

**Summary of Educational Benefits  
Tax Implications Chart**

Relationship to Employee of Person Receiving the Tuition Waiver

		Relationship to Employee of Person Receiving the Tuition Waiver			
		Employee	Spouse	Eligible Child is Tax Dependent	Eligible Child is Not Tax Dependent
Full-time & Benefit Eligible Part-time Employees (AP, Faculty, Support Staff)	Undergraduate Course	Sec. 117 Plan Tax Free	Sec. 117 Plan Tax Free	Sec. 117 Plan Tax Free	Taxable
	Graduate Course	Sec. 127 Plan - Tax Free up to \$5,250/calendar year.	Taxable	Taxable	Taxable

Note: Reference Sec. 117 Plan special rule for employees who are a graduate student engaged in teaching or research.

SVSU Benefit Eligible Retirees	Undergraduate Course	Sec. 117 Plan Tax Free	Sec. 117 Plan Tax Free	Sec. 117 Plan Tax Free	Taxable
	Graduate Course	Sec. 127 Plan - Tax Free up to \$5,250/calendar year.	Taxable	Taxable	Taxable

Eligible Aramark and Barnes & Noble Employees	Undergraduate Course	reported as scholarship on 1098T	reported as scholarship on 1098T	reported as scholarship on 1098T	reported as scholarship on 1098T
	Graduate Course	reported as scholarship on 1098T	reported as scholarship on 1098T	reported as scholarship on 1098T	reported as scholarship on 1098T

**While Employee**

Adjunct Faculty	Undergraduate Course	Sec. 117 Plan Tax Free
	Graduate Course	Sec. 127 Plan - Tax Free up to \$5,250/calendar year.

Clinical Instructors	Undergraduate Course	Sec. 117 Plan Tax Free
	Graduate Course	Sec. 127 Plan - Tax Free up to \$5,250/calendar year.

Eligible Child: Children eligible for the Tuition Waiver include sons, daughters, stepsons, stepdaughters and legally adopted sons and daughters under age 30. Refer to Internal Revenue Service publications for the definition of a tax dependent child (IRC Section 152). Generally, to be a tax dependent, a child must not have attained age 19 as of the close of the calendar year or is a student (full-time for at least five months of the calendar year) and has not attained age 24 as of the close of the calendar year.