



**HUMAN
RESOURCES**

Tuition Benefit Program

Plan Document

Vanderbilt University Tuition Benefit Plan

WHEREAS, Vanderbilt University (“Vanderbilt”) deems that its educational resources and facilities should be made available to dependent children of certain full-time employees, and that dependent children who do not attend Vanderbilt should receive comparable support towards the first baccalaureate degree at an accredited college or university of their choice, and that dependent children with intellectual disabilities receive comparable support to attend accredited Comprehensive Transition Programs (CTPs) to help prepare such individuals for gainful employment;

WHEREAS, Vanderbilt established tuition benefit plan effective as of the commencement of the fall semester in 1990, and modified it effective on September 1, 2012, and again modified it effective on August 1, 2016; and

NOW, THEREFORE, effective as of July 1, 2019, the Chancellor of Vanderbilt University hereby further revises and restates the tuition benefit plan to provide as hereinafter set forth in this document.

I. Purpose

The Plan is for the purpose of providing educational benefits for dependent children of Vanderbilt’s employees, including appointed faculty members who are considered common law employees of Vanderbilt, and is intended to meet the requirements of Section 117(d) of the Code, so that the benefits will represent a nontaxable “qualified tuition reduction” as defined in the Code section. The Plan is

intended to be an unfunded tuition benefit program which is not subject to the vesting and other requirements of the Employee Retirement Income Security Act of 1974, as amended.

II. Definitions

2.1(a) Administrator: Office of the Provost, or such other person or persons who may be appointed by the Chancellor.

2.1(b) Authorized Leave of Absence: Any absence authorized by Vanderbilt under its personnel practices, whether with or without pay, including maternity leave and temporary disability leave, but not including any leave of absence where a return to employment is not assured by Vanderbilt.

2.1(c) Chancellor: The Chancellor of Vanderbilt University.

2.1(d) Code: The Internal Revenue Code of 1986, as amended.

2.1(e) Eligible Institution: Any accredited college or university, including institutions offering accredited Comprehensive Transition Programs (CTPs).

2.1(f) Employee: Any person designated as a regular full-time employee in the employment records of Vanderbilt and who is at least twenty-one (21) years of age.

2.1(g) Plan: The Vanderbilt University Tuition Benefit Plan as set forth herein and as amended from time to time.

2.1(h) Participant: An Employee's dependent child who is participating in the Plan in accordance with the provisions of Article III.

2.1(i) Plan Year: The twelve-month period from the beginning of the fall semester through the end of the summer semester.

2.1(j) Tuition: Standard tuition not to exceed eighteen (18) hours per semester, including approved tuition charges for out-of-state students and including those fees which are not separately stated when billed to students, but not including other fees which are separately stated or charges for books, supplies and equipment.

2.1(k) Years of Service: A twelve (12) month period measured from the employment commencement date or anniversaries thereof during which an Employee has continuously worked for Vanderbilt (including an authorized Leave of Absence) or for another Eligible Institution as a full-time Employee. If an Employee works less than the full twelve-month period, the Employee shall be given credit for one-twelfth year of service for each completed month of employment.

An Employee who, pursuant to his or her academic contract, is employed on a full-time basis in the fall and spring semesters shall be given credit for a full year of service for each academic year completed.

III. Eligibility

3.1 Eligibility of Employee's Dependent Children: Subject to the criteria specified in Section 4.2, any Employee's dependent child shall be eligible to participate in the Plan commencing with the first semester after the date that the Employee has completed at least five (5) continuous years of service. Employment

shall be deemed “continuous” so long as there is no break in service at Vanderbilt or an Eligible Institution greater than three (3) months duration, and if there occurs such a break in service followed by rehiring of the Employee, all previous years of service shall be disregarded. An authorized Leave of Absence shall not be considered to be a break in service.

Notwithstanding Section 3.2, a dependent child of a former Employee whose service with Vanderbilt was terminated by permanent disability or death within five (5) years before the child is enrolled at an Eligible Institution shall be eligible to participate in the Plan, subject to the limitations and conditions applicable to all Participants (including the requirement that the Employee must have completed at least five (5) continuous years of service).

3.2 Termination of Eligibility: Except as set forth in Section 3.1 and Section 4.3 for dependent children of permanently disabled or deceased Employees, no person shall be eligible to participate after the termination of service with Vanderbilt by the Employee from whom such person’s eligibility is derived.

3.3 Application: No person shall become a Participant unless and until the Employee shall submit to the Administrator, in the manner and form specified by the Administrator, an application for participation in the Plan, which application is approved by the Administrator.

IV: Plan Benefits

4.1 Tuition Benefit: Subject to the limitations described in Section 4.2, a dependent child of an Employee who is eligible to participate under Section 3.1 and who is enrolled at Vanderbilt (or any other Eligible Institution) shall be entitled each semester to a benefit equal to the following:

(a) for Employees employed prior to September 1, 2012. The benefit will be the greater 4.1(a)(1) or 4.1(a)(2), not to exceed seventy percent (70%) of what Vanderbilt would charge for similar level coursework:

(1) 100% of total tuition per semester, not to exceed \$2,000, or

(2) 70% of the total tuition per semester.

(b) for Employees employed on or after September 1, 2012. The benefit will be the greater 4.1(b)(1) or 4.1(b)(2), not to exceed fifty-five percent (55%) of what Vanderbilt would charge for similar level coursework:

(1) 100% of total tuition per semester, not to exceed \$2,000, or

(2) 55% of the total tuition per semester.

4.2 Restriction on Participation by Dependent Children: Benefits to dependent children of employees are subject to the following conditions:

(a) the benefits to each Employee on account of all his or her dependent children under the Plan and the Transition Plan cannot exceed a total of twenty-four (24) semesters. No one child can receive benefits for more than eight (8) semesters. An Employee may elect to receive the benefit for a semester in which his or her dependent child does not take a full academic load. This election shall count as a full semester towards the foregoing limits.

Any tuition benefits received prior to the fall semester of 1989 shall not be counted toward these limits.

(b) benefits are restricted to enrollment by dependent children in undergraduate courses leading to the first bachelor's degree or for such children attending a Comprehensive Training Program (CTP) and are conditional upon the child's maintaining satisfactory academic progress.

(c) the term 'dependent children' shall be limited to a child or children of the Employee (including adopted or stepchildren) as to whom the Employee is entitled or would be entitled, without regard to any divorce decree or separation agreement, to a personal exemption as a dependent "qualifying child" for federal income tax purposes as defined in Section 152(c) of the Code. For purposes of this definition, a child of a permanently disabled or deceased Employee referred to in Section 3.1 shall be deemed to be dependent of such Employee if he or she would have qualified as such at the date the Employee became permanently disabled or died.

(d) any scholarship which is granted to the dependent child and which is applied by the terms of the scholarship towards tuition shall not be considered in determining the amount of Tuition Benefit or discount otherwise available; provided, however, that the sum of all scholarships applied by their terms towards tuition plus Tuition Benefit or discount received under this Plan in any semester by any dependent child shall not exceed the tuition charged for such semester.

(e) the term “semester” shall include the fall, spring and summer sessions at Vanderbilt or the equivalent thereof at another Eligible Institution. If the dependent child attends an Eligible Institution which is not operated on a semester system, appropriate adjustments shall be made to the formula for Tuition Benefit provided in Section 4.1 and to the semester limitation provided in Section 4.2(a) to cause the dependent child to receive the substantial equivalent of the benefit specified for attendance at an Eligible Institution which is operated on the semester system.

4.3 Participation After Employee’s Disability or Death: If an Employee’s child receives a tuition discount or benefits under this Plan, and if that Employee subsequently becomes permanently disabled or dies prior to termination of service with Vanderbilt, the dependent child shall be eligible to remain a Participant, subject to the limitations and conditions applicable to all Participants.

V. Funding and Payment of Benefits

Participants at Vanderbilt shall receive a credit on their statements from the Office of Accounting for the appropriate tuition discount specified in Article IV. For a Participant at another Eligible Institution, payment of the amounts specified in Section 4.1 shall be made by Vanderbilt directly to that Eligible Institution. All benefits shall be paid from the general assets of Vanderbilt and no separate fund or trust shall be maintained for such purpose.

VI. Termination and Amendment

Vanderbilt may terminate or amend the Plan at any time. No Employee or Participant shall have any vested rights to benefits under the Plan. Termination or amendment of the Plan may be by action of the Chancellor unless and until such authority is delegated by the Board of Trust of Vanderbilt to another individual or committee.

VII: Administration

The Administrator of the plan shall have the responsibility for the following functions:

- (a) to construe and interpret the Plan, decide all questions of eligibility and to determine the amount, manner and time of payment of any benefits hereunder;
- (b) to prescribe procedures to be followed by employees in filing an application for benefits; and
- (c) to appoint or employ individuals to assist in the administration of the Plan and any other agents it deems advisable.

The Administrator shall have no power to add to, subtract from or modify any of the terms of the Plan, or to change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under the Plan, nor shall any discretionary power of the Administrator be exercised so as to discriminate in favor of participants who are, or whose benefits are derived from, employees who are "highly

compensated employees” of Vanderbilt, as that term is defined in Section 414(q) of the Code.

VII. Miscellaneous

8.1 Non-alienation of Benefits: Benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, execution or levy of any kind, either voluntary or involuntary, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable hereunder shall be void.

8.2 Collective Bargaining Agreement: For employees subject to a collective bargaining agreement, the provisions of that agreement shall override any contrary provisions in this Plan.

IN WITNESS WHEREOF, Vanderbilt University has caused this instrument to be executed by its duly authorized officer this 11 day of June, 2019, and effective as of July 1, 2019.

VANDERBILT UNIVERSITY

By: 