tuition Plans.

Educational Assistance Plan

Educational Assistance Plan benefits are provided to eligible full-time employees in the form of a 75% to 85% reduction of billed Northwestern University tuition up to an annual calendar limit of \$10,000. Benefits are provided to individuals taking undergraduate or graduate classes at Northwestern University.

Please refer to the section on the Educational Assistance Plan for further information.

Reduced Tuition Plan

Reduced Tuition Plan benefits are provided to eligible full-time employees in the form of a 40% to 90% reduction of billed Northwestern University tuition depending on an individual's employment date and years of accumulated full-time service. Benefits are provided to an employee's spouse or dependent child taking undergraduate courses at Northwestern University. Benefits for attending regular day program classes are limited to eight semesters or twelve quarters.

Please refer to the section on the Reduced Tuition Plan for further information.

Portable Tuition Plan

Portable Tuition Plan benefits are provided to eligible full-time employees in the form of a lump sum payment to the college or university attended by an employee's dependent child or direct reimbursement to the employee after proof of payment is provided. The payment amount is based on the employee's employment date and years of accumulated full time service.

Benefits are limited to eight semesters or twelve quarters.

Please refer to the section on the Portable Tuition Plan for further information.

Educational Assistance Plan

Purpose

The purpose of the Northwestern University Educational Assistance Plan is to provide financial assistance to eligible full-time regular status employees taking either undergraduate or graduate courses at the University.

IRS Regulations

The Educational Assistance Plan is governed by Section 117 of the Internal Revenue Code for undergraduate courses and by Section 127 of the Internal Revenue Code for graduate level courses.

Summer Session

Summer Session. Employees may enroll as part-time students during the University's Summer Session. Summer Session is the broad term describing *all* courses and programs offered by the University during the summer months.

Employees should be aware of the particular rules regarding Summer Session registration and Educational Assistance benefits:

- **Employees previously enrolled in the School of Continuing Studies.** Employees who have taken undergraduate or graduate courses through the SCS during the previous academic year are eligible for the SCS tuition rate and receive the corresponding benefit, for any degree or non-degree courses taken during the current Summer Session.
- **Dependents previously enrolled in School of Continuing Studies:** These students will be classified as SCS students and as such, the appropriate tuition discount will be applied.
- **Dependents not previously enrolled in the School of Continuing Studies.** Dependents that were not enrolled in SCS prior to the Summer Session will be classified as Summer Special Students; as such, their tuition discount will be based on the employee's years of service.
- Please see the chart on next page for further clarification
- Educational Assistance benefits do not apply toward non-credit courses, seminars, or programs in the Summer Session.

For specific information regarding Summer Session tuition rates, students should contact the Summer Session office directly at (847) 491-5250.

The easiest way to understand what kind of discount you are eligible for is to determine what kind of student you are, and from which institution you will receive your degree. Use the following charts to determine your percent reduction.

Employees and Dependents Previously Enrolled in School of Continuing Studies

Student	Degree	Employee Service	Reduction
Employee (EE)	Undergraduate	1 day	85%
Employee (EE)	Graduate	1 day	75%
EE Spouse/Dependent	Undergraduate	6 months	85%
EE Spouse/Dependent	Graduate	N/a	none

Employees *not* Previously Enrolled in School of Continuing Studies Courses

Student	Degree	Employee Service	Reduction
Employee	Undergraduate	1 day	85%
Employee	Graduate	1 day	75%

Spouses and Dependents *not* previously enrolled in School of Continuing Studies

Student	Degree	Employee Service	Reduction
Spouse / Dependent	Undergraduate	8 years	60%
Spouse / Dependent	Undergraduate	12 years	90%
Spouse / Dependent	Graduate	n/a	None

Restrictions

Educational Assistance benefits for employee study do not apply to:

- non-credit enrollment, except for courses audited through School of Continuing Studies and private (non-group) lessons in the School of Music's Division of Preparatory and Community Music.

NOTE: Employees auditing courses through School of Continuing Studies are charged the regular School of Continuing Studies per-course rate and receive the corresponding benefit.

- extensions of registration, beyond those normally required, in each school or program
- Graduate School registration for 890-E03 or extensions of 890-E99.
- Contributed Service medical school faculty.

Benefits

The amount of Educational Assistance benefits for employees is deducted from the full amount of the tuition. School of Continuing Studies students and special Summer Session students must pay the balance due at the time of registration.

The Office of Student Accounts will forward billing statements showing total tuition charges, Educational Assistance benefit amounts and the balance owed. Payment of the balance owed should be made to the University Bursar.

Educational Assistance Benefits

Course of Study	Benefit Amount
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<u>School of Continuing Studies</u>	
Undergraduate courses	85%
Graduate courses	75%

<u>Regular Day Time Courses</u>	
(Day Time) Undergraduate Degree Programs	75%
(Day Time) Graduate Degree Programs	75%

The maximum Educational Assistance benefit is \$10,000 per calendar year. Benefits above \$5,250 are considered taxable income to the employee.
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Academic Programs

Courses taken during working hours An employee is expected to arrange a class schedule that does not conflict with his or her regular working hours. If a course is available only during regular working hours, an employee's supervisor will decide if department or laboratory operational requirements permit the employee's absence from work. Any work time missed for class and travel time must be made up.

Alternatively, accumulated vacation time may be used if available. For non-exempt employees (paid biweekly), make-up time will be arranged by the supervisor such that no legal or contractual obligation for overtime premium pay is incurred.

In some situations, scheduled work hours may be reduced, with a corresponding reduction in pay. However, scheduled working hours may not be reduced to fewer than thirty-five hours per week (full time status) if the Educational Assistance benefit is to be received.

Any arrangement that alters regularly scheduled working hours must have the approval of the employee's supervisor.

An employee who wishes to take more than one course during scheduled working hours must obtain approval from his or her supervisor.

Part-time academic study. The Educational Assistance benefit applies only to part-time undergraduate and graduate study.

Full-time students are not eligible for benefits under the Educational Assistance Plan, regardless of the number of hours they may be employed by the University per day or per week.

If an individual is unsure whether his or her course load or program of study is considered part-time, he or she should contact the Registrar's office of his or her school of enrollment.

School of Continuing Studies The School of Continuing Studies offers a variety of courses that will allow you to pursue your Bachelor's or Master's degree as well as enhance and grow your Professional Development aspects.

Undergraduate Programs

Study Options

- **Degree Programs**
For students seeking an undergraduate degree
- **Non-degree Studies / Students-at-large**
Courses carry credit, but do not lead towards a degree
- **Professional Health Careers**
Pre and post-baccalaureate studies in the health professions
- **Professional Development Programs**
Short-term certificate programs

Graduate Programs

Master's Degree Programs
Certificate Programs
Non-degree Study Options

Professional Development

Arts and Humanities
Business
Finance and Accounting
Information Technology
Leadership and Management
Mediation
Nonprofit Management
Professional English and ESL
Project Management
Science and Technology
Summer Session Institutes

For more information

Please contact the School of Continuing Studies directly for current course and program offerings. You may review this information at: scs.northwestern.edu
Course offerings are subject to change.

Term pricing

Undergraduate degree candidates, with the exception of employees seeking School of Continuing Studies degrees, are subject to *term pricing*. This means that students are billed for courses at the full-time student rate, regardless of the number of courses taken. Employees must petition the Dean of their school of enrollment in order to request that term pricing be waived. Further information about term pricing is available from the Registrar's office.

Maximum Benefit Amounts

The maximum amount of Educational Assistance is \$10,000 per calendar year. Benefits above \$5,250 are considered taxable income to the employee.

Taxability of
Educational
Assistance Benefits

Under Section 127 of the Internal Revenue Code, educational assistance benefits for graduate and professional study above \$5,250 per calendar year must be included as non-cash compensation when the amount of taxable income is calculated for the employee receiving the benefit.

The value of the benefit must be added to the employee's taxable gross income for purposes of computing and withholding federal income tax, state income tax and Medicare and Social Security taxes under the Federal Insurance Contribution Act (FICA).

The amount of educational assistance benefits will be added to an employee's taxable wages and will be included on the employee's annual W-2 wage and salary statement under the section "wages, tips and other compensation."

If an Application for Educational Assistance is received in a timely fashion, tax withholding will be deducted over a three month period. Otherwise, it will be necessary to deduct the quarter's taxes out of only one or two paychecks, however many pay periods are remaining in the year.

Adding the value of Educational Assistance benefits to taxable income could result in a substantial increase in income tax withholding. As such, an individual may wish to adjust the number of withholding exemptions.

Withholding Allowance Certificates are available from the Payroll Division on the Evanston Campus and from Human Resources on the Chicago campus. Should Congress act to reinstate the exemption of the taxability of educational assistance benefits for graduate level courses, refunds will be issued to affected employees.

When to Apply

Completed applications for Educational Assistance benefits should be submitted to the Benefits Division or to the Chicago Campus Human Resources Office.

Only one application needs to be submitted for the calendar year of study unless the employee changes the school of study or changes the level of study from undergraduate to graduate courses.

PLEASE NOTE: Under no circumstances will any tuition benefits be granted for a prior calendar year. Completed applications for the current calendar year must be received by the Benefits Division no later than December 31st.

Reduced Tuition Plan

Purpose

The purpose of the Northwestern University Reduced Tuition Plan is to provide financial assistance to an employee's spouse and dependent children enrolled in a Northwestern undergraduate degree program or undergraduate courses in the School of Continuing Studies.

The Reduced Tuition Plan is governed by Section 117 of the Internal Revenue Code.

Eligibility

Service requirement. In addition to the overall eligibility requirements, tuition benefits for an employee's spouse or dependent child require that the eligible employee have accumulated a specified period of uninterrupted regular, full-time University employment, known as a service requirement.

This service requirement must be met by the first official day of classes of the term(s) for which the benefit is requested.

Any period of time in which an employee does not have full-time regular employment with the University is considered to be an interruption in service. In addition, there is no bridging of full-time service periods that are interrupted by part-time service.

For example, if an employee changes to part-time status, his or her service requirement is interrupted. If the employee subsequently returns to full-time status, the service requirement will be measured from the latest date on which he or she assumed regular full-time status.

Any period of unpaid leave is not included in the determination of an employee's years of accumulated University service.

Benefits

Following is a summary of the service requirements and the corresponding benefit amounts for the Reduced Tuition Plan.

Reduced Tuition Benefits		
	Employee Service Requirement	Benefit Amount
School of Continuing Studies (SCS)		
Fall, Winter, Spring Courses	6 months	85%
Summer Session courses taken for the first time	8 years	60%
	12 years	90%
Summer Session courses taken for a second or subsequent term	6 months	85%
Regular Day Time Undergraduate Degree Programs		
Faculty and staff hired <u>before</u> January 1, 2000.	4 years	30%
	8 years	60%
	12 years	90%
Faculty and staff hired on or <u>after</u> January 1, 2000.	5 Years	40%

School of Continuing Studies Undergraduate Programs

Study Options

- **Degree Programs.** For students seeking an undergraduate degree
- **Professional Health Careers.** Pre and post-baccalaureate studies in the health professions
- **Professional Development Programs.** Short-term certificate programs

How the Benefit is Applied

The amount of the Reduced Tuition benefit for a spouse or dependent children is deducted from the full amount of tuition and financial aid. The benefit percentage is applied to billed tuition minus any forms of financial aid such as scholarships and grants.

Example:

Billed tuition	\$1,400
Minus scholarship	(\$500)
Equals net tuition billed	\$900
Times tuition benefit 75% pct	
Equals tuition benefit	\$675
Student owes	\$225

School of Continuing Studies students and special Summer Session students must pay the balance due at the time of registration. For all other programs, the Division of Student Accounts issues a statement that reflects the full tuition amount, the benefit amount, and the amount to be paid. Payment of the balance owed should be made to the University Bursar.

Restrictions

Tuition benefits for a spouse or dependent child do not apply toward:

- extensions of registration, beyond those normally required in each school or program;
- graduate or professional study;
- non-credit enrollment; Students must be either enrolled in a degree program or working towards the requirements of a teaching certificate;
- high school students enrolling in University courses as a supplement to their high school curriculum, as college preparation, or as part of the National High School Institute ("Cherub") program. However, a high school student who has been admitted to a degree program in the University and is otherwise eligible for the benefit may receive the tuition reduction for courses taken the summer prior to his or her freshman year.

In cases where both parents are eligible full-time employees and have met the service requirement for the reduced tuition benefit, only one parent may apply for the benefit for each eligible dependent child.

Maximum Benefit Amounts

Regular Day Time Undergraduate Degree Courses. Students may receive the Reduced Tuition benefit for a maximum of eight full-time semesters or twelve full-time quarters. A term in which a student is enrolled part-time will count as one-half of a full-time term for purposes of determining the benefit maximum. If he or she so chooses, a student may pursue a portion of his or her undergraduate program at Northwestern University.

For example, he or she may wish to take Summer Session courses as a non-degree special student and transfer earned credit to his or her primary institution. In such cases, the regular Reduced Tuition benefit for Northwestern University study may be applied. However, terms for which this benefit is received will coordinate with the Portable Tuition benefit such that benefits are received for no more than eight full-time academic semesters or twelve full-time academic quarters.

School of Continuing Studies (SCS). Students may take an unlimited number of undergraduate SCS courses and receive Reduced Tuition benefits. There is no term limit. Completed applications for the Reduced Tuition benefit should be submitted to the Benefits Division. An application can be submitted for the full academic year for which the benefit is requested. Applications are available from the Benefits Division.

When to Apply

PLEASE NOTE: Under no circumstances will any tuition benefits be granted for a prior calendar year. Completed applications for the current calendar year must be received by the Benefits Division no later than December 31st.

Portable Tuition Plan

Purpose

The purpose of the Northwestern University Portable Tuition Plan is to provide financial assistance to an eligible dependent child enrolled in an *undergraduate degree* program at a regionally accredited school other than Northwestern University.

Eligibility

Service requirement. In addition to the general eligibility requirements stated in the "Eligibility" section, Portable Tuition benefits for a dependent child require that the eligible employee have accumulated the specified period of uninterrupted regular full-time University employment, known as a service requirement. Periods of part-time service are prorated.

This service requirement must be met by the first official day of classes of the term(s) for which the benefit is requested.

Any period of time in which an employee does not have full-time regular employment with the University but is working part time (half time or greater, or at least 17.5 hours weekly); that period of time will be prorated towards the eligible service requirement.

If the employee subsequently returns to full-time status, the tuition benefits will be eligible again as long as the employee did not have a break in employment of more than 31 days. If a break in employment has occurred, the employee will need to accumulate the specified service requirement again, in order to receive the Portable Tuition benefit.

Any period of unpaid leave is not included in the determination of an employee's years of accumulated University service.

Benefits

The service requirements and the corresponding benefit amounts for the Portable Tuition benefit are in the Benefits Comparison Booklet included in the Benefits Packet. The figures represent the maximum yearly benefit. The actual benefit amount received may not exceed tuition and mandatory fees due.

Service Requirement	Annual Benefit	Semester Benefit	Quarter Benefit
5 Years	40% *	40% *	40% *
8 Years±	\$2,808	\$1,404	\$936
12 Years	\$5,616	\$2,808	\$1,872

NOTE: Once an individual selects the percentage plan, he or she may not later select the flat dollar amount plan for the same child. An individual may select this plan for one child and the other plan for another child.

*The percent benefit is applied to billed tuition minus financial aid up to 40% of Northwestern University's current tuition

± Employee must be hired before January 1, 2000

How the Benefit is Applied

The annual Portable Tuition benefit will be made available in term segments based on whether the academic year of the institution attended is a quarter or semester schedule.

Upon receipt of the completed application and a bill showing the amount of tuition and fees due, a Northwestern University check for the Portable Tuition benefit will be made payable to the university or college, or to the employee with proof of payment and then forwarded to the employee.

Expenses which qualify for the Portable Tuition benefit are tuition and mandatory fees. Room, board and student health insurance expenses are ineligible expenses.

Item	Eligible Expense
Tuition	Yes
Room	No
Board	No
Computer Lab Fees	Yes
Books	No
Student Health Insurance Premium	No

Example:	Amount
Billed tuition	\$9,213
Minus Scholarship	\$1,000
Equals Net Tuition	\$8,213
Times 40% Equals Tuition benefit	\$2,874

In circumstances when an employee has already submitted full payment to the university or college, the employee should submit the completed application, a statement of tuition and fees, and proof of payment to the Benefits Division.

The benefit for that term will then be made payable to the employee. Should the student subsequently not complete the term of study for which the benefit was paid, the amount of benefit is considered taxable income to the employee.

The Portable Tuition benefit is provided per child. In circumstances where an employee has more than one child attending college, the employee may apply for this benefit for each child. The available benefit is not divided by the number of an employee's children.

Restrictions

The Portable Tuition benefit does not apply toward:

- **Part-Time Enrollment.** If a student's course load drops below full-time during a term (normally defined as 12 credit hours or 4 courses), the employee is responsible for repaying the Benefits Division the amount of benefit granted for that term.
- **Extensions of Registration.** Any extension beyond those normally required.
- **Incidental Expenses.** Books, parking and room and board.
- **Non-Credit Enrollment.** The student must be either enrolled in an undergraduate degree program or working towards a teaching certificate.
- **Overage Dependent Children.** Age 25 by the first day of the term for which the benefit is requested.
- **Dependent Children.** Children of Contributed Service Faculty in the Medical School.
- **Graduate or professional study.**

In cases where both parents are eligible full-time employees and have met the service requirement for the portable tuition benefit, only one parent may apply for the benefit for each eligible dependent child.

Maximum Benefit
Amounts

The total undergraduate Portable Tuition benefit is limited to eight semesters or twelve quarters. If he or she so chooses, a student may pursue a portion of his or her undergraduate degree program at Northwestern University.

For example, he or she may wish to take Summer Session Regular Day Time courses as a non-degree special student and transfer earned credit to his or her primary institution. In such cases, the regular Reduced Tuition benefit for Northwestern University study may be applied.

However, terms for which this benefit is received will coordinate with the Portable Tuition benefit such that benefits are received for no more than eight full-time academic semesters or twelve full-time academic quarters.

A course(s) taken in the School of Continuing Studies are not subject to the term limit provisions.

The Portable Tuition benefit is provided per child. In circumstances where an employee has more than one child attending college, the employee may apply for this benefit for each child. The benefit is not divided by the number of an employee's children.

When to Apply

Applications for the Portable Tuition benefit should be submitted to the Benefits Division and must include a tuition bill or receipt. One application must be submitted for each term for which the benefit is requested.

Applications should be submitted at least four weeks prior to the date the tuition benefit check will be needed.

PLEASE NOTE: Under no circumstances will any tuition benefits be granted for a prior calendar year. Completed applications for the current calendar year must be received by the Benefits Division no later than December 31st

Contributions This section summarizes contributions the University makes on behalf of employees participating in the Educational Assistance, Reduced Tuition and Portable Tuition Plans.

Contribution Amounts Contribution amounts are based on the tuition plan selected, the amount of tuition charged by the school, and an employee's qualifying years of service.

Contribution Tax Status Internal Revenue Service regulations and Federal legislation grants tax-favored status to educational assistance and tuition benefits.

Educational Assistance. Educational Assistance benefits received for undergraduate or graduate level study between \$5,250 and the benefit maximum of \$10,000 for a calendar year is considered taxable income and the taxable amount appears on paycheck stubs as "other compensation."

Reduced Tuition. Reduced Tuition benefits received by an employee's spouse or dependent child for undergraduate study are exempt from taxation and are excluded from the calculation of taxable income to the employee. Tuition benefits provided to a domestic partner and to his or her children are considered taxable income unless the children are the employee's or are legally adopted by the employee.

Portable Tuition. Portable Tuition benefits received by an employee's dependent child are exempt from taxation when made payable to the school of study. If the benefit is made payable to the employee as reimbursement, the benefit is considered taxable income if the dependent child does not complete the term of study for which the benefit is issued. Tuition benefits provided to a domestic partner and to his or her children are considered taxable income unless the children are the employee's biological children or are legally adopted by the employee.

Form 1098-T. Legislation passed by Congress in 1997 created the opportunity for certain students or their parents to obtain a tax credit for tuition paid to attend a college or university. Northwestern University is therefore required to file Form 1098-T by January 31st with the Internal Revenue Service to report certain enrollment and identifying information for US Resident Students for which the University has received payments for "Qualified Tuition and Related Expenses" in a tax year. The University is not required to file a Form 1098-T for students who are Nonresident Aliens for US income tax purposes. Information about Form 1098-T is needed to determine eligibility for the Hope Scholarship Credit and Lifetime Learning Credit provided in Internal Revenue Code Section 25A.

Contribution Schedule Tuition benefit applications are processed by the Benefits Division as they are received.

Contribution Coverage Period An application for Educational Assistance and Reduced Tuition benefits are applicable to terms of study during a calendar year. Portable Tuition benefits are applicable to individual terms of study.

Effective Dates of Coverage This section summarizes coverage effective dates for the Educational Assistance and Tuition Plans.

Initial eligibility The effective date for participating in the Educational Assistance and Tuition Plans is based on the date of full-time benefits eligible employment.

After Initial Eligibility Should an individual transfer from a full-time regular status position to a part-time or temporary position, the effective date for participating in the Educational Assistance and Tuition Plans is based on the date an individual resumes full-time regular status employment.

Claim Procedures This section summarizes the procedures to follow to apply for Educational Assistance, Reduced and Portable Tuition benefits.

Notification Procedure The Benefits Division provides information about University sponsored tuition benefits and procedures for submitting claims in a number of ways including this Summary Plan Description, the annual Open Enrollment Brochure, articles in the Northwestern Observer, the monthly HR News E-mail message, the Benefits Division web site and the Financial Planning Workshops.

Claim Processing Procedure Completed applications for Educational Assistance, Reduced and Portable Tuition benefits should be submitted to the Benefits Division or to the Chicago Campus Human Resources Office. Applications are available from the Benefits Division, Chicago Campus Human Resources Office or by download at:

<http://www.northwestern.edu/benefits/forms-literature>

Educational Assistance. Only one application needs to be submitted for the calendar year of study. After verifying eligibility, the Benefits Division forwards the application to Student Accounts. Student Accounts processes the application issuing a tuition statement to the employee reflecting the full amount of tuition reduced by the benefit amount and the net amount owed by the employee.

Reduced Tuition. Only one application needs to be submitted for the calendar year of study. After verifying eligibility, the Benefits Division forwards the application to Student Accounts. Student Accounts processes the application issuing a tuition statement to the employee reflecting the full amount of tuition reduced by the benefit amount and the net amount owed by the employee.

Portable Tuition. An application must be submitted for each term of study. Upon receipt of the completed application and an attached invoice showing the amount of tuition and mandatory fees due, a University check issued by Accounts Payable will be made payable to the student's university or college and either mailed to the employee or held for pick-up in the Benefits Division based on the employee's instructions. An employee must present his or her Wildcard or other photographic identification (ID) in order to pick up the check.

Applications must be submitted to the Benefits Division or to the Chicago Campus Chicago Human Resources Office by December 31st for terms of study occurring during that calendar year. Applications submitted after December 31st will be returned to the employee with the notation that the application was submitted after the established deadline and will not be processed.

What if benefits are denied?

If a claim for benefits is denied in whole or in part, an individual will receive written notice of such denial within 7 days. The denial notice will provide:

- the specific reason(s) for the denial of the claim, and
- a specific reference to the provision(s) of the plan upon which the denial is based; and
- notice of rights to have the denial reviewed.

If an individual receives a written notice of denial, the individual or authorized representative may request a review of the claim by giving written notice to the Benefits Division.

This request for a review must be made within 60 days of the receipt of such denial. If such request is not made within 60 days, the individual will be deemed to have waived rights to a review.

An individual or authorized representative have the right to review documents that might have a bearing on the claim including the documents which establish and control the plan, and to submit issues and comments that an individual feels might affect the outcome of the review.

After the review is completed, the Benefits Division will notify the individual in writing of its decision, citing plan provisions that control the decision. The Benefits Division has 60 days to notify the individual of its decision unless special circumstances require an extension of time.

If an extension is required, the Benefits Division shall notify the individual of the need for an extension before the end of the initial 60-day period for completing the review procedure. This means that the Benefits Division will have an additional 60 days to notify an individual of the decision on the denied claim.

**Changes in
Employment or
Family Status**

This section summarizes the impact of changes in employment or family status on tuition benefits.

Changes in Family
Status

An eligible individual may submit an application for tuition benefits by the end of the calendar year for the term of study that calendar year. If the application is for a dependent, the dependent must have been an eligible dependent on the first day of the term.

Changes in
Employment Status

An eligible individual may submit an application for tuition benefits by the end of the calendar year for that term of study. If an individual's employment status changes from full-time to part-time status, the individual may continue to receive tuition benefits through the end of that term of study only.

Leaves
of Absence

Employees may continue to receive tuition benefits during a leave of absence provided:

- The leave of absence is for verifiable health or medical reasons, or
- The leave of absence is without pay for personal reasons and Provost or Senior Vice President, as appropriate, has determined that the leave is job-enhancing and that the employee will return to the previously held position.

Upon return from a leave of absence, an individual may continue participation in the tuition plans. The period of leave does not subtract from or add to accumulated years of full time status

An individual who decides to not return from a leave of absence ceases eligibility for tuition benefits.

Termination of
Employment

An employee may receive tuition benefits through the end of the term of study in which the termination of University employment occurs. The amount of the tuition benefit is determined by the applicable tuition plan.

Educational Assistance. An employee may elect to continue attending classes after the date of termination and complete that term of study. The employee may receive the Educational Assistance tuition benefit of 75% or 85% for that term of study only and depending on whether the class is undergraduate or graduate study. If an employee has already paid the tuition and does not continue attending class through the end of the term of study, a portion of the paid tuition is refunded. The percentage of tuition refunded depends on the percentage of time students are enrolled in the term. Regardless of the time of withdrawal, students are responsible for all fees. Refunds on dropped courses are computed in the same manner as withdrawals.

Unless otherwise noted under a particular program, the following refund policy applies:

- Up to and including the first day of the term, 100 percent of the tuition is refunded.
- When or before the first 10 percent of the term has elapsed, 95 percent of the tuition for the term is refunded.
- After the first 10 percent and up until the first 25 percent of the term has elapsed, 75 percent of the tuition is refunded.
- After the first 25 percent and up until the first 50 percent of the term has elapsed, 50 percent of the tuition is refunded.
- After the first 50 percent of the term has elapsed, no refunds are given.

The Office of Student Accounts will apply the applicable percent tuition benefit to the adjusted tuition billed taking into account the refund amount.

Reduced Tuition. An employee's spouse or dependent child may elect to continue attending classes after the employee's date of termination of University employment and may receive the applicable Reduced Tuition benefit through the end of that term of study only. If an employee has already paid the tuition and his or her spouse or dependent child does not continue attending class through the end of the term of study, a portion is refunded. The percentage of tuition refunded depends on the percentage of time students are enrolled in the term. Regardless of the time of withdrawal, students are responsible for all fees. Refunds on dropped courses are computed in the same manner as withdrawals. The Office of Student Accounts will apply the applicable percent tuition benefit to the adjusted tuition billed taking into account the refund amount.

Portable Tuition Plan. An employee's dependent child may elect to continue attending undergraduate classes after the employee's date of termination and receive the applicable Portable Tuition benefit through the end of that term of study only.

Retirement

An employee may receive tuition benefits as a retiree provided he or she is at least age 55 and has accumulated at least 10 years of continuous full-time service. Otherwise, the employee may only receive tuition benefits through the end of the term during which the retirement occurs.

ERISA Rights

Each participant in University sponsored benefit plans is entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), as amended. ERISA provides that all Plan participants will be entitled to:

Examine, without charge, at the Plan Administrator's office, all Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports (if any) and Plan descriptions.

Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may impose a reasonable charge for the copies.

In addition to creating rights for participants, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans.

The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Plan participants and beneficiaries. No one, including the employer or other person, may terminate an individual's employment or otherwise discriminate against the individual in any way to prevent him or her from obtaining a benefit or exercising his or her rights under ERISA.

If a claim is denied in whole or in part, an individual must receive a written explanation of the reason for the denial. He or she has the right to have the Plan Administrator review and reconsider the claim. Under ERISA, there are steps an individual can take to enforce these rights. For instance, if an individual requests certain materials from the Plan and does not receive them within 30 days, he or she may file suit. In such a case, the court may require the Plan Administrator to provide the materials and pay the individual up to \$100 a day until he or she receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If an individual has a claim for a benefit plan which is denied or ignored, in whole or in part, he or she may file suit. If it should happen that Plan fiduciaries misuse the Plan's money (if benefits ever become funded), or if an individual is discriminated against for asserting his or her rights, he or she may seek assistance from the U.S. Department of Labor, or he or she may file suit. The court will decide who should pay court costs and legal fees. If the individual is successful, the court may order the person sued to pay these costs and fees. If an individual loses, the court may order him or her to pay these costs and fees if, for example, it finds the claim frivolous. If an individual has questions about this Plan, he or she should contact the Plan Administrator. If there are any questions about this statement or about an individual's rights under ERISA, he or she should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor. The Plan Administrator shall have the maximum authority permitted by law to construe and apply the provisions of the Plan.

Summary

Name of Plan	Northwestern University <u>Tuition Assistance Plan</u>
Plan Number	<u>513</u>
Date Established	<u>September 1, 1985</u>
Type of Plan	Tuition assistance plan
Plan Year	<u>January 1 through December 31</u>
Plan Sponsor – Employer	Northwestern University 720 University Place Evanston, IL 60208-1143 <u>847 491-7513</u>
Employer Identification Number	<u>36-2167817</u>
Plan Administrator	Northwestern University 720 University Place Evanston, IL 60208-1143 <u>847 491-7513</u>
Claim Administrator	Northwestern University 720 University Place Evanston, IL 60208-1143 <u>847 491-7513</u>
Agent for Service of Legal Process	Office of General Counsel 633 Clark Street <u>Evanston, IL 60208-1143</u>
Contributions	<u>Employer and employee paid</u>
