

<b>ORGANIZATION UNIT (DEPARTMENT):</b> Human Resources	<b>POLICY DESCRIPTION:</b> Education Assistance (Formerly Tuition Reimbursement)
<b>PAGE:</b> 1 of 6	<b>REPLACES POLICY DATED:</b> HR.TR.002 (01-01-2017); HR.TR.027 8/15/18, 11/1/18, 9/1/19, 3/1/20, 8/10/20, 1/1/21, 5/1/21, 3/1/22
<b>EFFECTIVE DATE:</b> July 1, 2022	<b>REFERENCE NUMBER:</b> <b>HR.TR.027</b>

## **SCOPE:**

Applies to all regular active full-time and part-time colleagues.

## **PURPOSE:**

HCA Healthcare offers the Education Assistance Program to encourage, enhance and promote the professional growth of HCA-affiliated colleagues who wish to improve their knowledge, skills and potential for advancement through continued education. The Education Assistance Program and this policy are subject to ongoing review and possible revision, suspension, and cessation at any time.

## **DEFINITIONS:**

1. **Accreditation:** A process of external assessment that reviews colleges, universities, and programs to ensure acceptable levels of quality established by national and regional accrediting organizations.
2. **Commitment Period:** In consideration of education assistance, the colleague must agree to a two (2) year commitment period from the date of receiving education assistance. Part-time colleagues who do not commit to a full-time position within two years of completing the degree for which tuition payments were awarded, may be required to repay payments received for the degree program.
3. **Education Period:** A measured period of enrollment during which one or more courses are scheduled to be completed (e.g., quarter, semester, or academic term).
4. **Eligible Expenses & Ineligible Expenses:** Tuition is an eligible expense. Ineligible expenses include books, course-related fees, meals, lodging, transportation, tools or supplies, and any other non-tuition expenses.
- 5.

## **RESPONSIBILITIES:**

1. **Colleague:**
  - a. **Application Submission and Approval**
    - i. At the master's degree level, liberal arts degrees are not eligible for reimbursement under this program. At the doctoral level, only clinical fields of study are eligible for education reimbursement under this program. FastTrack Pathway to Clinical Care Program covers select fields of study outlined in Appendix A below.
    - ii. To be eligible to receive education assistance, a colleague must be in an active status, must have completed 90 days of service, and must submit a course approval application for each quarter, semester or academic term. Applications should be submitted prior to the course start date. Applications will not be accepted after the course start date. Applications will be reviewed for policy compliance by the program administrator.
    - iii. EdAssist offers Academic and College Finance Advisors who are available to discuss program and school considerations, and assist with finding career relevant educational options. Colleagues are strongly encouraged to reach out to an EdAssist Academic Advisor prior to submitting their first application for a new educational program. To schedule an advising appointment, please call 800-640-2235 or use the self-scheduler option available under "My Advising" by logging on to HCAhrAnswers.com, choosing HCA Rewards, and then selecting the EdAssist icon.
  - b. **Reimbursement Process and Lifetime Cap**
    - i. Upon application approval, EdAssist will inform the colleague whether the colleague must pay the school and seek reimbursement or if the school will directly bill the HCA-affiliated employer. If direct billing is not available, the colleague is responsible for making all required payments directly to their school and will be reimbursed for eligible expenses upon successful course completion.

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- ii. All individual courses and courses related to a degree program must be completed with a minimum grade equivalent of C or better. Grades of C- or lower will not be eligible. Courses that are based on a pass/fail or similar grading system must be completed with a passing grade. Courses in which a colleague receives an incomplete, withdrawal, or equivalent grade are ineligible.
- iii. For the FastTrack Pathway to Clinical Care, one passed course in a given annual subscription year fulfills the completion requirement. If a colleague fails a general education course taken through FastTrack, they are encouraged to retake the course and achieve a passing grade during their annual subscription year.
- iv. For My Time English, employees must submit a certificate of completion for all levels completed over the 12-month subscription period.
- v. For Career Online High School, colleagues must submit a copy of the diploma received upon completion of the program.
- vi. The colleague is responsible for submitting proof of successful course completion (grades) and an itemized invoice of tuition and fees and proof of payment within 60 days of course completion in order to receive reimbursement.
- vii. The colleague must remain in an active status at the time of payment processing in order to remain eligible for reimbursement.
- viii. The maximum amount that may be reimbursed to any individual under this program is \$21,000, with the exception of colleagues participating in education programs at Galen College of Nursing, who do not have a maximum amount as applied to that program. Other exceptions to the \$21,000 lifetime maximum may be made for doctoral programs with the written approval of the business entity's CFO, Human Resources Vice President, and Human Resources Group Benefits COE.
- c. **Other Sources of Financial Assistance:** Colleagues receiving educational grants, scholarships, military benefits or other discounts must disclose all such financial assistance and provide documentation of how the funds were applied. Funds received from such sources will be deducted first from any expenses not covered under the program. Any remaining funds received will be deducted from eligible tuition. Financial aid received in the form of student loans will not be deducted.

## 2. Business Entity

- a. EdAssist will not process any amount of education assistance over the amounts contained in the Internal Revenue Code guideline 127, to colleagues who do not meet the eligibility requirements, or process payments for courses not covered under this policy.
- b. If a business entity feels it necessary to go above the Internal Revenue Code guideline 127, then the business entity must collect and review all paperwork. The business entity must also obtain approval from the Division CFO, Human Resources Group's Benefits COE, and notify the appropriate payroll service center.
- c. All education assistance agreements must be approved by Human Resources prior to registration or attendance.
- d. In advance of new education period, Human Resources will review education assistance requests and notify colleagues of any modifications of the assistance provided.
- e. All applications for reimbursement must be sent to the business entity CFO or designee(s). Applications will be taken into consideration on its merit. All applications will be taken on a first come, first serve basis and monies will be distributed based upon management's discretion along with the budgetary constraints of the business entity.
- f. Exception or issues with the policy will be escalated to the Total Rewards COE.

## 3. Tax Implications:

- a. In compliance with IRS regulations (Section 127 of the Internal Revenue Code), employer provided educational assistance is exempt from taxation up to a maximum of \$5,250 per calendar year. Taxes will be assessed if the total amount of education assistance paid in the calendar year exceeds \$5,250 as a result of an acquisition or payments received prior to

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employment with HCA Healthcare.

- b. In addition, only for colleagues participating in the Galen RN to BSN Online Direct Billing Program, amounts over \$5,250 may be exempt from taxation if the education qualifies as work-related education under Section 132 of the Internal Revenue Code. To qualify as tax exempt, the education must meet the same requirements that would apply for determining whether the colleague could deduct the expenses if the colleague had paid the expenses on their own, specifically:
  - i. the education must maintain or improve skills needed in your present work;
  - ii. the education is not needed to meet the minimum educational requirements of the colleague's present trade or business; and
  - iii. the education is not part of a program that will qualify you for a new trade or business.
- c. The colleague will be responsible for taxes on any amounts received over \$5,250 when filing their taxes. Please consult with your tax advisor for additional information. The business entity is responsible for any imputed income to the colleague in the event that an amount greater than \$5,250 is approved by the facility, Division CFO, and Human Resources Group Benefits COE.

**TERMS OF SUSPENSION OR STATUS CHANGE AND REPAYMENT:**

4. **Discipline:** If, during the educational period, the colleague is involved in a disciplinary event that includes suspension (with the exception of investigatory suspension), termination of employment, or transfer to an ineligible benefit status, such events may render the colleague ineligible for payment for the educational period in which the event occurred. Additionally, colleagues who receive a disciplinary suspension may not reapply for education assistance consideration for six (6) months from the date of the infraction that resulted in the suspension; reference Discipline, Counseling, and Corrective Action policy.
5. **Termination:** Full-time or part-time colleagues who voluntarily terminate employment within two years of receiving education assistance may be required to refund payments received within that time period as outlined below in Appendix B.
6. **Repayment:** Any amount due for repayment must be reimbursed to the business entity via personal check prior to termination date. Remaining repayment amount will be withheld from final wages / PTO in accordance with applicable federal, state and local regulatory requirements, Reference Employment Separation policy. Failure to satisfy any monies owed may result in legal action to collect the amount due; colleagues will pay reasonable costs of doing so, including attorneys' fees.

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<b>DISCLOSURE:</b> <p>If there is any conflict between the information in this policy and a Collective Bargaining Agreement (CBA), the CBA prevails for covered colleagues.</p> <p>Nothing contained in this policy shall be deemed to give any colleague the right to be retained in the service of a business entity or to interfere with the right to discharge a colleague “for cause;” reference Limitations on Employment policy.</p>
<b>REFERENCED POLICIES:</b> <ol style="list-style-type: none"> <li>1. Discipline, Counseling and Corrective Action, HR.ER.008</li> <li>2. Employment Separation, HR.ER.012</li> <li>3. Student Loan Repayment Policy, HR.TR.028</li> <li>4. IRS Publication 970: Employer-Provided Educational Assistance</li> <li>5. Education and Training, HR.LD.003</li> </ol>
<b>WORK INSTRUCTIONS:</b>
<b>PROCESS MAPS:</b>

### Appendix A:

Education Program	Eligibility Criteria	Annual Benefit Amount Subject To Lifetime Max
Associate’s Degree, Bachelor’s Degree, and Licensed Practical Nurse (LPN) Programs	Includes all courses taken as part of an approved degree program, as well as prior learning assessments and tests used to document knowledge for the purpose of granting credit toward an approved degree (e.g. - CLEP, ACE, DANTES)	Full-time: \$5,250 Part-time: \$5,250
FastTrack Pathway to Clinical Care Program	<p>Includes unlimited general education courses through Bright Horizons FastTrack and e-textbooks.</p> <p>Includes academic credit transfer from FastTrack to select schools for completion of an Associate’s Degree in the following areas of study: nursing, respiratory therapy, physical therapy, occupational therapy, medical laboratory technology, and surgical technology</p> <p>Lab fees not included; reimbursed separately.</p> <p>High School Diploma and English Language Learning options through Career Online High Schools and MyTime English</p> <p>Includes courses required to obtain LVN / LPN Certificates</p>	
Master’s Degree and Doctorate Degree Programs	Includes all graduate level coursework taken as part of an approved graduate degree. At the master’s degree level, liberal	

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	arts degrees are not eligible for education assistance under this program. At the doctoral degree level, only clinical fields of study are eligible for education assistance under this program. Non-clinical fields of study are not approved.	
Individual Courses or Individual Courses within a Degree Program	Each course must be directly related to an colleague's current position or career path that aligns with business needs; if the individual course is not directly related to a colleague's current position or career path, it must otherwise be a part of an overall degree program that is directly related to an colleague's current position or career path that aligns with business needs.	

### Appendix B:

Timeframe Worked From Date of -Education Assistance	Repayment Amount
0 – 12 months	100%
13 – 24 months	50%
25+ months	0%

<b>APPENDIX 1: Eligible Job Codes/Groups and Rates</b>	
<b>Job Codes/Groups</b>	<b>Differential Amount</b>
NA/	
<b>APPENDIX 2: Approved Alternate Rates</b>	
N/A	

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<b>APPENDIX 3: Eligible Pay Code(s)</b>		
Pay Code	Description	Included in RRP*? (Y or N)
640	Tuition Taxable – Tuitn TX	N
641	Tuition Non Taxable - TuitnNT	N
* Regular Rate of Pay		
1.		

#### Appendix 4: Pay Code mapping

<input type="checkbox"/>	640		Tuition Taxable	Tuitn Tx	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	641		Tuition Non Taxable	TuitnNon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Appendix 5: Pay Code mapping for Benefits:

401K	Retirement "(Hrs & \$) or "\$" (\$ only)	"Y	ESPP	Hours Counting for ACA	HCE
N	N		N	N	N

\*Regular Rate of Pay