

Educational Assistance Program

OKEMOS PUBLIC SCHOOLS

This Educational Assistance Plan (the “Plan”) is established by Okemos Public Schools (“District”) to provide eligible employees with educational assistance benefits under Section 127 of the Internal Revenue Code (“Section 127”) to enhance employee proficiency and opportunity for advancement, or in the case of educational assistance provided through grant-funded loan repayment programs, to recognize past academic accomplishments.

1. **District-Funded Educational Assistance.** District-funded educational assistance, which consists of payment from District resources of expenses incurred by or on behalf of an employee for instruction or training that improves or develops the employee’s capabilities, is available to employees subject to the terms of this Plan and in accordance with the employee’s individual employment contract or collective bargaining agreement, as applicable. Employees who are retired or on lay-off status are not eligible.
 - a. **Qualified Educational Expenses.** Eligible employees will be reimbursed for qualified educational expenses, in accordance with the applicable individual employment contract or collective bargaining agreement. Costs for tools, supplies, meals, lodging, or transportation are excluded from the Plan. Courses involving sports, games, or hobbies are not eligible under the Plan unless they have a business purpose or are required as part of a degree program.
 - b. **Prior Approval.** To be considered for reimbursement, prior approval is required as provided by the applicable individual employment contract or collective bargaining agreement.
 - c. **Maximum Reimbursement.** The District will reimburse eligible employees in accordance with funding available as described in the applicable individual employment contract or collective bargaining agreement.
 - d. **Minimum Scores.** To receive reimbursement, eligible employees must complete: (1) non-college courses with a passing score; (2) undergraduate courses with a grade of 2.0 or higher; or (3) graduate-level courses with a grade of 3.0 or higher.
 - e. **Reimbursement.** To receive reimbursement, eligible employees must submit evidence of course completion and grade attainment by submitting a transcript as applicable with a detailed invoice and proof of payment in addition to any other documentation required by the applicable individual employment contract or collective bargaining agreement. Eligible employees are not eligible for reimbursement by the District of tuition paid by any grant, scholarship, or other educational assistance program and shall not request reimbursement for the same.
2. **Grant-Funded Educational Assistance.** Grant-funded educational assistance consists of grant funds received by the District from a third party for: (1) payment for any form of

eligible instruction or training that improves or develops the employee's capabilities; or (2) repayment of eligible student loans. To the extent such grant funding is available, the District will distribute this funding in accordance with grant requirements to employees who meet the grant program's guidelines and eligibility requirements, and who complete any District-required certifications and documentation of eligibility. Any reimbursed costs for tools, supplies, meals, lodging, or transportation, or for courses involving sports, games, or hobbies that do not have a business purpose or are not required as part of a degree program are excluded from the Plan.

3. **Plan Revision or Termination.** The District reserves the right to change the terms or terminate the Plan without prior notice. In this event, the District will reimburse employees according to the applicable individual employment contract or collective bargaining agreement or grant program guidelines for all courses in process prior to termination, but reimbursement will not be provided for any course that began after termination and notification of the same.
4. **Taxation.** Section 127 provides an exemption from gross income of up to \$5,250 of educational assistance per calendar year, including employer-paid student loan payments through December 31, 2025. Once the receipt of benefits of \$5,250 is exceeded in a calendar year, or if an educational assistance benefit is not eligible, or is no longer exempt from gross income under the Internal Revenue Code, the employee is responsible for any resulting tax consequences.