

11.11 Tuition Reimbursement as Compensation (TRAC)

Purpose

Definitions

Policy

As part of a compensation plan, Vanguard will offer reimbursement in the form of a loan, which may be forgiven as described, for the education of an employee as follows based on budget availability and the needs of Vanguard. Funding is granted on a single semester basis and may be canceled at any time. Tuition Reimbursement will be at the sole discretion of Vanguard Academy.

Requirements:

- Employee must be currently working for Vanguard to be considered for TRAC and continue working for Vanguard during the period it takes to earn the degree.
- Employee must apply each semester and be approved for the reimbursement in addition to the requirements below.
- Degree must be approved by Vanguard (must be relevant to Vanguard)
- Degree must be issued by a nationally accredited college or university. Online and non-traditional schools are up to the sole discretion and due-diligence of the employer to reimburse. This includes reviews of all accrediting organizations and consumer value reviews for graduates from the school in question.
- Employee must complete the degree in a timely manner. Vanguard will subsidize a loan for the costs of the education not longer than 150% of the number of semesters traditionally allotted to the degree level; Associates = 2 years, Bachelors = 4 years, Masters = 2 years. Multiple degrees must run concurrently and both degrees must be approved and be applicable to Vanguard.
- Employee must perform reasonably well in the course of study. Each credit hour earning a B or higher would be fully compensated for tuition plus up to \$2,000 a year for books and fees. Each credit hour earning a C, C+ or B- would be 50% covered. Anything below a C (including C-) would not be reimbursed.
- Employee must supply adequate reporting of grades and performance at the end of the course to employer in order to receive reimbursement for each completed course.
- Employee must have already applied for financial aid, tuition waivers, and scholarships before applying for TRAC.

Method of reimbursement:

- Upon the employee's successful application and approval for the tuition reimbursement program, a subsidized loan account will open on the employee's behalf. Money will be distributed at the end of each semester after grades are posted. The employee must submit a copy of semester grades to the

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Human Resource department of the employer. At which time a loan draw will be authorized reimbursing for 100% of tuition cost of courses completed with a B or higher, 50% of the tuition cost of courses completed with a B- to C, so long as the allotted time for the degree has not passed as described above.

- Since the loan is subsidized, no payment is due from the employee as long as they are employed and in good standing with Vanguard. However, this loan represents a binding financial obligation and is the sole financial responsibility of the employee to pay back in good faith to Vanguard unless forgiven as described below.

Loan forgiveness:

- Starting from the date the degree is issued the employee must work with Vanguard in a capacity of the employers choosing for 1 year for each year of undergraduate schooling tuition reimbursed. (2 years for each year of graduate schooling tuition reimbursed). Each year at the anniversary date of the issuance of the degree, given that the employee is still employed in good standing and an eligible amount of time has passed, the employer shall forgive one year's worth of tuition expenses and resulting interest on the employee's reimbursement loan starting with the earliest recorded year of expenses. The remaining balance of the loan shall remain.
- Should the employee quit, take an extended non-work related leave (longer than 3 months), be terminated or be involved in proceedings in which the final result is termination before the anniversary date described above, the remaining balance of the loan becomes due with a payment schedule as described by the terms of the loan not to exceed 5 years.

Benefits:

- Earn a degree (higher educated/qualified workforce)
- Greater earning potential once degree is finished
- Bring back a higher return once completed

Details:

- Associates (2 years/4 Semesters):
 - o Average associates degree costs \$7,200 in tuition (SLCC) \$3,000 in books and fees.
 - o Cost to employer: \$5,100 per year (10,200 paid back in 2 years)
- Bachelors (4 years/8 Semesters):
 - o Average Bachelor's degree costs \$33,120 in tuition (UofU) \$8,000 in books and fees
 - o Cost to employer: \$10,280 per year (41,120 paid back in 4 years)
- Masters (2 years/4 Semesters):
 - o Average Master's degree costs \$55,000 in tuition (UofU) \$4,000 in books and fees

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- Cost to employer: \$14750 per year (59,000 paid back in 4 years)

References

Revision History and Approval Date

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