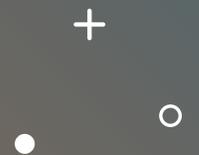


- +
 - Tuition Waiver Basics for Employees

Tuition Waiver: What RIT Employees Need to Know



+

•

○

Undergraduate vs. Graduate | Tax-Free vs. Taxable

- **Key Points:**
- RIT offers tuition waivers for employees taking classes
- Tax treatment depends on:
 - Undergraduate vs. Graduate
 - Whether graduate courses are job-related

+

•

○

Undergraduate Courses = Tax-Free

- **Key Points:**
- Tuition Waivers for **undergraduate courses** are:
 - **Tax-free**
 - No payroll tax impact
 - No additional paperwork beyond the standard waiver process

+
◦ • Graduate
e
Courses
: Usually
Taxable

- **Key Points:**
- Graduate Tuition Waivers are **taxable** unless the course is **job-related**
- The IRS defines job-related courses as those that:
 - Maintain or improve your **current RIT job skills**
- Courses are **not job-related** if they:
 - Meet minimum job requirements
 - Prepare you for a **new profession or future role**

+ .Is Your o Graduat e Course Job-Rel ated?

- **Key Points:**
- If you believe the course **is job-related:**
 - Provide a detailed explanation
 - Compare:
 - Your current job description
 - The course description
 - Your request will route to your **supervisor for approval**
- If you believe the course **is not job-related:**
 - Submit the waiver request
 - It will route directly to **Payroll**

+ .If Your o Graduat e Waiver Is Taxable

- **Key Points:**
- You will receive a **bill from Payroll**
- Tax includes:
 - Federal
 - FICA
 - State
- Estimated tax impact:
 - 💰 Approximately **40% of the tuition waiver value** (varies by tax tables)
- Payment must be made **immediately upon receipt**
- If not paid by the due date:
 - ❌ You and eligible family members cannot register for future terms

+
•
○

How This Affects Your W-2

- **Key Points:**
- Your **W-2 income will increase** by:
 - The tuition waiver amount
 - The taxes paid on your behalf
- Your payroll tax withholding will increase accordingly

+ • ○ Require d Step for Taxable Graduat e Courses

- **Key Points:**
- All regular and adjunct employees must:
 - Complete the **Graduate Course Tax Waiver Request**
 - In **Workday Employee Self-Service**
- Deadline:
 -  **No later than the Drop/Add date**
- This must be done:
 - For **each course** with a taxable Tuition Waiver

+

•

○

What to Remember

- **Key Points:**

-  Undergraduate waivers = tax-free
-  Graduate waivers = taxable unless job-related
-  Job-related courses require documentation and supervisor approval
-  Taxable waivers create a Payroll bill (~40%)
-  Submit Graduate Tax Waiver in Workday by Drop/Add