

Muskingum County Board of Developmental Disabilities Educational Assistance Plan

1. **Plan.** On November 16, 2021, the Muskingum County Board of Developmental Disabilities (the "Board") Established a Student Loan Assistance Policy (the "Policy"). To supplement the Policy, the Board has established this Educational Assistance Plan (hereinafter "the Plan") to provide educational benefits under Section 127 of the Internal Revenue Code to all full-time employees of the Board. The effective date of the Plan is January 1, 2022. This document sets forth the Plan.
2. **Employment Status.** Every full-time Board employee is eligible for student loan assistance provided the loans are "eligible student loans" as defined in Item 8, below.
3. **Plan Benefits.** The Board will reimburse the employee no more than \$5,250.00 a year for eligible student loans. Should lawmakers enact an increase or decrease to the \$5,250.00 ceiling, this Plan automatically adopts the new ceiling on its effective date. Under Section 127 of the Internal Revenue Code, the employee receives the reimbursements under this Plan as tax-free fringe benefits.
4. **Plan Termination.** The Board reserves the right to change or terminate the Plan without prior notice. If the Board does end the Plan, the Board will reimburse all eligible student loans in process prior to termination, but it will not reimburse any eligible student loans that begin after Plan termination and notification.
5. **Funding.** The Board will pay educational benefits out of its general assets. The Board does not maintain a special fund to cover the benefits. Further, the Board does not require participants to make contributions as a condition of receiving benefits.
6. **Prohibited Payments.** This Plan prohibits payment of more than five percent (5%) of the amounts paid or incurred by the Board for educational assistance during the year for the class of individuals who are shareholders or owners (or their spouses or dependents), each of whom (on any day of the calendar year) owns more than five percent (5%) of the stock, capital, or profits interest in the Board. After application of the previous sentence, this Plan then prohibits payments to those in the highly compensated group when such payments violate the discrimination clause as set forth in Internal Revenue Code Section 127(b)(3).
7. **Prohibited Choices.** This Plan prohibits the Board from offering eligible employees a choice between educational assistance and other compensation.
8. **Covered Educational Expenses.** This Plan reimburses payments for eligible student loans only. "Eligible student loans" are loans that are in the employee's name, utilized for the employee's education, and are currently in repayment mode and not in forbearance or deferment. This Plan does not reimburse costs for tuition, fees, books, tools, supplies, meals, lodging or transportation.
9. **Notification to Employer.** Employees who plan to take advantage of the Educational Assistance Plan shall notify the Board in accordance with requirements of the Student Loan Assistance Policy.
10. **Reimbursements.** Employees must provide proof of payment to the Board. An original document of the paid monthly statement (or other terms proving that a payment was made prior to the request) of the loan amount is to be submitted with the Student Loan Reimbursement Request form to Human Resources for approval.

Student Loan Assistance Policy

The Board values the education of our staff and will offer student loan assistance for those who have invested in their educational future by way of a college degree. This policy is adopted in accordance with Section 127 of the Internal Revenue Code and will be subject to an annual review; renewal will be based on continued funding and/or budgetary considerations.

Eligibility

Every full-time Board employee who has been employed by the Board for at least one (1) year and is in active pay status is eligible for student loan assistance, provided the loans are eligible student loans. Eligible student loans are loans that are:

- A. In the employee's name;
- B. Utilized for the employee's education;
- C. Currently in repayment mode (currently making payments on the loan);
- D. Not in forbearance or deferment at the time of the request.

An employee must remain employed by the Board for one (1) year subsequent to receiving reimbursement. Failure to comply with this requirement will necessitate a full 100% reimbursement to the Board.

Reimbursement

- A. A once per year request may be made by an employee for reimbursement for one monthly payment, made in the current calendar year between January 1 and November 30, up to a maximum of \$300.00 (See Examples).
 - a. Example: Your monthly student loan payment is \$148.00. The maximum amount that can be requested is \$148.00. An employee cannot request another payment for an additional month since their request was less than half the monthly maximum amount.
 - b. Example: Your monthly student loan payment is \$356.00 per month. The employee may only request \$300.00.
 - c. Example: If an employee pays more than one student loan per month, the employee may submit proof of the monthly payment for more than one loan, up to the maximum reimbursement amount of \$300.00.
- B. To request reimbursement, the employee is required to submit the following to Human Resources:
 - a. A completed Student Loan Assistance Reimbursement form
 - b. Proof of payment by providing an original document of the paid monthly statement or other terms proving that a payment was made prior to the request.
- C. The employee will receive the reimbursement under this Policy as a tax-free fringe benefit in accordance with Section 127 of the Internal Revenue Code.

- D. The reimbursement amount is subject to revision based on availability of funds as determined by the Board's annual budget. Approval for Student Loan Assistance does not obligate the Board to future or continued approval.
- E. This Policy does not reimburse costs for tuition, fees, books, tools, supplies, meals, lodging, or transportation.



APPROVED AS TO FORM

Mark A. Zanghi

Assistant Prosecutor-Muskingum County

11/16/2021