



Policy Chapter: 10

Chapter 10 Fiscal Management

Policy Number and Title: 10.025 Employee, Employee Dependent, and Retiree Tuition Educational Benefit

I. Policy Statement

The University of North Texas is committed to promoting development and assisting faculty, staff, and retirees in pursuing higher education for themselves and their eligible dependents.

II. Application of Policy

UNT System and component institution faculty, staff, retirees, and eligible dependents enrolled in University of North Texas courses.

III. Policy Definitions

A. Employee

"Employee," in this policy, means:

1. a full-time nine or twelve-month faculty or staff member of all current and future components of the UNT System as well as the UNT Foundation or UNT Alumni Association who is employed on a 100% basis and who is enrolled in either TRS or ORP retirement programs; or
2. a part-time (50% - 99%) faculty or staff member who has been employed for a minimum of five years (years do not have to be continuous) in at least part-time regular, benefits eligible employment at all current and future components of the UNT System; or
3. a retiree of all current and future components of the UNT System under TRS or ORP retirement programs.

B. Dependent

"Dependent," in this policy, means the legal spouse of an employee; unmarried child under 26 years of age, including the natural child of an employee, a legally adopted child, a stepchild, foster child, or other child who has a legally recognized parent-child relationship with the employee, or any child, regardless of age, who lives with or whose care is provided by an employee on a regular basis if the child is physically or mentally disabled to such an extent as to be dependent on the employee for care and support.

C. Spouse

"Spouse," in this policy, means a person in a legally recognized union of two individuals in a marital relationship, including a common law marriage as recognized by the law of the State of Texas.

D. Eligible Tuition and Fees

"Eligible Tuition and Fees," in this policy, means Board Designated Tuition, Differential Tuition, and Mandatory Fees. It does not include miscellaneous fees, insurance premium

fees, housing, or dining/auxiliary fees. Benefit amounts are based on the number of semester credit hours enrolled in the semester/session and will be considered Other Financial Assistance within a student's financial aid package.

E. *Other Financial Assistance (OFA)*

"Other Financial Assistance," in this policy, refers to all scholarships, grants, loans, or other assistance known to the institution. This term is based on guidelines for awarding federal student aid as published by the U.S. Department of Education.

F. *Internal Revenue Code (IRC)*

"Internal Revenue Code," in this policy, refers to the regulations prescribed within [IRS Publication 970](#) regarding qualified tuition reductions provided by educational institutions.

IV. Policy Responsibilities

A. *Program Eligibility*

1. Employee Tuition Benefit

- a. Benefit amounts will be determined based on the definition of "Eligible Tuition and Fees" as set forth in this policy and may be subject to withholding requirements as defined by IRC.
- b. Individuals must complete an application through Student Accounting prior to the first semester they are to receive the Employee Tuition Benefit. Eligibility for subsequent semesters will be reviewed by Student Accounting and automatically activated for employees who are meeting benefit requirements. Employees receiving the Employee Tuition Benefit will periodically be required to recertify eligibility.
- c. The individual must meet the definition of an "Employee" as set forth in this policy.
- d. Individuals who meet applicable requirements for admission in good standing to the University are eligible. Individuals who are continuing students must have a minimum 2.0 undergraduate cumulative grade point average or a 3.0 graduate (including post-baccalaureate) cumulative grade point average to be eligible.
- e. An employee must be eligible under these criteria as of the census date (12th class day) of the respective long session or the census date equivalent for other semesters/sessions.
- f. The individual must not have any delinquent outstanding debt (e.g., returned checks, tuition, student loans, and applicable fees) with the University at the time the application is processed, and the award is applied to the student's account.
- g. Appeals for documented, extenuating circumstances may be considered by the Associate Vice President for Student Accounting. Any appeals granted are for a

single semester.

2. Employee Dependent Tuition Benefit

- a. Benefit amounts will be determined based on the definition of "Eligible Tuition and Fees" as set forth in this policy and may be subject to withholding requirements as defined by IRC.
- b. Employees must complete an application through Student Accounting prior to the first semester their dependent is to receive the Employee Dependent Tuition Benefit. Eligibility for subsequent semesters will be reviewed by Student Accounting and automatically activated if the employee and their dependent(s) are meeting benefit requirements. Individuals receiving the Employee Tuition Benefit will be required to recertify dependent eligibility upon request from Student Accounting.
- c. The spouse, parent, or guardian of the dependent must meet the criteria outlined in Section IV.A.1. In the event of the death of the faculty, staff, or retiree, the dependent will remain eligible for the scholarship for consecutive two semesters following the death of the faculty, staff, or retiree so long as all other eligibility requirements are met.
- d. The individual must meet the definition of a "dependent" as set forth in this policy.
- e. Dependents who are new or former students and who meet applicable requirements for admission in good standing to the University are eligible. Dependents who are continuing students must have a minimum 2.0 undergraduate cumulative grade point average or a 3.0 graduate (includes post-baccalaureate) cumulative grade point average to be eligible.
- f. A dependent must be eligible under these criteria as of the census date (12th class day) of the respective long session or the census date equivalent for other semesters/sessions.
- g. Neither the employee nor dependent may have any delinquent outstanding debt (e.g., returned checks, tuition, student loans, and applicable fees) with the University at the time the application is processed, and the award is applied to the student's account.

B. Benefit Limitations

1. An eligible employee, employee/retiree dependent, or retiree may receive benefits under this policy up to a maximum amount of \$7,500 per semester.
2. The University will review the maximum benefit amount annually to ensure compliance with state regulations governing employee tuition benefits. Any adjustments to the maximum benefit amount must be approved.

C. *Withholding Requirements*

1. The University of North Texas Employee Tuition Benefit plan follows the tax provisions of IRC and [26 U.S.C. § 117\(d\)](#) & [26 U.S.C. § 127](#).
2. UNT Student Accounting submits all amounts subject to withholding requirements to UNT System Payroll.
3. Amounts received under the Employee Tuition Benefit or the Employee Dependent Tuition Benefit for undergraduate students are excluded from gross income and not subject to employee payroll withholding requirements.
4. Amounts received under the Employee Tuition Benefit for graduate students that exceed \$5,250 in a tax year (calendar year) are subject to employee payroll withholding requirements.
5. Any amount received by a dependent graduate student through the Employee Dependent Tuition Benefit is subject to income tax withholding through UNT System Payroll. Pursuant to [26 U.S.C. §127](#), withholding requirements apply to the full amount of the Employee Dependent Tuition Benefit that the dependent graduate student receives, and the employee is fully responsible for any tax liability resulting from the benefit.
6. The institution will process withholdings as appropriate for individuals who terminate employment before all necessary taxable withholdings are complete.

D. *FERPA and Privacy Requirements*

1. All student educational records obtained and maintained in connection with this policy shall be handled in accordance with the Family Educational Rights and Privacy Act (FERPA) and University policies regarding student privacy.

V. References and Cross-References

[IRS Publication 970](#)

UNT System Board of Regents Order, February 11-12, 2010

[26 U.S.C. §117\(d\)](#)

[26 U.S.C. §127](#)

[Texas Education Code § 54.5035 \(Employee and Dependent Tuition Benefits\)](#)

[20 U.S.C. § 1232g Family Educational Rights and Privacy Act \(FERPA\)](#)

VI. Revision History

Policy Contact:	Assoc. Vice President, Student Accounting
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