

Section X - E. EDUCATION BENEFIT PROGRAMS

The university provides three education benefit programs for eligible employees (one of which is also available to their spouses and eligible dependents).

Qualified Tuition Reduction Program IRC § 117	Educational Assistance Plan IRC § 127	Professional Development Plan IRC § 132
<ul style="list-style-type: none"> • Undergraduate courses taken at ORU. • Full-time and part-time employees, spouse, and eligible dependents under age 24 are eligible. • Online courses are covered for employees. • Correspondence courses are not covered. 	<ul style="list-style-type: none"> • Undergraduate, graduate courses, or technical/vocational training taken outside of ORU. • Graduate courses taken at ORU. • Tax-favored benefits for any approved courses taken by employees of ORU affiliates. • Full-time or part-time employees are eligible. • Limits sports or hobby-related courses. • Course approvals may be limited due to department budget constraints. <p>Maximum tax-favored benefit is \$5,250 per calendar year.</p>	<ul style="list-style-type: none"> • Undergraduate, graduate course, technical/vocational training, conferences, or seminars required or desired by ORU. • Availability limited to department budget constraints. <p>Example: to meet licensure, accreditation, or continuing education requirements.</p> <p>If a course is needed to meet minimum requirements for a job or for a new position, the course is generally not covered in this plan.</p>

Course(s) taken under any of these programs must not conflict with the employee's regularly scheduled working hours. In addition, participation in any of these programs must be approved by the employee's supervisor and/or department chair/department head. Courses taken at other institutions or at the doctoral level at ORU must be approved by the employee's supervisor/department chair/department head and the proper administrative officer.

Additional details for each of the programs is provided in the following sections; however, the program documents as approved and amended from time to time by the University will govern any conflict with the information provided in this handbook. Contact the Human Resources Department if you have questions or need assistance logging into Vision. The eforms are available via the web at the following URL <https://vision.oru.edu>. -11/2015

Section X - F. QUALIFIED TUITION REDUCTION PROGRAM
(for eligible employees and their eligible dependents)

I. PURPOSE

The Oral Roberts University Qualified Tuition Reduction Program (“Program”) is hereby amended and restated effective January 1, 2016, to continue to provide educational assistance through tuition reduction to Eligible Employees (defined in section II. below) of Oral Roberts University (the “University”) or any of the affiliated employers listed on Appendix A (the University and such participating affiliates collectively referred to as “Employers” (or individually as “Employer”)).

The purpose of the Program is to provide tuition reduction benefits to Eligible Employees and their Eligible Dependents (defined in section II below) who enroll in courses provided by the University. To the extent the Program meets the requirements of Internal Revenue Code (“IRC”) § 117(d), the benefits provided to Eligible Employees of the University and their Eligible Dependents under the Program will be excludable from gross income.

II. ELIGIBILITY

Eligible Employees and their Eligible Dependents, as described below, receive tuition reduction benefits provided they achieve satisfactory academic progress (as defined in the academic policies of the University) and remain free of any disciplinary or financial “holds” in accordance with standard procedures of the University. In addition, a serious disciplinary matter that results in suspension from attendance privileges for an Eligible Employee or Eligible Dependent shall result in permanent loss of eligibility under the Program.

A. Eligible Employee(s) Defined (“Eligible Employee(s)”)

An Eligible Employee is an employee of an Employer who is in one of the following categories:

1. a regular full-time faculty member (as defined by the faculty contract),
2. an adjunct faculty member who teaches at least six credits per semester,
3. a regular full-time staff employee working at least 40 hours per week,
4. a regular part-time staff employee working at least 20 hours per week,

- B. a retired faculty member or administrative officer of the University (limited to the following officer positions: chief financial officer, chief operating officer, vice president, associate vice president, provost, academic dean, associate dean, assistant dean, and dean of institutional effectiveness) who is awarded emeritus status by the University ("Emeritus Member") Eligible Employee Former Eligible Employee(s) Defined ("Former Eligible Employee(s)")

The term "Former Eligible Employee" means a previously Eligible Employee who was a full-time faculty member or staff employee for at least three consecutive years and who separated from service with an Employer by reason of:

1. disability (as defined under the applicable Employer's disability plan) and who remains entitled to disability benefit payments while benefits under this Program are provided, or
2. death.

C. Eligible Dependent(s) Defined ("Eligible Dependent(s)")

An Eligible Dependent is a spouse or a dependent child of an Eligible Employee (or was a spouse or dependent child of an Eligible Employee immediately preceding the date such employee became a Former Eligible Employee). A spouse or child of an emeritus member is not an Eligible Dependent unless the emeritus member is also a "Former Eligible Employee" as defined above. "Dependent Child" means any child (as defined in IRC §§ 152(f)(1)) of an Eligible Employee or Former Eligible Employee who, as of the commencement date of the course, is a "qualifying child" under IRC § 152, or is an unmarried child for whom the Eligible Employee or Former Eligible Employee is a court-appointed guardian, and has not attained age 24 and:

1. who is dependent on the Eligible Employee, Former Eligible or the widow or widower of such eligible individual, or
2. both of whose parents are deceased.

For purposes of the preceding sentence, any child to whom section 152(e) (divorced or separated parents) applies shall be treated as the dependent of both parents.

D. Eligible Married Child Defined ("Eligible Married Child")

The married child of an Eligible Employee or Former Eligible Employee, who has not attained age 24 as of the commencement date of the course, may continue to utilize the tuition reduction program until degree completion. If married child attains age 24 after the commencement date of the course the

married child will continue to receive tuition benefits until completion of the course.

The benefit for an eligible married child is taxable and will be reflected on the employee's W-2 form or 1099 for a Former Eligible Employee. Eligible Employee¹ must be employed two weeks during the spring or fall semester or entire summer session or the married child will be disqualified from the benefits.

The married child may receive tuition reduction benefits provided they achieve satisfactory academic progress (as defined in the academic policies of the University) and remain free of any disciplinary or financial "holds" in accordance with standard procedures of the University. In addition, a serious disciplinary matter that results in suspension from attendance privileges for an Eligible Employee or Eligible Dependent shall result in permanent loss of eligibility under the Program.

III. BENEFITS

A. Eligible Courses

A course eligible for tuition reduction under the Program is generally limited to courses below the graduate level that are offered by the University. Correspondence courses or similar courses offered by the University (that require greater faculty time per student, as determined in the sole discretion of the Employer) are not eligible for tuition reduction. Online courses are not eligible for tuition reduction for married/unmarried children of Eligible Employee or Former Eligible Employee. The employee or emeritus member may utilize tuition reduction benefits for online courses.

Eligible courses are not limited to courses that are job-related or part of a degree program.

Eligible courses at other educational institutions may also be available to eligible dependents through a tuition waiver exchange program (within the scope of IRC § 117(d)) in which the University may participate from time to time. The availability of such courses to Eligible Dependents is subject to the terms and conditions of such program.

B. Other Expenses

The Eligible Dependents of staff and faculty may receive a 50% discount on room and board. The discount will be taxable. The Eligible Employee or Eligible Dependent receiving tuition reduction benefits is responsible for all other fees and expenses related to enrollment in any course. Such individuals are encouraged, for this reason, to file a FAFSA application. Certain Eligible Employees may also be eligible for benefits under the Employer's Educational Assistance Plan for such expenses.

C. Tuition Reduction Levels

Tuition reduction benefits shall be provided according to the following schedule and applicable adjustments:

Eligibility Category	Permitted Credit Hours	Tuition Reduction Level	Enrollment Period
Full-time regular faculty member or staff employee	Up to 6 credits per regular or summer semester	100%	During employment ¹
Eligible Dependents of a full-time regular faculty member or staff employee	Up to 18.5 credits per regular semester, up to 12 credits per summer semester	Same percentage as full-time employee receives (further adjusted during first two years of employment) ²	During employment ¹
Married child of a full-time regular faculty member or staff employee	Up to 18.5 credits per regular semester, up to 12 credits per summer semester	Same percentage as full-time employee receives (further adjusted during first two years of employment) ²	During employment ¹

¹ An Eligible Employee (other than a Former Eligible Employee) must be employed at least two weeks during a spring or fall semester (or for the entire summer session) to receive tuition reduction benefits for such Eligible Employee or his or her Eligible Dependents/married child for that period. The term “employed” shall include a period of approved leave of absence.

² During an Eligible Employee’s first two years of continuous employment, an Eligible Dependent’s tuition reduction level will be adjusted by multiplying the following percentages to the otherwise applicable tuition reduction level: 50% during the 1st year of employment and 75% during the 2nd year of employment. If the employment anniversary date occurs after the official drop/add date for a semester, the higher percentage goes into effect for the following semester. A break in employment (other than due to the regular summer break or an approved leave of absence) will result in a reapplication of this benefit adjustment for the post-break period of employment.

Eligibility Category	Permitted Credit Hours	Tuition Reduction Level	Enrollment Period
Part-time regular employee	Up to 6 credits per regular or summer semester	At least 50% If working more than 20 hours per week, percentage reduction = scheduled weekly hours/40	During employment ¹
Eligible Dependents of a part-time regular employee	Up to 18.5 credits per regular semester, up to 12 credits per summer semester	Same percentage as part-time employee receives (further adjusted during first two years of employment) ²	During employment ¹
Married child of a part-time regular employee	Up to 18.5 credits per regular semester, up to 12 credits per summer semester	Same percentage as part-time employee receives (further adjusted during first two years of employment) ²	During employment ¹
Adjunct faculty member	Up to 6 credits per regular or summer semester	At least 50% based on current term teaching credits: <ul style="list-style-type: none"> • 6 hours – 50% • 7 hours – 78% • 8 hours – 89% • 9 + hours – 100% 	During same semester contract is in effect ¹
Eligible Dependents of an adjunct faculty member who teaches at least six hours per semester	Up to 18.5 credits per regular semester, up to 12 credits per summer semester	Same percentage as adjunct faculty member receives (and further adjusted during first two years of employment) ^{2, 3}	During same semester contract is in effect ¹

³ For example, a dependent of an adjunct faculty member who has served less than one year of continuous employment would receive one of the following levels of benefit based on adjunct's teaching credits: 6 hours – 25%, 7 hours – 39%, 8 hours – 45% or 9 + hours – 50%.

Eligibility Category	Permitted Credit Hours	Tuition Reduction Level	Enrollment Period
Emeritus member	Up to 6 credits per regular or summer semester	100%	During lifetime
Widow or widower of a Former Eligible Employee	Up to 18.5 credits per regular semester, up to 12 credits per summer semester	100%	After employee's death, not to exceed the number of semesters equal to the number of qualifying years of employment ⁴ of the Former Eligible Employee
Eligible dependents (spouse or child) of Former Eligible Employee	Up to 18.5 credits per regular semester, up to 12 credits per summer semester <u>per Eligible Dependent</u>	100%	After employee's death or disability, not to exceed the number of semesters equal to the number of qualifying years of employment ⁵ of the Former Eligible Employee

⁴ For the purpose of determining the aggregate number of semesters available to the Eligible Dependents of a Former Eligible Employee, a "qualifying year of employment" means 365 days of regular full-time employment by an Eligible Employee, without regard to whether the employment is continuous, unless employee is eligible for an adjusted service date as provided in the employee handbook. The number of semesters counted against the aggregate limit shall not include any semesters of enrollment by a widow or widower.

⁵ For the purpose of determining the aggregate number of semesters available to the Eligible Dependents of a Former Eligible Employee, a "qualifying year of employment" means 365 days of regular full-time employment by an Eligible Employee, without regard to whether the employment is continuous, unless employee is eligible for an adjusted service date as provided in the employee handbook. The number of semesters counted against the aggregate limit shall not include any semesters of enrollment by a widow or widower.

IV. APPROVAL PROCEDURE

The prospective student must first complete an application for admission and follow other procedures established by the Human Resources Department from time to time.

V. AMENDMENT OR TERMINATION OF PROGRAM

The University intends to continue this Program; however, this Program is subject to amendment or termination at any time.

VI. GENERAL PROVISIONS

A. No Guarantee of Employment

This Program shall not be deemed to constitute a contract between any Employer and any employee. Nothing contained in this Program shall be deemed to give any employee the right to be retained in the service of an Employer (or any affiliate thereof employer of the Employer) or to interfere with the right of an Employer (or any affiliate employer) to discharge any employee at any time, regardless of any effect that such discharge shall have upon him or her under this Program.

B. Taxation of Benefits

While tuition reduction benefits under the Program are intended to qualify for exclusion from income under IRC § 117(d) for certain Eligible Employees of the University, the University does not guarantee a particular tax result or application of federal, state, local or any other tax law. In addition, benefits may be limited (or taxable income reported with respect to an employee) by the University to satisfy any nondiscrimination or other requirement of law as determined appropriate or necessary in the discretion of the University.

C. Governing Law

This Program shall be construed and enforced according to the laws of the State of Oklahoma, except as superseded by federal law, and in accordance with IRC § 117. -11/2015

Approval Procedure:

- The prospective student must first complete an Application for Admission form, which is available in the Undergraduate Admissions Office. If the student was enrolled during the previous semester, the student need not complete an Application for Admission. If the student was enrolled at some time in the past but not during the previous semester, the student must complete an application for readmission.

- If the student is to enroll as a degree-seeking student, all admission requirements on the application must be met in order to be accepted and begin course work. (The ORU Admissions Office recommends that at least a month be allowed for appropriate official transcripts to be sent.) Once accepted, the prospective student should contact the Registrar's Office to enroll in undergraduate class(es).
- The student files a FAFSA for the academic year he or she wishes to apply for tuition reduction benefits. The FAFSA for each academic year is available online after January 1st. To file a FAFSA, simply go to www.fafsa.ed.gov. Information from the applicable W-2 forms will be needed to complete the FAFSA, although it is possible to use estimated information. Taxes do not have to be filed prior to completing a FAFSA.
- The student completes an Undergraduate Tuition Reduction Application and submits the form to his or her supervisor. The Undergraduate Tuition Reduction form must be completed each semester an employee wishes to enroll.
- The Undergraduate Tuition Reduction Application follows the current approval process, and the Human Resources Department forwards it to the Financial Aid Department.
- The FAFSA results for the student are sent from the U.S. Department of Education to the Financial Aid Department.
- The Financial Aid Department determines the eligibility of any federal or state grants and awards for the student.
- The Financial Aid Department awards the appropriate tuition benefit up to the cost of tuition eligibility.
- The student completes the registration steps and validation process online via VISION to be validated. (If this final step is not completed, one will lose enrollment in classes.) All students are responsible for all other aspects of academic and nonacademic registration for each semester to be attended.
- If the student is selected for verification by the U.S. Department of Education, the employee is responsible for completing any further necessary paperwork as indicated by the Financial Aid Department. -11/2015

**Section X – G. EDUCATIONAL ASSISTANCE PLAN
(for eligible employees)**

The Oral Roberts University Educational Assistance Plan (“Plan”) is hereby amended and restated effective January 1, 2016, to continue to provide educational assistance to Eligible Employees of Oral Roberts University (the “University”) and any participating affiliate of the University listed in the attached Appendix A (the University and such participating affiliates collectively referred to as “Employers” (or individually as “Employer”)). The Plan was originally adopted by the Employer effective August 1, 1991, and is for the exclusive benefit of its Eligible Employees.

The purpose of the Plan is to reimburse Eligible Employees for all or a portion of the cost of approved educational courses. It is intended that the Plan meet the requirements for qualification under Internal Revenue Code (“IRC”) § 127, and that benefits provided to Eligible Employees under the Plan be excludable from gross income to the maximum extent allowed under IRC § 127.

Eligibility:

An Eligible Employee is defined as an employee of an Employer who is in good standing with the Employer (i.e. not on any kind of disciplinary program or action) and is included in one of the following categories:

- A. a regular full-time faculty member (as defined by the faculty contract),
- B. an adjunct faculty member who teaches at least six credits per semester (excluding adjunct faculty who teach exclusively online courses),
- C. a regular full-time staff employee working at least 40 hours per week, or
- D. a regular part-time staff employee working at least 20 hours per week.

With respect to courses provided outside of the University, an eligible employee must also have completed 6 consecutive months of service with an Employer.

Eligible Expenses:

Eligible Education Courses: An education course eligible for reimbursement under the Plan is limited to courses offered by a college, university, or vocational school including courses at the University. Eligible courses do not include education or training in sports, games or hobbies unless required as part of a degree program or directly related to the Eligible Employee’s work responsibilities for the Employer. Eligible courses are not limited to courses that are part of a degree program.

Reimbursable Expenses: Subject to budget limitations for a particular budget period, tuition expenses are reimbursable and must relate to an approved course(s) of education not to exceed six hours per semester (or 18 hours per Plan Year). The following

expenses incurred by an Eligible Employee (as a part-time student) attending a course offered by the Employer can be reimbursed up to dollar limitations established each year by the University's Human Resources Department:

- Enrollment fee, and
- Computer fee.

Educational reimbursement amounts in excess of limitations defined by IRC §127 will be reflected as taxable income to the Eligible Employee. Any expense that the eligible employee is not obligated to pay (due to a scholarship, grant or similar assistance) shall not be a reimbursable expense under the Plan.

Plan Year: The Plan Year shall mean the 12-month period that ends on December 31 of each year.

Reimbursement: Reimbursement by Employer of eligible expenses shall be made according to the schedule below. In the case of courses provided outside of the University, the reimbursement schedule shall apply for courses that begin after the Eligible Employee's completion of six months of service.

<u>Course Type</u>	<u>Grade Received</u>	<u>Amount Reimbursed</u>
Undergraduate	A, B or C	100%* of total eligible expenses
	Below C	0%
Graduate	A, B	100%* of total eligible expenses
	Below B	0%
Pass/Fail	Pass	100%* of total eligible expenses

* The percentage reimbursement for eligible employees who are part-time employees or adjunct faculty shall be reduced to the same percentage that would be allowed for the tuition reduction benefit under the University's Qualified Tuition Reduction Program.

Repayment of Reimbursement: The benefits provided under this Plan are extended based upon the Eligible Employee remaining employed for a period of time. Failure to maintain employment with Employer will result in the Eligible Employee being required to repay the benefits as set forth below.

Full-time and part-time staff employees receiving less than \$15,000 in total aggregate tuition assistance reimbursement for courses taken at other institutions or for doctoral level courses taken at the University (regardless of the amount of tuition assistance reimbursement) commit to one year of employment following completion of the course. Full-time and part-time staff employees receiving \$15,001 to \$30,000 in total aggregate tuition assistance reimbursement for courses taken at other institutions commit to two years of employment following completion of the course. Full-time and part-time staff

employees receiving more than \$30,000 of total aggregate tuition assistance reimbursement for courses taken at other institutions commit to three years of employment following completion of the course. For staff members, this repayment policy applies to all courses beginning on or after January 1, 2016.

Any faculty member who receives tuition assistance up to \$15,000 from Oral Roberts University for a graduate degree through the Educational Assistance Plan from an institution other than Oral Roberts University commits to returning after his or her graduation to the University faculty for at least one academic year (consecutive fall and spring semesters, in that order) and an additional academic year for every additional \$15,000 in tuition assistance paid by the University. For example, a faculty member receiving \$15,100 of tuition assistance commits to teach for two years while a faculty member receiving \$30,100 of tuition assistance commits to teach for three years.

Any University faculty member who receives tuition assistance through this program but does not complete or withdraws from the academic program commits to returning to teach for at least one academic year (consecutive fall and spring semesters, in that order) and an additional academic year for every additional \$15,000 in tuition assistance paid by the University. For example, a faculty member withdrawing from a program after receiving \$2,000 of tuition assistance commits to teach for one year.

If prior to teaching for the committed time period the faculty member leaves the University, is terminated, or status is changed from full-time to part-time for any reason (other than non-renewal of contract or a reduction in force undertaken by Oral Roberts University), the faculty member is required to refund to Oral Roberts University all monies provided under the Educational Assistance Plan. For faculty members, this repayment policy applies to all tuition assistance reimbursement received on or after January 1, 2011.

If the applicable period of the employment service condition is not satisfied, the Eligible Employee must repay his or her Employer the full amount of the reimbursed tuition assistance. Such repayment shall be made by deductions from any compensation or other payments due the Eligible Employee to the extent available, or by any other payment method agreed to by the Employer.

A terminating Eligible Employee attending a course offered by the University at the master's level must be employed for at least two weeks during a spring or fall semester (or for the entire summer session) in order to receive the approved tuition assistance - benefit for that period.

Approval Procedure: Eligible Employees must apply for approval of courses and reimbursement at the time and in the manner established by the University's Human Resources Department from time to time.

Amendment or Termination of Plan: Employer intends to continue this Plan; however, this Plan is subject to amendment or termination at any time.

No Guarantee of Employment: This Plan shall not be deemed to constitute a contract between the Employer and any Eligible Employee. Nothing contained in this Plan, including the repayment obligations for failing to meet the minimum employment service durations, shall be deemed to give any Eligible Employee the right to be retained in the service of an Employer (or any affiliate thereof) or to interfere with the right of an Employer (or any affiliate) to discharge any Eligible Employee at any time, regardless of any effect that such discharge shall have upon him or her under this Plan.

Taxation of Reimbursements: While reimbursements under the Plan are intended to qualify for exclusion from income under IRC § 127, Employer does not guarantee a particular tax result or application of federal, state, local or any other tax law. In addition, reimbursements may be limited by an Employer in order to satisfy any nondiscrimination or other requirement of law as determined in the discretion of the University.

Governing Law: This Plan shall be construed and enforced according to the laws of the State of Oklahoma, except as superseded by federal law, and in accordance with IRC Section 127.

Appendix A

The following affiliates of Oral Roberts University shall participate in the Plan as “Employers”:

University Broadcasting, Inc.

-1/2016

Section X - H. PROFESSIONAL DEVELOPMENT

Oral Roberts University recognizes the importance of the professional development of its employees wishing to enhance their careers. Professional development includes those educational programs or activities that exceed or are in addition to the bachelor's degree and that, upon completion, result in the participant's increased productivity or promotability. If the employee is required or desired by ORU to attend such courses, conferences, or seminars, these may be eligible under the Professional Development Plan.

Examples include course to meet licensure, accreditation, or continuing education requirements. If a course is needed to meet the minimum requirements for a job or for a new position, the course is generally not covered in this plan. All full-time employees who have completed 6 months of continuous employment may apply for professional development assistance.

Each fiscal year an allocation of money will be appropriated to the Professional Development Fund/Budget, and when this fund/budget is reduced to zero, financial assistance will not be approved. The form to apply for the Professional Development Plan must be submitted electronically for administrative approvals.

The forms are available on the VISION: Enrollment & Registration System on the ORU

