

Voluntary Benefits: Educational Assistance

Even after entering the workforce, many people choose to continue their formal education by taking classes or enrolling in degree programs. Learning new skills or obtaining a higher degree can enhance your job productivity and open new opportunities for career advancement. Educational assistance is a voluntary benefit that some employers offer to help you reach your educational goals.

What Are Educational Assistance Benefits?

The purpose of educational assistance is to help you overcome the obstacles of time and money if you wish to further your formal education. These benefits can range from partial reimbursement for specific job-related courses to full reimbursement for an entire degree program, along with flexible work scheduling to make it easier to accomplish.

What Do Educational Assistance Benefits Provide?

Educational assistance programs typically cover some or all of the expenses for course tuition, required books and eligible fees. These are some of the expenses that educational assistance programs may cover:

- Tuition for job-related classes
- Tuition and fees for degree program courses
- Tuition for classes that are not specifically relevant to your job or career path
- Online or distance learning courses
- Required textbooks
- Required supplies and equipment
- Various fees and expenses that are added to the tuition bill (for example, an entrance exam fee)
- Required licensing classes (guidelines may be included in the educational assistance program or in a separate policy)

Expenses that are generally not covered include the following:

- Tools and supplies that you keep after the class concludes
- Meals
- Lodging
- Transportation and parking costs

In addition to financial assistance, educational assistance benefits might also feature flexible work schedules or telecommuting to accommodate class and exam schedules.

How Does Educational Assistance Work?

With most educational assistance programs, your eligibility for benefits depends on your employment status. You typically have to be a regular, full-time employee in order to qualify, although some companies may include part-time workers as well. Also, you will likely have to be employed with the company for a certain length of time, such as six months or a year, before becoming eligible for educational assistance benefits.

Employers have several options regarding how to deliver educational assistance. Some companies may pay the school directly at the beginning of the course. Others may reimburse you after receiving proof of satisfactory completion.

Reimbursement levels also vary according to company policy. Educational assistance benefits may be limited to a certain number of classes per semester, dollar amount per year or other factors such as relevancy to your current job or career path. Whether or not the courses are part of a degree program may also affect eligibility.

Additionally, some employers may reimburse you according to the grade you received in the class. For example, you may be reimbursed 100% for an A grade, 75% for a B, 50% for a C and no reimbursement for a D or F. Likewise, a pass/fail course might be reimbursed 100% for a passing mark and nothing for a failed course.

In addition, if you take advantage of educational assistance benefits, your company may require that you remain at your job for a specified minimum amount of time, such as 18 months. Employers typically provide this voluntary benefit because they consider it an investment in you as you contribute to their success. If you leave the company within that time frame, you may be responsible for paying back part of the educational cost that they covered.

Educational assistance benefits may also have tax implications. According to the Internal Revenue Service (IRS), up to \$5,250 of qualified educational assistance from your employer is tax-exempt each year. You can visit www.irs.gov/publications/p970/ch11.html for more information.