

7165 – Educational Assistance Program

Columbia Gorge Community College ("College") has adopted this Columbia Gorge Community College Educational Assistance Program (the "Program") effective as of September 16, 2014, for the exclusive benefit of its eligible employees. It is intended that this Program meet the requirements for qualification under Section 127 of the Internal Revenue Code of 1986, as amended (the "Code"), such that benefits received under the Program be excludible from gross income to the extent permitted under Code Section 127.

Eligibility

A College employee is eligible to participate in the Program (an "Eligible Employee") if: (i) he or she is classified by the College in its payroll records as a professional/management employee, (ii) he or she is an active employee, and (iii) he or she has successfully completed 6 months of continuous employment with the College. Individuals classified by the College as temporary employees or independent contractors are not eligible to participate in the Program.

Tuition Benefits

The College will pay or reimburse the cost of tuition, fees, and textbooks, incurred by the Eligible Employee for Qualifying Courses (the "Tuition Benefits"). In any Program Year, an Eligible Employee may receive Tuition Benefits in an amount approved by the College, but only Tuition Benefits up to a maximum of \$5,250 (or such greater or lesser amount as may be subsequently permitted under Code Section 127) may be excluded from gross income. Tuition Benefits exceeding the maximum will be taxable compensation and subject to reporting and withholding as required by law.

Tuition Benefits do not include amounts related to late fees, tools and supplies (other than textbooks) that are kept after completion of the Qualifying Course, or costs of meals, lodging, or transportation. In no case will Tuition Benefits be available for a course that is dropped before completion or for which an "incomplete" is received.

Courses Qualifying for Benefits

Courses meeting the following requirements are "Qualifying Courses" under the Program:

- The course must be a graduate level course;
- The course must not involve sports, games, or hobbies, unless such course is required as part of a degree program;

- The course must be approved in advance by the College in writing at least 30 days before the course begins; and
- The course must be offered by an accredited educational institution.

It is expected that courses for which Tuition Benefits are provided under this Program will be completed outside of normal working hours and that attending such courses will not interfere with an employee's work for the College.

Procedure for Obtaining Tuition Benefits

To obtain Tuition Benefits, Eligible Employees must submit to the College: (1) a copy of the tuition statement, receipts, or other acceptable cost or payment documentation, and (2) an official report card or transcript showing the Eligible Employee's successful completion of the Qualifying Course. Tuition Benefits will not be provided to anyone who is not an Eligible Employee when the course begins, when the course is completed, and when the Tuition Benefits are paid. Any requests for reimbursement must be submitted no later than 30 days after completion of a Qualifying Course.

Administration

The College administers the Program, and has sole discretionary authority to interpret the Program, issue rules and adopt forms to be used in carrying out the purposes of the Program, to make eligibility and benefit determinations, and to make factual determinations in connection with the Program. Any determinations of the College are final and binding.

Benefit Limitations

Any Eligible Employee receiving financial assistance or a fellowship or scholarship from any public or private source shall be entitled to Tuition Benefits under this Program only to the extent that the Tuition Benefits related to his or her Qualifying Courses exceeds the amount of the financial assistance, fellowship, or scholarship.

Non-Discrimination

The Program shall not discriminate in favor of highly compensated employees (within the meaning of Code Section 414(q)), and will comply in all respects with the requirements of Code Section 127(b) and the regulations or other interpretations thereunder. The College may discontinue Program benefits to one or more Eligible Employee(s) if it determines that such discontinuance is necessary to ensure that the Program is nondiscriminatory.

General Provisions

The plan year of the Program shall be the calendar year (the "Program Year").

The College may amend or terminate the Program at any time.

In no case will this Program provide Eligible Employees with a choice between Tuition Benefits and other taxable compensation.

This Program and benefits hereunder shall be unfunded and shall be payable only from the general assets of the College. Eligible Employees shall not have any interest in any assets of the College.

Nothing in this Program shall be deemed to create a trust of any kind or create any fiduciary relationship. To the extent that any person acquires a right to receive benefits from the College under this Program, that right shall be no greater than the right of any unsecured general creditor of the College.

To the extent that any Tuition Benefits provided under this Program becomes taxable, the College may withhold any taxes required to be withheld in connection with such Tuition Benefits from the Eligible Employee's other compensation paid in the same calendar year. To the extent that any Tuition Benefits under this Program becomes taxable, such Tuition Benefits is exempt from the requirements of Code Section 409A by reason of being educational assistance within the meaning of Treasury Regulation Section 1.409A-1(b)(12).

No Eligible Employee shall have the right or power to alienate, anticipate, commute, pledge, encumber, or assign any benefit under the terms of this Program.

Nothing in the Program will confer upon any person the right to continue in the employ of the College or interfere in any way with the right of the College to terminate the person's employment.

This Program shall be construed in accordance with applicable federal law and the laws of the state of Oregon.

The College shall provide reasonable notification of the availability and terms of the Program to Eligible Employees.