

CREATING A WIN-WIN AT WORK

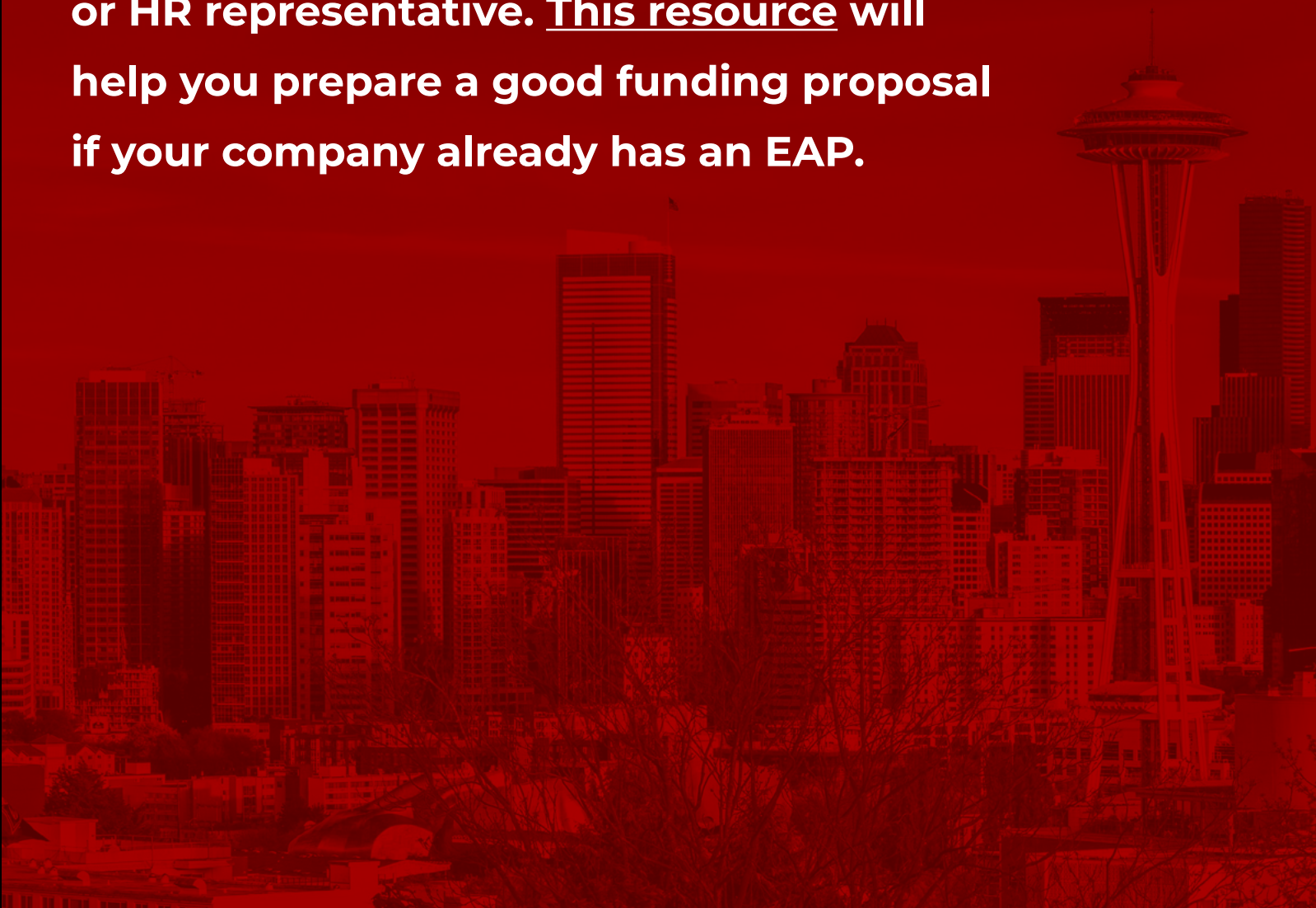


HOW TO HELP YOUR EMPLOYER LAUNCH
AN EDUCATIONAL ASSISTANCE PROGRAM



Employee assistance programs offer real value to companies and their staff. If you know that your organization does not yet have an educational assistance program (EAP), this guide will help you make a good case for starting one and supporting your education.

If you aren't sure yet, check your employee manual and talk with your boss or HR representative. This resource will help you prepare a good funding proposal if your company already has an EAP.



→→ STEPS ←←

STEP 1:

DETERMINE WHOM YOU SHOULD BE PITCHING

Whatever your organization's size, you need your immediate supervisor's support to proceed. For all except the smallest organizations, the HR department will manage the program, so you want to get the HR staff on board too.

When you draft your proposal, work to address the specific concerns and motivations of each person in the approval chain.



STEP 2:

DETERMINE THE BEST TIME TO MAKE YOUR PROPOSAL

Consider your company's budget and work cycles when planning your pitch. Asking for consideration right after the annual budget has been approved, for example, would be a signal that you are not attuned to organizational dynamics.

STEP 3:

BUILD YOUR PROPOSAL

Your proposal should address two main topics: why the organization should have an EAP program and why it should support your graduate education at Seattle University's Albers School of Business and Economics.



THE BUSINESS CASE FOR AN EAP

Almost all U.S. companies offer some form of educational assistance program for employees, and more than half offer tuition reimbursement programs.¹ Managed well, an EAP can contribute positively to the company's bottom line. EAPs support recruiting, retention, and employee engagement benefits. They can save money by reskilling or upskilling current workers rather than hiring additional ones, and offer tax benefits if structured correctly. Learn more about the business case for EAPs in this [Society for Human Resource Management \(SHRM\) toolkit](#) and this [Seattle University blog post](#).



TAX REGULATIONS FOR TUITION REIMBURSEMENT

Section 127 of the Internal Revenue Code covers educational assistance programs and IRS Publication 970 details the information. Under Section 127, employers may offer up to \$5,250 of tax-free educational support to employees, and deduct the same amount from their profits as a business expense, providing that certain conditions have been met. The regulations are paraphrased here. [Review IRS Publication 970](#) for legal reference.

- A. The plan must be published
- B. It may not discriminate in favor of highly compensated employees
- C. Not more than 5% of annual EAP payments may be to shareholders or owners
- D. The program may not be offered as an alternative to other benefits
- E. Reasonable notification of the program must be made to eligible employees

OTHER ITEMS TO NOTE INCLUDE:

- The existence of a plan does not require funding of benefits
- Payment for tools and supplies the employee may keep after instruction, lodging, meals and transportation are not allowed
- Employees covered by a collective bargaining agreement that negotiated educational benefits are ineligible
- Sport and hobby-related education is ineligible unless there's a clear relationship to the business

1. Retrieved on May 12, 2023, from <https://blog.ifebp.org/education-benefits-student-loan-repayment/>

STEP 3: BUILD YOUR PROPOSAL (CONTINUED)

CUSTOMIZABLE ELEMENTS OF A TAX-COMPLIANT EAP

There are many options for structuring the EAP within the IRS Section 127 framework. They include conditions for support, the total lifetime support for any employee, the total annual funding for the program, when and how the support is paid, and continuing employment conditions. The SHRM toolkit has a more complete discussion of this topic.

THE SPECIFIC CASE FOR YOUR SUPPORT

Your specific request for tuition support should also be framed in the context of the business benefit, describing how your chosen program will help you create value for the company. Prepare details about the skills you'll develop and their relevance to your role. Be prepared to talk about the flexibility offered by Albers' online programs and how that will help you manage your career duties and studies. Illustrate your preparation by sharing specifics about your timeline and time management plan.

You should also be able to make a strong argument for the value you already provide to the company. Highlight your tenure, the areas where you excel, and any important accomplishments. Find more insight on [building a successful business case for your support](#).

PREPARE A BACKUP PLAN

Tuition reimbursement is just one way that your company can support your continued professional growth. Some organizations offer release time to employees for their studies. Think about other ways your organization can help if it can't provide tuition reimbursement and investigate the [financial aid options](#) available through Seattle University.



STEP 4:

ARRANGE TO PRESENT YOUR PROPOSAL

Set up a meeting with your boss to present your proposal and be aware you may need to make more than one presentation. Consider whether it would be helpful to draft a document for review and approval. Offer to share your research findings. Be sure to follow up on any questions or requests.



STEP 5:

SHOW YOUR APPRECIATION

Whether or not your proposal is accepted, be gracious and thank those involved for their time and consideration. The idea might take time to incubate and you may want to participate in a program that launches later.



STEP 6:

KEEP REACHING FOR YOUR GOALS

Seeking your company's support for your graduate business education is a positive step toward your future. Keep taking the next step and you will soon arrive at your goal.



→→→ **CHECKLIST** ←←←

RESEARCH WHO TO PITCH, AND WHEN

**OUTLINE THE BUSINESS REASONS TO CREATE
A TUITION REIMBURSEMENT PROGRAM**

**OUTLINE THE REASONS TO SUPPORT YOUR
EDUCATIONAL GOALS**

PREPARE A BACKUP FUNDING PLAN

MAKE YOUR PITCH AND FOLLOW UP

KEEP REACHING FOR YOUR GOALS