



USM REQUEST FOR TUITION REMISSION

Each USM Employee or Retiree seeking tuition remission for self, a spouse or child shall complete this application and accompanying certification to provide the information necessary to comply with both the USM-BOR Tuition Remission policies (VII-4.10; VII-4.20) and Internal Revenue Service regulations regarding the income tax law status of the tuition remission benefit requested by the employee. This page provides the information necessary to ascertain eligibility and process the request; additionally the employee/retiree is also required to complete and sign the Affidavit for tax status of the tuition remission recipient.

Upon obtaining departmental authorization, the employee/retiree must present this request to the employing Institution Human Resources Office for approval. A new request must be completed for each semester/session. If the student is registering at multiple Institutions, a separate request must be completed for each Institution.

1. Calendar Year: 20 _____
Semester for which tuition remission is requested (enrollment term) Fall Winter Spring Summer _____
 (include summer session # if institution has more than one Summer Session) Other _____

2. Employee Name: (Last Name, First Name) _____
10. Student Name (Spouse/Child): (Last Name, First Name) _____

3. Employee SSN: _____
11. Student SSN (Spouse/Child): _____

4. Employee Date of Hire:
 Month/Day/Year ____/____/____
 Do you have prior USM Service/dates? Yes _____ No _____
12. Student is Employee's:
 Spouse Child

5. Complete if employee is retired or deceased:
 Month/Day/Year
 Retired ____/____/____
 Deceased ____/____/____
13. Student's Date of Birth: (Required for a child - if employee or spouse of employee, leave blank)
 Month/Day/Year ____/____/____

6. Active Employee is Employed: Full time Part time
 Enter % employed if less than full time _____%
Retired or deceased employee was employed:
 Full time Part time
 Enter % employed if less than full time _____%

7. Employee Status:
 Nonexempt Contingent Catg. II Grad. Asst.
 Exempt Retiree Grad. Research Asst.
 Faculty Fellow Grad. Teaching Asst.

8. Employee's Home Institution:
 BCCC BSU CSU FSU MIANR-AES
 MIANR-UME/CES MSU SU SMCM
 TU UB UMB UMB-MIEMSS
 UMBC UMBI UMCES UMCP UMES
 UMUC USMO
14. Student Enrollment Status:
 Undergraduate Freshman Sophomore
 Junior Senior
 Graduate

9. Employee's Institution Work Address:

Employee's Work Phone #: _____
Employee's Institution E-mail Address:

15. Student ID #: _____
16. Institution where employee/student is registered:
 BCCC BSU CSU FSU MSU
 SU SMCM TU UB UMB
 UMBC UMCP UMES UMUC
 For Grad Assistants: Check box if your course is held at a different Institution from where you registered for the course (ie: an inter-institutional course).

17. Number of credit hours to be remitted: _____
List account number(s) from which employee is paid:

18. Institution transfer of funds: Yes ___ No ___ ; % ___
 (To be completed by Institution HR Benefits Coordinator)

Please continue on to the TR Affidavit - complete and sign. This TR Request shall not be processed without the completed and signed TR Affidavit.



USM REQUEST FOR TUITION REMISSION – AFFIDAVIT (A)
TAXABILITY FOR SELF, SPOUSE OR CHILD

EMPLOYEE/RETIREE NAME: _____ CHILD/SPOUSE NAME: _____

This affidavit must be completed by all employees and retirees requesting TUITION REMISSION (TR) to determine whether the Institution must treat the requested TR as taxable income to the employee or retiree under the Internal Revenue Code. In most cases, TR is **not** taxable for undergraduate courses taken by an employee, retiree, spouse or child who qualifies as the employee’s dependent under federal tax law standards. In addition, specific IRS rules govern the taxability of TR for graduate education and children of divorced and separated parents. Those rules are summarized on a Tax Chart on the USM’s Website at: <http://www.usmd.edu/usm/adminfinance/tuitiontax.pdf>.

This affidavit is necessary to comply with federal tax law and to protect you and the USM Institution from potential tax liabilities and penalties. To complete the affidavit, **read the statements below and follow the instructions.**

1. UNDERGRADUATE TUITION REMISSION FOR A SPOUSE - If you are seeking TR for your spouse, initial statement below:

_____ I certify that the person for whom I am requesting TR: **(a)** is my spouse and that we have entered a legally effective marriage, **and (b)** that we are not estranged, and that he/she does not maintain a separate domicile.

2. UNDERGRADUATE TUITION REMISSION FOR A CHILD – Initial ONE applicable statement below:

a. If you are seeking undergraduate TR for a child whom you will claim as a dependent on your federal income tax return for the year 20____, initial the following:

_____ I certify that the person for whom I am requesting TR is my biological child, stepchild or legally adopted child and that I intend to claim the child as my dependent on my federal income tax return for the **20**____ calendar year. If I do not claim my child as a dependent on my income tax return for the **20**____ calendar year as indicated above, I will **notify** my HR Office as soon as possible and no later than 15 days of filing my tax return, and I understand that the value of my child’s TR will be considered taxable income to me.

b. If you are seeking undergraduate TR for a child whom you will NOT claim as a dependent on your federal income tax return for the year 20____, initial ONE applicable statement:

_____ **(i)** Although I do not intend to declare my biological child or legally adopted child as a dependent on my federal income tax return for the **20**____ calendar year, **(a)** I am currently divorced or separated from the child’s other parent, **(b)** the child’s other parent will claim the child as a dependent on his/her federal income tax return for the **20**____ calendar year, and **(c)** my marriage to the other parent is or was recognized under federal law. If the child’s other parent does not claim my child as a dependent for this tax year, I will **notify** my HR Office as soon as possible and no later than 15 days of the filing of the tax return of the child’s other parent, and I understand that the value of my child’s TR **will be considered taxable income to me.**

_____ **(ii)** Although I do not intend to declare my stepchild as a dependent on my federal income tax return for the **20**____ calendar year, either **(a)** my spouse will declare my stepchild as a dependent on his/her tax return for the **20**____ calendar year, **OR (b.1)** my spouse is divorced from my stepchild’s other legal parent, **(b.2)** my stepchild’s other legal parent will claim the child as a dependent on his/her federal income tax return for the **20**____ calendar year, **AND (3)** my marriage to my spouse, who is a legal parent to my stepchild for whom I am seeking tuition remission, is recognized under federal law. If neither my spouse nor my stepchild’s other legal parent claims my stepchild as a dependent for the **20**____ calendar year, I will **notify my HR Office** as soon as possible and no later than 15 days after both my spouse and my stepchild’s other legal parent have filed their **20**____ calendar year tax returns, and I understand that the value of my stepchild’s TR **will be considered taxable income to me.**

_____ **(iii)** I certify that the person for whom I am requesting TR **(a)** is my biological child, stepchild or legally adopted child, and **(b)** I do not intend to declare this child as a dependent on my federal income tax return for the **20**____ calendar year, **(c)** neither 2.b(i) or (ii) apply, and **(d)** I understand that the value of my child’s TR **will be considered taxable income to me.**

3. TUITION REMISSION FOR GRADUATE EDUCATION - If you are seeking TR for graduate education for yourself or a family member, initial ONE applicable statement:

- _____ I am applying for TR for my own education in courses at the graduate level, and the courses qualify as a “working condition fringe benefit,” which means: the courses are required by law or the Institution for me to keep my present job OR maintain or improve skills required for my current employment, AND the courses will not qualify for the minimum educational requirements for my current position, AND the courses will not qualify me for a new trade or business.
- _____ I am applying for TR for my own education in courses at the graduate level which do not qualify as a “working condition fringe benefit” as that term is used in the Internal Revenue Code, and I understand that I will be taxed for the value of the TR that may exceed **\$5,250**.
- _____ I am applying for TR for the education of my spouse or child or stepchild in courses at the graduate level, and I understand that I will be taxed for the full value of the TR.

4. GENERAL ACKNOWLEDGEMENTS - All applicants must INITIAL EACH APPLICABLE statement below:

I understand that the following requirements are applicable to my application for and receipt of Tuition Remission:

- _____ a. I have read and I understand the relevant USM-BOR TR policies (VII-4.10 and VII-4.20), which appear at <http://www.usmd.edu/regents/bylaws/SectionVII/> and the USM Tuition Remission–Deadlines And Restrictions Chart, which appears at: Tuition Remission Deadlines and Restrictions Chart
- _____ b. To the extent that any TR is taxable income under IRS regulations, the value of the TR will be added to an employee’s salary for taxation over designated pay periods during the semester when TR is used, according to the schedule set by the State Central Payroll Bureau, OR reported as taxable income to a retiree.
- _____ c. **If I am applying for Tuition Remission as a USM retiree, I understand that I must be, and affirm that I am, receiving a retirement periodic distribution from either the State Retirement System or from the Maryland Optional Retirement Program (ORP) during the period of time I am using Tuition Remission.**
- _____ d. I understand that the Institution where student registers for courses has final approval authority for my TR request.

5. I HEREBY SOLEMNLY AFFIRM UNDER PENALTIES OF PERJURY THAT:

- a. The information I have given above is true and accurate;
- b. I understand that willful falsification of information in this Affidavit can result in referral for investigation and prosecution, full disciplinary action by the Institution, and civil action by the Institution to recover any costs that it may incur because of such a false statement;
- c. For compliance and audit purposes, I agree to provide to the Institution a copy of any documentation (including relevant birth certificates, marriage licenses and tax returns) that the HR Office deems necessary to ascertain eligibility or the taxability of tuition remission. I understand that failure to timely provide all requested information will result in the Institution denial of benefits or treating the value of the TR as taxable income to me.
- d. I understand that I must notify the HR Office in writing no later than 15 days of my first becoming aware of any change in the information that I have provided in this Affidavit and as a result, I understand that the value of the TR may be taxable income to me and applied retroactively to the appropriate taxable year. I further understand that failure to notify the Institution of any changes may be considered willful falsification, to be treated as described in item b. of this section.

Signature of Employee/Retiree: _____ Date: _____

Signature of Department Head/Designee: _____ Date: _____

Signature of Human Resources Representative at Employing Institution: _____ Date: _____

TAX CHART-A – USM TUITION REMISSION

Eligibility for tuition benefits must be determined under USM-Board of Regents Policies VII-4.10 and VII-4.20. This chart provides a general overview of the taxability of various types of tuition remission. It does not constitute tax advice. Each employee or recipient of tuition remission is strongly encouraged to discuss all questions related to tax liability with his or her accountant or tax advisor.

Who is the Student?	Undergrad or Graduate?	<u>Taxable or Not Taxable</u> for federal income tax purposes	Special Notes
1. Employee/Retiree	Undergraduate (all courses)	Not Taxable	
2. Employee (does not include Retiree)	Graduate (work related)	Not Taxable (see note)	Graduate: MUST qualify as a working condition fringe benefit, not to meet minimum job qualifications or qualify for a new trade or business as defined in Affidavit-A, Section 3
3. Employee/Retiree	Graduate (not work related)	First \$5,250 is Not-Taxable. Any amount over \$5,250 is TAXABLE	
4. Spouse, Widow/er, or Child of Employee/Retiree*	Graduate	TAXABLE	
5. Spouse or widow/er of Employee/Retiree	Undergraduate	Not-Taxable	"Spouse" means a spouse who would be recognized as such for federal tax purposes.
6. Federal tax dependent who is Employee's/Retiree's*: • Son/Daughter • Stepson/Stepdaughter • Legally adopted Son/Daughter	Undergraduate	Not-Taxable	Employee/Retiree (regardless of marital status) must claim the student as a dependent on the employee's federal tax return for the year in which tuition remission is granted, unless row 7 is applicable.
7. <u>Employee's/ Retiree's*</u> : • Son/Daughter • Stepson/Stepdaughter • Legally adopted Son/Daughter If Employee/Retiree (or the Employee/Retiree's spouse, in the case of a stepchild) is divorced/separated from child's other parent who claims child as a tax dependent	Undergraduate	Not-Taxable	<u>Unless</u> the employee/retiree, OR the employee/retiree's spouse, OR the other parent of the employee/retiree's child/stepchild claims the student as a dependent on his/her federal tax return for the year in which tuition remission is granted to the employee/retiree, the tuition remission will be taxable.
8. Employee's/Retiree's* Son/Daughter; Stepson/Stepdaughter; or Legally adopted Son/Daughter Who is NOT A TAX DEPENDENT of Employee/Retiree AND who does not fall within row 7 for the year benefits are received	Either Undergraduate or Graduate	TAXABLE	ALL tuition remission for a child of any age not claimed as the employee's/retiree's tax dependent is taxable, except for a child of divorced or separated parents who is described in row 7.

* Includes a deceased employee or deceased retiree

Note: This chart and Tuition Remission Policies VII-4.10 and VII-4.20 **DO NOT apply to Graduate Assistants.**