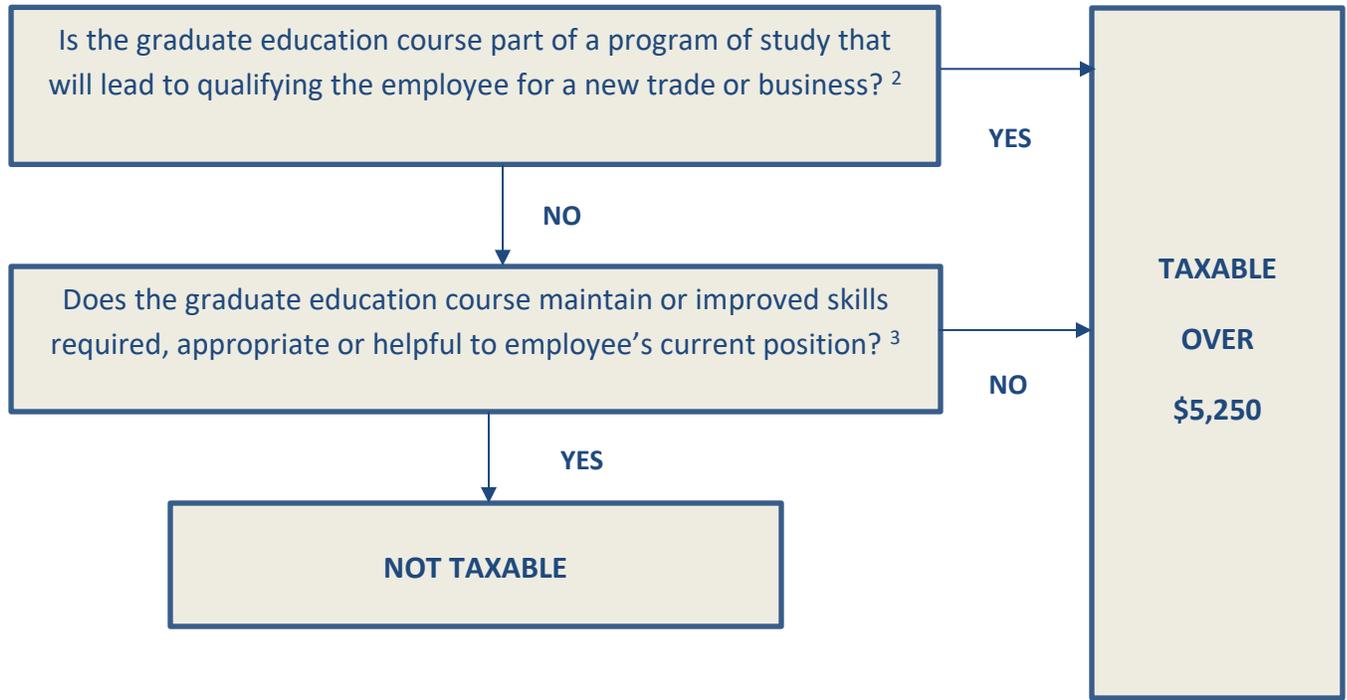


Abilene Christian University Determination Whether Graduate Tuition Assistance Benefits Exceeding \$5,250 in a Calendar Year are Taxable ¹



- 1. About this Chart:** Ordinarily, employer-provided graduate tuition assistance benefits that exceed \$5,250 are taxable wages, while benefits up to \$5,250 are not taxable. However, certain job-related education is not taxable over \$5,250. This chart is intended to assist in determining whether an educational benefit sought by an employee meets the exception to taxability. **This does not constitute tax advice to employees, and employees should consult their personal tax advisors.**
- 2. New Trade or Business:** For example, a program of study qualifies an employee for a new trade or business if successful completion of the program would qualify the employee to: (1) meet a new category of professional licensure or certification required to perform a particular job (e.g. nurse practitioner certification); or (2) be employed in a position that has a different educational requirement than his/her current position, either within or outside the University. NOTE: Intention or actual job change is irrelevant; even if the employee does not intend to change positions, or does not take a new position, the tuition benefit is taxable if the employee becomes qualified to do so.
- 3. Current Position:** Current position is defined as the job requirements and job duties/description for the position the employee currently holds. The graduate program must contain course content and outcomes that maintain or improve skills in the employee's present job.