



TUITION REIMBURSEMENT PROGRAM

1. PURPOSE AND APPLICABILITY

- 1.1. Purpose -- In recognition that employee education and development deliver benefits to employee productivity, business competency, job satisfaction and employability, the Company offers a Tuition Reimbursement Program to all eligible employees.
- 1.2. Applicability
 - 1.2.1. The Tuition Reimbursement Program applies to all PWCC Companies.
 - 1.2.2. For purposes of this program, the term "Company" is used to refer to all entities covered by the Tuition Reimbursement Program.
 - 1.2.3. This document does not apply to educational programs completed or in process before April 1, 2014. Such programs are grandfathered into the earlier version of this procedure.

2. POLICY STATEMENT

- 2.1. The Tuition Reimbursement Program supports employee education and development by reimbursing employees for tuition and text book expenses incurred in pursuit of a degree or upon completing relevant coursework offered through accredited institutions.

3. ELIGIBILITY

- 3.1. Employee Eligibility – To be eligible for benefits under the Tuition Reimbursement Program, an employee must:
 - 3.1.1. Work more than twenty (20) hours per week as an active Performance Review employee or as an active Union employee.
 - 3.1.1.1. Contractors, supplemental employees, temporary employees, summer employees, employees on leave of absence (including educational leave), or part-time employees working less than twenty (20) hours per week are not eligible.
 - 3.1.1.2. Employees on Long-term Disability are not eligible.
 - 3.1.2. Complete the probationary period by being employed with the company for at least six months before the start of the educational program.
 - 3.1.3. Be in good standing and not on a Performance Improvement Plan (PIP).

- 3.2 Eligible Educational Programs – The following associate, undergraduate and graduate courses (see section 3.3.9 regarding Executive MBA and Doctorate degree programs) are eligible for reimbursement:
- 3.2.1 Courses related to an employee’s current job that may lead to enhancing skills or abilities
 - 3.2.2 Courses that may lead to a degree for a related position at APS
 - 3.2.3 Courses that are pre-requisites for an APS training program (i.e., apprenticeship program)
 - 3.2.4 Courses related to the scope of APS’s business operations. Individual courses, including online courses, that are not business related will only qualify if required for the pursuit of a qualifying degree.
 - 3.2.4.1 Examples of programs and degrees related to a core APS business function are Engineering, Sciences, Business, Information Technology, Management or Leadership. Examples of exclusions are Fine Arts, History and Physical Education.
 - 3.2.5 Courses provided by an educational provider accredited by the North Central Association of Colleges and Schools or equivalent accreditation body.
- 3.3 Exclusions – The following programs do not qualify for tuition reimbursement under this program. They are the financial and administrative responsibility of the employee’s Business Unit:
- 3.3.1 Professional Certification Exam Fees and Exam Prep Courses – Certifications such as Professional Engineer (PE), Project Management Professional (PMP), Certified Public Accountant (CPA), Human Resources (PHR and SPHR), Microsoft Certified Systems Engineer (MCSE), Professional in Human Resources (PHR), State Bar exams and others.
 - 3.3.2 Individual courses for Continuing Education Units (CEUs) offered by a nationally recognized professional association to maintain a license or professional certification.
 - 3.3.3 Prior learning assessments and tests used to document knowledge for the purpose of granting credit toward an approved degree, along with fees for posting these credits. Examples are CLEP, ACE, DANTES and portfolio preparation.
 - 3.3.4 Credits earned for successful completion of basic academic non-college level classes in English, reading and mathematics.
 - 3.3.5 College Level Examination Program (CLEP).
 - 3.3.6 General Education Development (GED).
 - 3.3.7 Exams, training, certifications or endorsements associated with Commercial Driver Licensing.
 - 3.3.8 Non-credit “certificate programs” in topic areas such as leadership, management or human resources.
 - 3.3.9 Executive MBA and Doctoral degree programs, which require pre-approval and leader oversight.
 - 3.3.9.1 A standalone agreement will be signed by agreed parties for high-potential development or successor plans.
- 3.4 Eligible Expenses
- 3.4.1 Tuition is reimbursed at the cost of one hour of credit at an institution multiplied by the number of credit hours earned in a course.

- 3.4.1.1 Additional fees such as lab, recreational, parking, course materials and software, travel, supplies, application and registration fees, etc. are not reimbursable.
- 3.4.2 Tuition Reimbursement Amounts
 - 3.4.2.1 Employees will be reimbursed eighty percent (80%) of tuition to a maximum of \$5,250 per calendar year when a course is successfully completed.
 - 3.4.2.2 The remaining 20% of tuition may be reimbursed upon achievement of a pre-approved degree if the annual maximum reimbursement of \$5,250 has not already been reached.
 - 3.4.2.3 The end date of the course determines the calendar year for reimbursement.
- 3.4.3 Textbook Reimbursement
 - 3.4.3.1 An educational term is defined by the school (i.e. semester, quarter, etc.).
 - 3.4.3.2 Reimbursement of up to \$250 per term (not to exceed an annual calendar reimbursement of \$5,250) may be made for documented textbooks required for pre-approved courses.
 - 3.4.3.3 Textbooks and e-books must be on the list of course texts on file with the school's bookstore or the educational provider.
 - 3.4.3.4 Taxes, shipping and handling are not eligible for reimbursement.

4. ADMINISTRATIVE PROCESS

- 4.1 Program Application Process
 - 4.1.1 The *Application for Tuition Reimbursement Form* must be approved and submitted before the required start date of the educational program.
 - 4.1.1.1 If course work listed on the application is changed, a revised application must be submitted.
 - 4.1.2 All covered expenses will count toward the annual reimbursement cap of \$5,250 based on the year in which the course(s) ends. Funds for tuition reimbursement do not carry over from year to year.
 - 4.1.2.1 Application must be submitted to the HR Service Team not more than two (2) months before the course start date but within at least one (1) week of the course start date. Late applications may be denied.
 - 4.1.2.2 The employee's manager will review the form and approve or deny the application based on compliance with program policy. If approved, the leader will sign the form electronically and submit it to the HR Service Team.
 - 4.1.2.3 The HR Service Team will review the application to verify adherence to the program policy, and notify the applicant via email of approval or denial.
 - 4.1.3 Coordination With Other Benefits - Employees who receive scholarships, grants and/or other educational benefits must first apply that assistance before submitting an application for reimbursement and/or report these other benefits when applying for tuition reimbursement.

- 4.1.3.1 The amounts paid by other benefits will be deducted from the limits set under this guideline, and the employee will receive assistance for the remaining amount.
 - 4.1.3.2 Failure to report scholarships, grants or other educational benefits will disqualify employees from receiving further educational assistance.
- 4.2 Reimbursement Process
 - 4.2.1 To receive payment, participants must submit the *Application for Tuition Reimbursement Form* along with an itemized statement from the educational provider that includes the courses completed and line item expenses (tuition, tax and fees, etc.), their textbook, e-book and tuition payment receipts and their final grade within three months of the course completion date.
 - 4.2.2 Upon completing a pre-approved degree program, submit an official transcript showing the award of degree to the HR Service Team within three months of completion to receive reimbursement of the remaining 20% of tuition expenses previously not covered. (*See Section 3.4.2.2.*)
 - 4.2.3 Leader approval is not required for reimbursement.
 - 4.2.4 All reimbursements will be made through payroll processing.
 - 4.2.5 Reimbursement will be made within 30 days after an employee submits the required receipts and record of final grade to the HR Service Team.
 - 4.2.5.1 Graduate courses require a pass grade of a B or higher for successful completion.
 - 4.2.5.2 Other courses require a “Pass” or a grade of a C or better for successful completion.
- 4.3 Tax Law Requirements
 - 4.3.1 Reimbursement is not taxed for associate, undergraduate or graduate degree programs or courses. Taxability of this benefit is decided by federal regulations and may be subject to change without notice.
 - 4.3.2 Annual Limit - In no case will total reimbursements from the program exceed \$5,250 per calendar year, including books.
- 4.4 Educational Attendance During Work Hours -- An employee may attend a course on Company time if:
 - 4.4.1 The department leader provides written approval.
 - 4.4.2 The employee fulfills all job responsibilities.
 - 4.4.3 The employee maintains a 40-hour work week.
 - 4.4.4 The leader requires the course for the job or the course is a degree requirement and is not offered outside of working hours.
- 4.5 Service Requirement
 - 4.5.1 One year of service is required beyond reimbursement.
 - 4.5.2 Employees who leave APS other than by retirement or an involuntary reduction in force before meeting this service requirement are to fully refund all reimbursements made in the 12 months prior to their last date of service with the company.

5. APPEAL PROCESS

- 5.1 To ensure equity and consistency within the Tuition Reimbursement Program, employees not satisfied with a decision made by the Program Administrator may file a written appeal by submitting an explanation for reconsideration to the Program Manager.
- 5.2 Appeal decisions are made by the Program Manager.

6. RELATED DOCUMENTS

- 6.1 Application for Tuition Reimbursement Form
- 6.2 Educational Leaves - Guidelines for leave of absence can be found on the Empower section of the intranet.