

Individuals seeking tuition remission for self, a spouse, or child shall complete this application to provide the information necessary to comply with USM-BOR policies [VII-4.10](#) and [VII-4.20](#) and Internal Revenue Service regulations regarding the income tax law status of the requested tuition remission benefit.

For current employees, applications should be submitted to the Human Resources Office of the applicant's employing institution for approval. For retirees, applications should be submitted to the Human Resources Office at the institution the applicant retired from 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_____

Enrollment Term: Fall Winter Spring Summer Summer I Summer II Other _____

2. Applicant Name: (Last Name, First Name)

9. Student Name: (Last Name, First Name)

3. Applicant SSN:

10. Student SSN:

4. Date of Hire: (date hired to current or most recent former institution)

Month/Day/Year _____/_____/_____

List any prior USM service dates, if applicable:

11. Student is Applicant's:

Self Spouse Child

12. Student's Date of Birth: (Required only if the student is the applicant's child)

Month/Day/Year _____/_____/_____

5. Complete if applicant is retired or deceased:

Retired Month/Day/Year _____/_____/_____

Deceased Month/Day/Year _____/_____/_____

13. Student Enrollment Status:

Undergraduate

Freshman Sophomore Junior Senior

Graduate

6. Applicant's Home Institution:

BCCC BSU CSU FSU MSU

SU SMCM TU UBalt UMB

UMBC UMBI UMCES UMCP

UMES UMGC USMO

Other _____

14. Institution where student is registered:

BCCC BSU CSU FSU MSU

SU SMCM TU UBalt UMB

UMBC UMCP UMES UMGC

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).

7. Applicant is/was employed:

Full-time Part-time

Enter % employed if less than full-time _____%

15. Number of credit hours to be remitted: _____

List account number(s) from which employee is paid:

8. Employment Status:

Nonexempt Contingent II Grad. Asst.

Exempt Retiree Grad. Research Assistant

Faculty Fellow Grad. Teaching Assistant

16. Applicant Phone #: _____

Email Address: _____

To be completed by Home Institution HR Representative:

50% Inter-Institution transfer of funds required? Yes No

AFFIDAVIT

This affidavit must be completed by all applicants requesting TUITION REMISSION (TR) to determine whether the TR must be treated as taxable income to the applicant under the Internal Revenue Code. Those rules are summarized on a Tax Chart on the USM's Website at: <https://www.usmd.edu/tuition-remission/taxation/>.

This affidavit is necessary to comply with federal tax law and to protect the applicant and the USM Institution from potential tax liabilities and penalties. To complete the affidavit, the applicant must **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:

a. 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 they do 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) 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:

a. 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.

ADDITIONAL STATEMENTS ON NEXT PAGE

b. 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.

c. 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, Information, and Restrictions, which appear at: <https://www.usmd.edu/tuition-remission/calendar/>.

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.

Applicant Name: _____

Applicant Home Address: _____

Applicant Signature: _____ Date: _____

*Department Head/Designee: _____

Signature: _____ Date: _____

**If the applicant has initialed Statement 3.a., please indicate your approval of the “working condition fringe benefit”*

according to the terms specified in the Statement 3.a. by initialing here:

HR Representative at Home Institution: _____

Signature: _____ Date: _____

TAX CHART – 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 defines 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. Employee's/ Retiree's*: • 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	Unless 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 if student is NOT described in any of the preceding categories 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.

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