

EMPLOYEE TUITION ASSISTANCE POLICY FOR COURSES AT RIDER UNIVERSITY

Effective September 1, 2019

INTRODUCTION

Rider University (the "University") has established this Employee Tuition Assistance Policy (the "Policy") to provide employees with the opportunity to continue their education by providing assistance in paying for undergraduate or graduate courses at the University. This Policy has been established to provide qualified educational assistance under Section 127(b) of the Internal Revenue Code ("Code") and to allow benefits to be paid on a tax-free basis under Code Section 127(a) to the greatest extent permitted by law.

This Policy is intended to satisfy the requirement of Code Section 127 for a written plan document. The Policy should be read in conjunction with the collective bargaining agreements between the University and the American Association of University Professors ("AAUP") and the American Federation of State, County and Municipal Employees ("AFSCME"), respectively, as applicable. This Policy is intended to implement the terms of the collective bargaining agreements with respect to Covered Costs (defined below) for tuition assistance to participating employees who are members of the AAUP or AFSCME. This Policy does not affect employees' ability to receive tuition assistance under Code Section 117 (qualified tuition reduction) pursuant to the University's Tuition Remission Policy at www.rider.edu/offices-services/human-resources/benefits/tuition-remission-eligibility-employee-group (the "Tuition Remission Policy").

ELIGIBILITY

The following employees of the University are eligible for benefits under the Policy, as follows:

- Full-time members of the AAUP – immediately upon employment
- Full-time members of the AFSCME – upon completion of three months of employment
- Full-time members of the management and administrative staff who are not members of a collective bargaining unit – immediately upon employment
- Full-time, non-exempt, non-bargaining employees – upon completion of three months of employment
- Part-time members of the AFSCME – upon completion of six months of employment
- Part-time members of the administrative staff who are not members of a collective bargaining unit – upon completion of three months of employment
- Part-time employees who are not members of the administrative staff and who are not members of a collective bargaining unit – upon completion of six months of employment
- Part-time seasonal members of the professional athletic staff who are members of the AAUP – immediately upon employment
- Adjunct members of the AAUP – after they have taught more than six courses over the preceding three-year period

Part-time conservatory teachers are not eligible for benefits under this Policy. In addition, independent contractors and other persons who are not treated by the University as employees for purposes of withholding federal employment taxes are not eligible for benefits under this Policy, regardless of any

contrary governmental or judicial determination relating to such employment status or tax withholding. See www.rider.edu/offices-services/human-resources/benefits/tuition-remission-eligibility-employee-group for more information on eligibility. In the event of any conflict between the terms of the collective bargaining agreement and this Policy with respect to eligibility, the terms of the collective bargaining shall control.

BENEFITS

The University will provide benefits for Covered Costs (see below) that are incurred by eligible employees in connection with undergraduate or graduate courses at the University, subject to exceptions described in the Tuition Remission Policy. This Policy does not cover the cost of maintaining a professional licensure (e.g., the CPE for the CPA license). This Policy does not cover tuition at any institution other than the University.

For eligible employees, benefits shall equal 100% of Covered Costs, except that reduced coverage applies to (i) certain adjunct faculty members and part-time seasonal members of the professional staff, as provided in the applicable collective bargaining agreement and (ii) part-time administrative staff, as provided in the Tuition Remission Policy.

Covered Costs under the Policy are University tuition expenses and University class audit fees for no more than three undergraduate courses per semester or two graduate courses per semester. All other fees and expenses, including books, supplies, laboratory fees, meals, lodging, parking, transportation or special fees (e.g., late registration, activity, library, ID card, change of program, make-up examination or entrance examination fees), are excluded. As required by Code Section 127, Covered Costs do not include costs of education involving sports, games or hobbies unless such education involves the business of the University or is required as part of a degree program. The University will advise participants of specific courses that are not eligible for this Policy from time to time. Only classes at the University are covered by this Policy.

HOW THE POLICY WORKS

Application for Benefits and Financial Aid

An employee who wishes to receive benefits under the Policy must request assistance and financial aid and complete the online Tuition Assistance system, found on MyRider. See www.rider.edu/offices-services/human-resources/benefits/tuition-remission-eligibility-employee-group/procedures.

When Coverage Ends

Coverage under the Policy ends on the first to occur of the following:

- The employee's employment with the University terminates (other than as provided in the applicable collective bargaining agreement)
- The employee is no longer eligible for the Policy
- The University amends or terminates this Policy to cease coverage

If an employee's employment terminates within the first fifteen days of the start of the course, coverage for that course will continue. If an employee ceases to be covered under this Policy for any reason, no benefits will be paid for expenses incurred after the date coverage ceases.

ADDITIONAL INFORMATION

Unfunded Policy

The Policy is unfunded and pays benefits from the general assets of the University.

Taxation of Benefits

Benefits will be paid on a tax-free basis up to the limit provided under Code Section 127(a) (\$5,250 per year), if the Internal Revenue Code and other requirements for exclusion from income are met. Benefits that are not excludable from income under Internal Revenue Code Section 127 or 117 will be reported by the University as taxable to the employee and will be subject to applicable income and employment tax withholding. Note that special tax rules apply to graduate assistants of the University.

Amendments and Termination

While the University generally expects to continue the Policy, the University reserves the right to amend or terminate the Policy in whole or in part at any time for any reason including to comply with changes in the law, collective bargaining agreements or other circumstances.

Policy Not a Contract of Employment

Under no circumstances does the maintenance of the Policy constitute a contract of employment or affect the terms of an employee's employment. The provisions of this Policy do not constitute a contractual agreement as to the terms and conditions of employment with the University.

Governing Law

The Policy will be governed by the laws of the state of New Jersey.