

Tuition Remission Taxation Schedule for Taxable Benefits

Internal Revenue Service regulations state that certain educational benefits (graduate level tuition benefits exceeding \$5,250, unless excludable from gross income under Section 132 of the Code) are taxable. Therefore, in accordance with the Internal Revenue Code, IIT will withhold taxes from employee pay according to the below schedule. This schedule is contingent upon timely processing of the Application for Employee Tuition Remission Form that is completed by the employee. If the form is not received in the Bursar Office at least ten days before a pay date, the amount of the educational benefit will be taxed over a shorter period of time thereby increasing the withholding amounts and decreasing the employee net pay.

Please keep in mind the routing process for Employee Tuition Remission Form. After obtaining the appropriate supervisor and departmental approvals, the form goes to Human Resources for approval and, after it is approved, Human Resources sends the form to the Bursar's Office.

Please note the separate schedule for taxation of classes taken during an academic quarter, as opposed to semester. In general, classes that are offered during quarters are Stuart School of Business classes. Appropriate taxes on the taxable education benefit received by an employee will be withheld from pay issued for the following periods:

SEMESTER CLASSES		QUARTER CLASSES	
SEMESTER	TAX PERIOD	QUARTER	TAX PERIOD
Summer	June 1 - August 30	Summer	June 1 - August 30
Fall	October 1 - December 31	Fall	September 1 - November 30
Spring	February 1 - April 30	Winter	December 1 - February 28

over a shorter period of time, thereby further reducing the employee net pay.

Tuition Remission amounts for certificate programs or other non-credit programs are not considered taxable.

Questions relating to the method of calculation, amount and duration of taxes