

QUALIFIED TUITION REDUCTION PROGRAM

The Qualified Tuition Reduction Program (“Program”) provides tuition reduction to an Eligible Employee, Eligible Dependent(s), and Eligible Married Child(ren) 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 an Eligible Employee and/or Eligible Dependent(s)/Eligible Married Child(ren) under the Program are excludable from gross income.

I. ELIGIBILITY

A. Employer. Employers covered by the Program are Oral Roberts University (“University”) and any participating affiliate of the University listed in the attached schedule “A” (University and any participating affiliate(s) are collectively referred to as “Employer”).

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

1. a full-time faculty member (as defined by the faculty contract) or an adjunct faculty member who teaches at least six credits per semester;
2. a full-time staff employee working at least 40 hours per week or part-time staff employee working at least 20 hours per week;
3. a retired faculty member or administrative officer of the University (limited to chief financial officer, chief operating officer, vice presidents, associate vice presidents, provost, academic deans, associate deans, assistant deans, and dean of institutional effectiveness) who is awarded emeritus status by the University (“Emeritus Member”); or
4. 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:
a) disability (as defined under the Employer’s disability plan) and who remains entitled to disability benefit payments while benefits under this Program are provided; or b) death (collectively referred to as “Former Eligible Employee”).

C. Eligible Dependent. 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. 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:

1. 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;
2. has not attained age 24; and
3. is dependent on the Eligible Employee, Former Eligible; is the widow or widower of such eligible individual; or both of whose parents are deceased (any child to whom IRC §152(e) - divorced or separated parents - applies shall be treated as the dependent of both parents).

D. Eligible Married Child(ren). An Eligible Married Child is 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(s), may continue to utilize the tuition reduction program until completion of the course(s). The benefit for an Eligible Married Child is taxable and will be reflected on the employee's W-2 form and/or 1099 for a Former Eligible Employee.

E. Eligibility Standards. Eligible Employee, Eligible Dependent, and Eligible Married Child(ren) are eligible for tuition reduction benefits provided that the participating individual: a) achieves satisfactory academic progress (as defined in the academic policies of the University) and b) remains free of any disciplinary or financial "holds" in accordance with standard procedures of the University (a serious disciplinary matter that results in suspension from enrollment shall result in permanent loss of eligibility under the Program). 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. Course(s) taken under any of these programs must not conflict with the employee's regularly scheduled working hours.

II. BENEFITS

A. Eligible Courses. Only undergraduate courses offered by University are included in the Program. Study abroad, correspondence and similar courses (which in the judgment of the University require greater faculty time per student) are excluded from the Program. Online courses are included in the Program for Eligible Employees or Emeritus Employees, but are not included for married/unmarried children of Eligible Employee or Former Eligible Employee

B. Other Expenses. Eligible Dependents may receive a 50% discount on room and board, the value of which will be taxable to the Eligible Employee. The Eligible Employee or Eligible Dependent receiving tuition reduction benefits is responsible for payment of all other fees and expenses related to enrollment in any course.

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 faculty member or full-time staff employee	Up to 6 credits per regular or summer semester	100%	During employment
Eligible Dependents of a full-time faculty member or full-time staff employee; married child of a full-time 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)	During 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
Eligible Dependents or Married Child(ren) of a part-time 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)	During employment
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
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), ¹	During same semester contract is in effect
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 ² 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 per Eligible Dependent	100%	After employee's death or disability, not to exceed the number of semesters equal to the number of qualifying years of employment of the Former Eligible Employee

¹ 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%.

² 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.

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.

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.

III. APPROVAL PROCEDURE

A. A prospective new student must first complete an Application for Admission form (an Application is not required if the student was enrolled during the previous semester). 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. Once accepted, the prospective student should contact the Registrar’s Office to enroll in undergraduate courses.

B. The Eligible Employee completes a Qualified Tuition Reduction Program Application and submits the form to his or her supervisor each semester an employee wishes to enroll. The Application is forwarded to the Human Resources Department and upon approval is submitted to the Financial Aid Department. The Financial Aid Department determines the eligibility of any federal or state grants and awards for the student and awards the appropriate tuition benefit up to the cost of tuition eligibility.

C. All students are responsible for all other aspects of academic and nonacademic registration for each semester to be attended.

IV. GENERAL

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

B. 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.

C. 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.

D. 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.