

Frequently Asked Questions Concerning Graduate Tuition Remission Taxation

1. What is the tuition remission dollar amount that is nontaxable per year?

Currently, the amount is \$5,250 per calendar year

2. How does the Voluntary-Advanced Tax Election Form Work?

The form works like a budgeting tool for the withholding of the taxes you owe on your tuition remission benefit. The form allows you to spread out your tax withholding over the course of the calendar year based on your program and the number of hours you "anticipate" taking for the year, and you are taxed on the same amount each paycheck, instead of being taxed on what you owe each semester. Once you submit the form, your tax withholdings are spread out over your remaining paychecks over the course of the calendar year, so the tax amount is consistent and your checks are not adversely affected during the summer and fall semesters, after you have exceeded the \$5,250 non-taxable benefit amount.

3. Can I fax or scan or email you a copy?

Yes, during these trying times you may scan and email the form to kim.atkins@slu.edu. You can still send the completed original paper form to us via interoffice mail to the Benefits Office in the Wool Center, 1st Floor.

4. Do I need to submit a new form every calendar year?

Yes, the form is only good for the current calendar year.

5. Can I submit more than one form a year or change my form later in the year?

No. Only one form or election can be made per calendar year.

6. What happens if I take more or less classes than I have indicated on the form?

If you end up taking more classes than you originally indicated on your form, then your tax deductions will fall short for the year. In this case, by late September, or early October, we will email you letting you know that we will discontinue using the amount on your form and we will change the amount that needs to be deducted on your paychecks for the remainder of the year, So all of the taxes you owe are paid by your final paycheck in December. If you end up taking less classes than you originally indicated on your form, then you will have a credit by the end of the year, and any over withholding of taxes will be reimbursed to you on your final paycheck in December.

7. What happens if I choose not to submit a form and I exceed the \$5,250 limit, do you need my permission to tax my paychecks?

No. If you do not want to use the Voluntary-Advanced Tax Election Form, once you surpass the \$5,250 nontaxable amount, we will send you a tuition remission letter and we will tax your paychecks on your taxable benefit amount on your remaining paychecks for the year.

8. How often is the form updated?

The form is updated once a year, and is released in December, so it has the most up to date information regarding current taxable benefit amounts and the supplemental tax rates that are set by the IRS the previous December.

9. If the form is only updated in January and is based on the current FY tuition rates, will the taxable benefit amount I circle on the form be exact?

No, the taxable benefit amounts will not be exact, because the tuition rate per hour for your classes may be higher in the new fiscal year (in July), beginning with your fall classes. Because the form is only updated once a year, there will be an additional tax amount that will be owed if tuition costs per hour go up in your program and you take all the hours you indicated on the form. The additional amount will be deducted by your final paycheck in December, or if the amount is substantial, we will email you in late September or early October and let you know that we need to change the amount you are being taxed on until the end of the year.

10. What happens if I decide to leave the University and I still owe taxes on my benefits for classes I have already taken?

Once we become aware that you will be leaving the University, you will be taxed in full for taxes you still owe by your final paycheck. Please let the Benefits Office know ahead of time if you will be leaving the University, so we can work with you on the number of paychecks you will be taxed on.

11. How is the tax calculated on the value of my taxable tuition remission benefit?

The value of your taxable tuition remission benefit is taxed using the supplemental tax rates set by the IRS. Currently, the rate is 36.05% (FICA withholding 7.65%, Federal Withholding 22%, Missouri Withholding 5.4% and St. Louis City Withholding 1%).

12. Can I change or adjust how much is withheld on my taxable tuition remission benefit?

No. The taxes withheld are based on the supplemental rate set by the IRS.

13. Is my taxable tuition remission benefit amount noted somewhere on my paystub?

Yes, the current and YTD taxable benefit amount (not the tax itself) is noted under the Earnings section on your paystub. If we are refunding the taxable amount back to you it will be a negative amount and will have parenthesis around it.

14. How are the taxes withheld on my taxable tuition remission benefit reported on my paystub?

The taxes withheld for your taxable tuition remission benefit are not listed separately on your paystub. The taxes are incorporated into and shown with your existing Federal, FICA, State, and Local tax deductions on your paystub.

15. Is the yearly total taxable tuition remission benefit amount for the calendar year reported on my W-2?

Yes, total taxable benefit amount is noted in Box 14 – (other) with the notation TUI REM. The taxable tuition remission amount is also included in your yearly wage amounts shown in boxes 1,3,5,16 and 18 (wages, social security wages, Medicare wages, state wages and local wages as additional earnings or taxable income).

16. Are the taxes I paid on my taxable tuition remission benefit reported on my W-2?

Yes, they are incorporated and included with your taxes withheld in boxes 2,4,6,17, and 19 (Federal income tax withheld, social security tax withheld, Medicare tax withheld, state income tax withheld and local income tax).

17. Can I pay the taxes out of pocket in full instead of on my paychecks?

No, The IRS, state and local taxing entities require the University to withhold taxes for tuition remission from your paychecks.

Other Tuition Remission Questions

18. When am I eligible to use the tuition remission benefit?

Employees must be considered full-time on the first day of classes for the semester for which tuition remission benefits are requested.

19. How do I apply for tuition remission?

Tuition remission is strictly an online process. The tuition remission application is submitted through a benefits change event in Workday and is a universal application so the benefit must only be requested once per enrollee. Tuition remission must be requested before the term for which the benefit is requested.

20. Are my dependents eligible?

The spouse and/or children (natural or adopted) of any full-time faculty, staff or Faculty Emeritus who have completed a minimum of three years of continuous full-time service are eligible for benefits under the tuition remission plan. However, restrictions do apply to this benefit.

21. I am a retired employee, What are my tuition benefits?

Employees who leave the University by reason of retirement upon or after the attainment of age 60 with at least seven years of continuous full-time service may use the tuition remission benefit for themselves and/or their eligible dependents. These requests must be made in writing by emailing the Benefits office at benefits@slu.edu.

22. I received a bill from my classes and tuition remission has not been applied. What do I do?

A report of all new tuition remission applications is generated by the benefits office each Friday and reported to Student Financial Services. If you have applied online within the last week, please allow seven days for the applications to be processed. If you experience an extensive delay, please contact Debbie Alexander in Student Financial Services at 314-977-2424.

23. I am a staff employee and I would like to pursue a degree with SLU, does my previous credit from another institution limit how many credits I can take towards any degree at SLU?

No, for full-time eligible faculty and staff employees who are pursuing credit courses towards a degree at SLU, previous credit from another institution does not count against the overall limit of 180 credit hours for undergraduate, graduate and school of professional studies tuition remission.