

CITY OF SHEBOYGAN

Human Resources Policy

TUITION REIMBURSEMENT POLICY

Effective Date: _____	Last Revised: _____	Approved By: City Administrator
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1. Eligibility

To participate in the Program, an employee must meet all the following requirements:

- Be a regular full-time or part-time employee (working at least 30 hours a week) of the City of Sheboygan. Temporary (LTE), seasonal, contract, and introductory/probationary-period employees are not eligible until they have successfully completed their initial probationary period. Employees on medical or other extended leave are not eligible.
- Eligible part-time employees will be reimbursed on a prorated bases in proportion to their regularly budgeted hours.
- Be in good standing, with no active and ongoing disciplinary action or corrective action plan at the time of application. Approved reimbursement requests will be honored for employees who incur disciplinary action or corrective action during their coursework, but future reimbursement may be denied. Such decision shall be made in consultation between the employee's department head, the HR Director, and City Administrator, and will be communicated to the employee promptly so that the employee can make informed decisions about their education plan.
- Enroll in a degree-granting program (associate, bachelor's, master's, or doctoral) at a regionally accredited college, university, or technical college.
- Have the degree program pre-approved in advance of enrollment, as described herein. Coursework taken without prior approval will not be reimbursed, regardless of relevance or grade earned. Requests for program pre-approval shall be submitted at least thirty (30) calendar days before the course start date. Untimely requests may be denied.
- Remain a city employee in active status through the date the reimbursement request is submitted and processed.

2. Degree Program Pre-Approval

Before enrolling in a course or program for which reimbursement will be sought, the employee must submit a Degree Program Pre-Approval Form demonstrating that the degree program is job-related and of value to the City; meaning it maintains or improves skills required in the employee's current position or prepares the employee for a reasonably anticipated future role within the City.

The proposed degree program must be reviewed and approved, in writing and in advance, by the employee's department head, the Human Resources Director, and the City Administrator. Requests shall first be reviewed by the employee's department head, who shall certify on the pre-approval form that the program or course meets the expectations set forth in this policy. If a department head determines that the program does not satisfy the expectations set forth in this policy, the department head shall note such decision on the pre-approval form before forwarding the form to Human Resources for review. Approval is at the discretion of the City and is not guaranteed. Approval of a degree program does not guarantee reimbursement of every course within that program; individual courses must reasonably relate to the approved degree program. Pre-approval is valid only for the degree program and institution

named on the form; a change of major, degree level, or institution requires a new Pre-Approval Form. Program and course approval is based on availability of funding. When the number of individuals requesting tuition reimbursement exceeds the available funding, priority will be given to employees seeking tuition reimbursement for a previously approved program. The city will also consider, among other factors, the relevance of the program to the employee's position or reasonably anticipated future position with the city.

3. Reimbursement Amount and Limitations

- Upon program approval, the employee is responsible for making the initial tuition payment directly to the institution. The employee shall obtain and submit an itemized receipt to the Human Resources department within sixty (60) calendar days of course completion. Reimbursement will be made via the employee's payroll.
- The City will reimburse up to a maximum of \$5,000 per employee, per calendar year (January 1 – December 31), regardless of the number of courses, credits, or terms completed in that year.
- Reimbursement is limited to actual, documented registration and tuition costs. Required course fees directly billed by the institution (e.g., lab fees, technology fees) are reimbursable; books, supplies, parking, travel, housing, and meals are not reimbursable.
- Reimbursement will not exceed the actual cost of tuition after application of any grants, scholarships, veterans' education benefits, employer-provided stipends from another source, or other third-party financial assistance the employee receives for the same coursework.
- Reimbursement is subject to the availability of budgeted funds. Approved requests will be processed in the order received; requests that would exceed the City's annual budget allocation for the Program may be delayed to the following budget year at the discretion of the Human Resources Director.
- Reimbursed tuition amounts may be treated as taxable income to the employee to the extent required by IRS regulations (see Section 9).

4. Reimbursement Request Process

Following completion of each semester or academic term, the employee must submit a completed Tuition Reimbursement Request Form to Human Resources, along with:

- An official grade report or transcript showing the course(s) completed and the grade(s) earned;
- An itemized invoice, receipt, or account statement from the institution showing tuition (and any eligible fees) actually paid; and
- A copy of the previously approved Degree Program Pre-Approval Form (or reference to it), confirming the coursework falls within the approved program.

5. Academic Performance Requirements

- Undergraduate coursework: the employee must earn a grade of "C+" or better (or the equivalent on a non-letter grading scale) in each course submitted for reimbursement.
- Graduate-level coursework: the employee must earn a grade of "B-" or better in each course submitted for reimbursement.
- Pass/fail courses: the employee must receive a "Pass" and provide written confirmation from the institution that a "Pass" reflects satisfactory performance.
- Courses that do not meet the applicable minimum grade requirement will not be reimbursed.

6. Continued Employment / Repayment Obligation

Because the Program represents a significant investment by the city, employees who receive tuition reimbursement agree to the following service commitment:

- If an employee voluntarily resigns or is terminated for cause within twelve (12) months following the date of any reimbursement payment, the employee must repay one hundred percent (100%) of the reimbursement(s) received within that 12-month look-back period. If an employee voluntarily resigns or is terminated for cause between 13-24 months following the date of any reimbursement payment, the employee must repay fifty (50%) of the reimbursement(s) received within that 13–24-month look-back period.
- The City may, at its discretion, deduct amounts owed under this section from the employee's final paycheck and any accrued but unused paid leave to the extent permitted by Wisconsin law, or may pursue repayment through other lawful means.
- This repayment obligation does not apply to layoffs, position elimination, or other separations initiated by the city for reasons unrelated to employee conduct or performance.

The employee will be asked to acknowledge this repayment obligation in writing on the Tuition Reimbursement Request Form each time reimbursement is requested.

7. Employee Responsibilities

- Timely obtain all required pre-approvals before enrolling in any course for which reimbursement will be sought.
- Schedule coursework, where reasonably possible, so that it does not interfere with regular job duties. The Program does not entitle employees to an additional bank of paid time off to attend class. Employees attending a program or course that requires time away during the employee's regular work schedule shall utilize their available paid time off bank or other leave as available, consistent with applicable City policies or collective bargaining agreements.
- Maintain satisfactory job performance while participating in the Program.
- Timely submit complete and accurate reimbursement requests with all required supporting documentation.
- Promptly notify Human Resources of any change in enrollment status, degree program, or employment status that may affect eligibility.

8. Denials and Appeals

If a Degree Program Pre-Approval Form or a Tuition Reimbursement Request is denied by the employee's department head and such decision is affirmed by the Human Resources Director, the employee will be notified in writing of the reason for denial. An employee who wishes to appeal a denial may submit a written appeal to the City Administrator within fourteen (14) calendar days of the denial notice. The City Administrator, in consultation with the Human Resources Director, will issue a final written decision on the appeal. Decisions made under this Program are final and are not subject to the grievance procedure, unless otherwise required by an applicable collective bargaining agreement.

9. Tax Treatment

Under IRS rules in effect at the time of policy adoption, employer-provided educational assistance up to \$5,250 per calendar year may be excluded from an employee's taxable income under Section 127 of the Internal Revenue Code, provided the City's Program qualifies under that section. This limit is subject to change consistent with changes to IRS rules. When a change occurs that may impact a currently enrolled employee, the Finance Department will notify the employee of such change at the time of reimbursement. Reimbursement amounts that exceed the IRS-excludable limit,

or that otherwise do not qualify for exclusion, will be reported as taxable wages and are subject to applicable withholding. Employees should consult a tax advisor with questions about their individual tax situation.

10. Relationship to Other Policies and Benefits

- This Program is separate from, and does not replace any tuition assistance, training, or certification reimbursement provided under a collective bargaining agreement. Where a collective bargaining agreement addresses tuition reimbursement for a represented position, the terms of that agreement control for employees in that bargaining unit.
- Participation in the Program does not guarantee a promotion, transfer, raise, or continued employment.
- This policy does not create a contract of employment and may be modified, suspended, or discontinued by the City at any time, subject to applicable law and any collective bargaining obligations.

11. Administration

The Human Resources Director is responsible for administering this Program, including maintaining forms, as approved by the City Administrator and City Attorney; tracking annual reimbursement amounts per employee; verifying documentation; and ensuring consistent application of this policy. Questions about the Program should be directed to Human Resources.