

TUITION ASSISTANCE POLICY DISCUSSION

Roadmap to a Skilled and Educated Workforce



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To maximize the impact from your company's tuition assistance program, you should conduct a thorough review of your company's program policies to be sure programs are accessible, coordinated and structured to achieve the right goals for your company and your employees. This *Tuition Assistance Policy Discussion: Roadmap to a Skilled and Educated Workforce* is designed to guide your company through these discussions.



Start by forming a Program Policy Review Team. Cross functional department participation in policy development is key, especially in large multinational organizations with complex workforce requirements. This allows for ownership across the organization and ensures policies are planned to align to fiscal year deadlines, that education and training development budgets are in sync, balanced, and complement each other. Consider placing management for the programs outside of the Benefits Department (generally overseen by the analyst level) and move it into Learning or Training & Development teams, so education becomes as frequent a dialogue as professional development, compliance, safety, course development and other top priorities of that team. This will improve your chances of aligning systems that capture employee performance data to measure outcomes.

Once your Policy Review Team is in place, follow this discussion roadmap to determine the program policies that will best meet your company's goals.



Eligibility

Who can participate in the programs?

- A Targeted.** Will only employees where recruitment, training/upskilling, and retention are the drivers be allowed to participate?
- B Hourly to Salaried.** Will only full-time employees or the frontline to boardroom participate?

Note: Most companies have a "set it and forget it" or "one size fits most" policy design, and don't think about their frontline employee

needs, those who fall in a category of the smallest salary pool within the company, who may need additional support. Their requirements could be an associate or bachelor degree and their policy doesn't cover it - the spend for the organization would be minimal and would curb some of the highest turnover and improve some of the poorest areas of internal shared services customer satisfaction scores within large corporations in departments like IT and HR.

- C Expanded.** Will the program include part-time workers or even family members of employees?

Note: Some best-in-class organizations offer benefits and education discounts to part-time workers and even family members. This is a strategy used by the US military and companies that hire most of their talent from part-time talent pool, believing in programs that create “stickiness” with talent because getting employees to remain with an organization is still less expensive than replacing individuals several times over.

- D Global (Worldwide) vs Regional (North America).** Will your company offer a tuition assistance program, managed centrally, and available for all to leverage, given the talent crisis is a global issue? Will you provide multilingual support services to complement learner administration, and payment solutions that pay employees back in local currency?

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2

Approval

Who is going to approve individual participation?

- A Managers.** Will managers have the authority/responsibility of approving requests to participate?

Note: This requires a thoughtful discussion about whether your company's managers are equipped to and rewarded for developing those in their chain of command. Some managers can be blockers as they work to maintain talent. Frontline workers with limited English language skill can also be intimidated by managers and may try to avoid them which could reduce take-up rates.

- B HR Approval.** Will there be a centralized approval process or one outsourced to a third-party administrator?

Note: This will more likely ensure approvals will follow policy and guidelines, and avoid personal preferences, likes/dislikes of managers. In this case, once an employee is approved to participate, consider notifying managers of an employee aspirations so they can support him/her in their efforts.


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3****Coverage**

What education/training and development will the program cover?

- A **Current Role.** Will you only include programs that will assist a worker with their current role?
- B **Advancement.** Will the program be designed to position employees for advancement, (i.e. bachelor's degrees for those without one, advanced degrees for those with bachelor's) or is it designed to help workers advance from where they are, including ESL or literacy programs, high school equivalency or completion, basic adult education, certifications, apprenticeships, or non-credit boot camps?
- C **Providers.** Will only programs at regionally accredited institutions be considered, or will workers be allowed to participate in adult education offered through a non-profit or the local library or boot camps?


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4****Academic Progress**

What will signify satisfactory academic progress for the purposes of continuing in the program?

- A **Pass/fail**
- B **C- or better**
- C **As and Bs**

Note: Academic progression should be aligned to the type of program an individual is pursuing. It is important to frame academic progression within the context of why the grades are aligned to the policy coverage strategy.


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5**Funding****What tuition payment model will your programs use?**

- A **Tuition Disbursement.** Can the company negotiate a contract with academic or education providers who receive payment directly from the company, requiring no out of pocket costs for those enrolled?
- B **Tuition Reimbursement.** Will individuals need to pre-pay tuition and wait for reimbursement from the company upon successful completion of the program?

Note: This method results in significant delays in reimbursement and reduces take-up rates.

- C **Combination.** Will your company offer tuition disbursement for some programs (preferred providers, frontline/entry-level workers, first degree, etc.) and use tuition reimbursement for advanced degrees and higher paid executives?


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6**Program Choice****Which academic programs will be offered to employees?**

- A **Curated Choice.** Will you limit program options to a select number of providers with which it has a contractual relationship and/or to a limited number of programs that fit its strategic objectives?
- B **Open Choice.** Can employees choose any program they feel best meets their individual development goals?

Note: This should lead to a discussion of program goals and whether the program is for the betterment of the business or the betterment of the individual? Would you rather keep a good employee for the time they're in school, and keep them as a vocal reference for talent and a brand champion, or see them go if their current job isn't their long-term goal?


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7**Recapture**

What does the company expect in return for tuition assistance?

- A **Recapture.** Will you expect an employee to reimburse the company if she/he leaves within a few years after completing the program?

Note: Typically, these provisions lower participation in education programs and are difficult to enforce. Why penalize someone if they give you 3-5 years of labor when they're in an education program? Leveraging benefits that create meaningful engagement and provide opportunities for development will be key to driving successful retention strategies.


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8**Level of Investment**

How much will your company pay for the program?

- A **IRS Maximum Untaxed Benefit.** Will your company set the limit at the \$5,250 benefit level?

Note: Make sure you've engaged your accounting department in the inter-department dialogue. You'd want them involved from the beginning so you're setting up your records collection process in the right way when it's time for them to close their books. Further information can be found on the IRS.gov site.

- B **Sliding scale.** Will you use a sliding scale to accommodate investments in programs such as a GED benefit which can cost a few hundred dollars, versus a few thousand for a certificate? Will you pay less for two-year or bachelor's benefits versus a master's benefit where the contribution may be more meaningful if its higher? What can you offer that reaches most learners?
- C **Exceeding IRS Maximum.** Would some talent benefit from programs that exceed the \$5,250 limit? Are your employees willing to forgo the tax benefit of education investment to graduate faster or from schools of their choice?
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