

Staff Personnel Manual (SPP)

SPP 505: Employee Reduced Resident Tuition

Effective: 5/20/1980

Revised: 12/23/2024

Purpose

To provide reduced resident tuition for eligible individuals

Sources

Internal Revenue Code 117 and 127

Arizona Board of Regents Policy Manual - 4–104; 6–902 and 903

University policy

Applicability

1. Benefits-eligible faculty members, academic professionals, postdoctoral scholars, regular classified employees, university staff, and non-faculty administrators, their spouses and, if under age 30, dependent children are eligible for reduced resident tuition.

Employees are eligible for reduced resident tuition on the first day of employment and must be in a benefits-eligible status on the first day of class. Spouses and, if under age 30, dependent children may enroll for classes that begin on or after the employee's first day of employment.

When an employee resigns from the university or is terminated for cause, the employee, the employee's spouse, and dependent children are no longer eligible for reduced resident tuition. An employee, the employee's spouse and, if under age 30, dependent children who have received reduced resident tuition before the start of the session are responsible for full payment of tuition if the employee later separates from employment before the first day of class.

2. An employee on an approved leave of absence, their spouse and, if under age 30, dependent children may receive reduced resident tuition for the duration of the approved absence.
3. An employee of an affiliated unit, their spouse and, if under age 30, dependent children may qualify for reduced resident tuition with the approval of the president or designee if:
 - a. the employee is a member of an ROTC unit
 - or
 - b. an approved written contract exists between the university and the affiliated unit that expressly grants reduced tuition rates to the employee of the affiliated unit.
4. RIF employees and employees who have gone through a reorganization.(under [SPP 213](#), "Reduction in Force" and [SPP 216](#), "Reorganization for University Staff"), their spouses and, if under age 30, dependent children may continue to receive tuition assistance for a period not to exceed 12 months from the RIF or reorganization effective date. RIF or reorganized employees, their spouses and, if under age 30, dependent children may continue to

receive tuition assistance for any session when registration for classes has occurred at least one day before the expiration of the 12-month period from the RIF or reorganization effective date (last day of layoff or reorganization notice period). The RIF or reorganized employee must have been employed at least five consecutive years at the university immediately prior to the effective date of RIF or reorganization and did not have performance concerns within six months of the effective date of the reorganization or RIF.

Reduced tuition is not available to any RIF classified employee who elects the buyout option under the reduction in force policy.

5. [Retired employees](#), who are benefits-eligible upon separation, their spouses and, if under age 30, dependent children may receive reduced resident tuition.
6. University peace officers who have retired before age 50 (pursuant to the provisions of the Arizona Public Safety Personnel Retirement System) and who had completed five continuous years of full-time employment in the Arizona University System immediately prior to retirement, their spouses and, if under age 30, dependent children are eligible for reduced resident tuition.
7. Employees whose employment terminated based on approval of long-term disability and who had at least five continuous years of employment immediately preceding termination, their spouses and, if under age 30, dependent children are eligible for reduced resident tuition. This benefit terminates if the employee ceases to receive long-term disability benefits.
8. The spouse and, if under age 30, dependent children of a deceased employee, retiree, or employee who terminated employment based upon long-term disability are eligible for reduced resident tuition. (The retiree and LTD recipient had to have been employed for at least five continuous years before retirement or disability.) The spousal benefit terminates at the time a surviving spouse remarries.
9. The term “dependent children” wherever used in this policy means children eligible to be claimed as dependents for federal tax purposes and who have not reached age 30 as of the first day of the semester for which the reduced tuition rate is granted. Please see the [Tuition Waiver Form](#) for more information, found on HR forms page.

Policy

The Arizona Board of Regents allows reduced resident tuition for eligible individuals enrolling for credit courses at any university in the Arizona University System (Arizona State University, Northern Arizona University, or the University of Arizona).

The Offices of Human Resources and Student Business Services are responsible for confirming the tuition reduction benefit eligibility. An individual may be required to submit documentation confirming eligibility. If it is determined that a reduced tuition benefit was claimed in error, the waiver will be cancelled and the full cost of the tuition and fees will be charged to the student account. Employees who misrepresent eligibility will be subject to appropriate personnel action up to and including termination.

Reduced Resident Tuition

Reduced resident tuition rates, which include base and differential tuition, are assessed as shown below. The reduction does not apply to any other costs of attendance, including but not limited to program fees, registration fees, special class fees, library and laboratory fees, books, and supplies. All other charges will be assessed without adjustment.

This policy is not intended to limit the number of credit hours an employee or spouse may take, but only to specify the tuition rate.

Tuition and Fees Schedule

| | Fall and Spring Semesters (Including A, B, and C Sessions) | | Summer Session | |
|---|---|---|------------------------------|---|
| Eligibility (As Defined under Applicability) | Number of Credit Hours | Fee | Number of Credit Hours | Fee |
| Eligible or affiliated employees, RIF employees, reorganization employees, retirees who are benefits-eligible upon separation, and employees termed as a result of disability | 1–9 | \$25 | 1–6 | \$25 |
| | 10 or more | Actual resident tuition for all hours over 9 | 7 or more | Actual resident tuition for all hours over 6 |
| Spouse | 1–9 | \$25 | 1–6 | \$25 |
| | 10 or more | Actual resident tuition for all hours over 9 | 7 or more | Actual resident tuition for all hours over 6 |
| Dependent children | All | 25 percent of actual resident tuition for all hours | All | 25 percent of actual resident tuition for all hours |

Taxes

Under current Internal Revenue Service (IRS) regulations, the amount of tuition reduction provided to an eligible employee or family member for education below the graduate level is not taxable. “Below graduate level” means enrollment in a bachelor’s-level program.

Eligible employees who are in a graduate-level program are exempt from tax on tuition-reduction benefits up to \$5,250 per calendar year. If a family member (spouse or dependent) of an eligible employee enrolls as a graduate student, 100% of the tuition discount is taxable to the eligible employee.

If the eligible employee or family member drops a class within prescribed time limits, the taxable amount may be reduced based on the university registrar’s schedule of refunds.

If the employee remains on the university’s payroll, the appropriate taxes will be withheld from future earnings. If the employee terminates from the university, the tuition discount will be included on the W-2 form they receive from the university.

Class Attendance during Working Hours

Employees may be allowed to attend university classes during working hours with the recommendation of the [supervisor](#) and approval of the [administrative official](#). The time required to attend classes must be charged to accrued vacation time, accrued [compensatory time](#), or be made up before or after normal working hours. All employees enrolled in classes during scheduled working hours are expected to fulfill their assigned responsibilities and obligations.

Cross-Reference

For more information, see:

1. [SPP 213](#), “Reduction in Force”
and
2. [SPP 216](#), “Reorganization for University Staff.”