

## **SOUTHERN TRUST COMPANY TUITION ASSISTANCE BENEFIT POLICY**

Southern Trust Company, Inc. ("Company") values education and a strong, knowledgeable workforce. As such, the Company provides qualified employees and dependents with tuition assistance for up to 9 credit hours per semester (for employees) with a maximum assistance of twenty-five thousand dollars (\$25,000) per calendar year.

The Company offers tuition assistance on a non-discriminatory basis to eligible employees and their dependents. Tuition assistance can only be provided in the form of a tuition credit; employees or dependents may **not** choose to receive cash in place of tuition assistance. Employees and dependents are responsible for paying all other required fees and other related educational costs. Tuition assistance payments will be made directly to the institution for the benefit of the employees or dependents.

The availability of tuition assistance is for employees who are in a regular, full-time, non-temporary job classification. The maximum of nine (9) credit hours per semester can be used by the employee. There is no maximum credit limit for dependents. Enrollment in courses must be made by the specified deadline set by the secondary school, college or university.

### **Terms Used in this Statement**

**Tuition:** cost of attendance at any secondary, undergraduate or graduate degree (campus or on-line), exclusive of course fees, books, or other costs such as room and board.

**Dependent:** An employee's child or stepchild (whether by blood or adoption) who has the same principal residence as the employee for more than half the tax year. Exceptions apply, in certain cases, for children of divorced or separated parents. The child must be 19 or younger at the end of the tax year (for secondary school), or under the age of 24, if a full-time student for at least five months of the year.

**Year:** Calendar year.

### **Employee Eligibility for Benefit Use by Self or Dependent**

1. Employed in a regular, full-time, non-temporary position for at least one year.
2. Employed at time of the census date for the semester in which the benefit is being applied (being on documented leave will not preclude eligibility for the benefit).
3. Admission requirements fulfilled.
4. There is a possible disqualification for current and future participation if enrollment occurs prior to first day of classes, then dropping the class to re-enroll under the tuition assistance benefit.

### **Benefit for Employees**

1. Up to nine credits available per semester to be applied against tuition costs for secondary, undergraduate or graduate credit-granting courses.
2. There is a maximum dollar amount of \$25,000 tuition assistance cap per calendar year.
3. Manager approval is not required for course selection however the Manager must approve any classes that requires attendance during normal work hours as is the case for any other absence reason.
4. Eligible employees must provide proof of a passing grade (C or better) at the end of the course. If a passing grade is not obtained, tuition assistance for the next semester immediately following may be withheld.

### **Benefit for Dependents**

1. Ability to share the employee's total tuition assistance credits each year to be applied against tuition costs for secondary, undergraduate or graduate credit-granting courses.
2. The amount of tuition that dependents receive using the tuition benefits is subject to income taxation for the employee.
3. Dependent eligibility verification required as for other employee benefits permitting dependent coverage.
4. A maximum of 18 credits can be used during one semester by a dependent and a maximum of nine credits can be used by an employee.
5. Tuition Assistance will be credited after any financial aid assistance.

Each semester, the employee must declare whether the dependent meets the definition described herein prior to approval of the tuition assistance. The declaration is made on the *Tuition Assistance Benefit Application Form*.

The tuition assistance will be classified as taxable supplemental compensation subject to withholding. The Company will not assist with the payment of any taxes due on such compensation. This supplemental compensation will not change the employee's base salary. Such other benefits will continue to be calculated on the employee's regular salary. Employees are strongly encouraged to consult their tax advisors concerning their own specific situations.

### **General Procedures**

- a. To apply for tuition assistance, the **employee** must complete the *Tuition Assistance Benefit Application Form* and first submit it to the Manager at least three (3) weeks prior to the deadlines posted by the educational institution the employee or his/her dependent chooses to attend. The Manager will verify the eligibility of the employee, and if applicable, eligibility of the dependent, and the availability of credit hours for the academic year.
- b. After verification, the Manager will submit the *Tuition Assistance Benefit Application Form* to the Controller for payment. The payment will be made directly to the educational institution.

## SOUTHERN TRUST COMPANY

### Employee Tuition Assistance Benefit Application

Tuition Assistance Benefit form is the application to request tuition assistance. This form is not the student application to enroll for courses.

You must follow all posted deadlines and policies to utilize the tuition assistance benefit and be admitted to a secondary school, college or university (on-line or physical). A separate form must be submitted for each term and dependent.

#### **SECTION 1: EMPLOYEE INFORMATION**

Employee Type		Use for Self or Dependent:	<input type="checkbox"/> Self <input type="checkbox"/> Dependent
Employee ID:			
Last Name:			
First Name:			
█.:			
		E-mail:	

If tuition assistance benefit is for self:

Student ID Number/Date of Birth	
Name of school	
Term:	

#### **SECTION 2: DEPENDENT INFORMATION (if waiver is for dependent)**

I, as the employee, am authorizing my dependent (listed below) to use secondary school, undergraduate or graduate credits from my tuition assistance benefit (one application per dependent). I have attached the appropriate dependent verification paperwork.

Dependent Student ID/Date of Birth:	
Dependent Last Name:	
Dependent First Name:	
Dependent Email:	
Relationship to Employee:	
School:	
Term:	

**If this form is for a dependent child:**

Will the dependent have turned 24 years of age this month or younger and eligible to be claimed as a dependent on the employee's U.S. Individual Income Tax Return for the current calendar year for which tuition assistance is requested?

Yes  No  Not Applicable

Any spouse, civil union partner, dependent, or employee who knowingly provides false, incomplete, or misleading facts or information on this form for the purpose of attempting to defraud the hereto commits a fraudulent act. Any such person will be subject to civil and/or criminal penalties, fines, denial of any or all of the benefits, or as provided in applicable regulations, statutes, and written directives.

I provide this information to be used by the Company for the sole purpose of determining eligibility of the above immediate family member for the tuition benefit. This information will be used solely for the administration of these benefits and filed. I understand that availability of these benefits is based on eligibility requirements and subject to any future changes in program provisions.

I certify that signing this form serves as confirmation that I meet the criteria outlined in the Tuition Assistance Benefit Policy. I have read and understood the Tuition Assistance Benefit Policy and its guidelines. I am aware that tuition benefits for dependent children that cannot be claimed on the U.S. Individual Income Tax Return are currently subject to taxation.

Per IRS policy, the taxation of tuition will be reported on the employee's Form W-2 as wages, subject to applicable income tax withholding and payroll taxes.

The Manager's approval is not required to use the tuition benefit. However, if courses interfere with work time, Manager's approval is required as is the case for any other absence. The approval is not documented on this form.

**SECTION 3: COURSE REQUESTS**

Number of credits: \_\_\_\_\_

Course Subject & Number	Course Title

Resubmit the original form with any changes to the courses requested and/or credits that need to be made for a term. For additions, add the course(s) and update the credits if needed. For replacements, strike through the course(s) no longer desired and update the credits if needed.

**SECTION 4: EMPLOYEE SIGNATURE**

By signing below, I attest that have read and I understood the terms and conditions of this benefit.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_

**MANAGER'S USE ONLY:** Date: \_\_\_\_\_

Employment Verified: \_\_\_\_\_ Dependent Verified: \_\_\_\_\_