

Educational Benefit Tax Exemption

Frequently Asked Questions

Q. Is my UET educational assistance benefit taxable?

A. If you receive more than \$5,250 in paid educational assistance within a calendar year, you may be subject to income tax. The income tax liability applies to educational assistance benefits you receive from UET and from your employing agency. You may avoid a tax liability by claiming that the assistance you receive is for a qualified work related course.

Q. Who will determine whether my courses are “work related”?

A. The Human Resources (HR) department of your employing agency is authorized to determine whether the courses are “work related.” To designate a course as “work related,” you must complete the *Educational Benefit Tax Exemption Form* and take it to your agency’s HR department for signature. Then submit the signed form to UET.

Q. What is the timeframe for submitting the *Educational Benefit Tax Exemption Form*?

A. UET must receive the *Educational Benefit Tax Exemption Form* no later than thirty (30) days from the date when the application for voucher or reimbursement was received. The form must be signed by the HR department of your employing agency. — UET participants requesting reimbursement are encouraged to submit a completed *Educational Benefit Tax Exemption Form* at the same time they submit their application.

Q. Who should apply for the educational benefit tax exemption?

A. Use the enclosed flow chart to see if your course may qualify. This flow chart is used by your agency’s HR department to determine whether a course is “work related.” For additional information, refer to IRS Publication 970, Chapters 10 and 11.

Q. Where can I get the *Educational Benefit Tax Exemption Form*?

A. You may download the *Educational Benefit Tax Exemption Form* from the UET web site at www.uedtrust.org. Also, you may request a form to be sent to you by contacting the UET Customer Service Center by phone at 1-866-436-7900, or by e-mail at support@uedtrust.org.

How to Apply?

1. **COMPLETE** the *Educational Benefit Tax Exemption Form* when you apply for UET voucher or reimbursement.

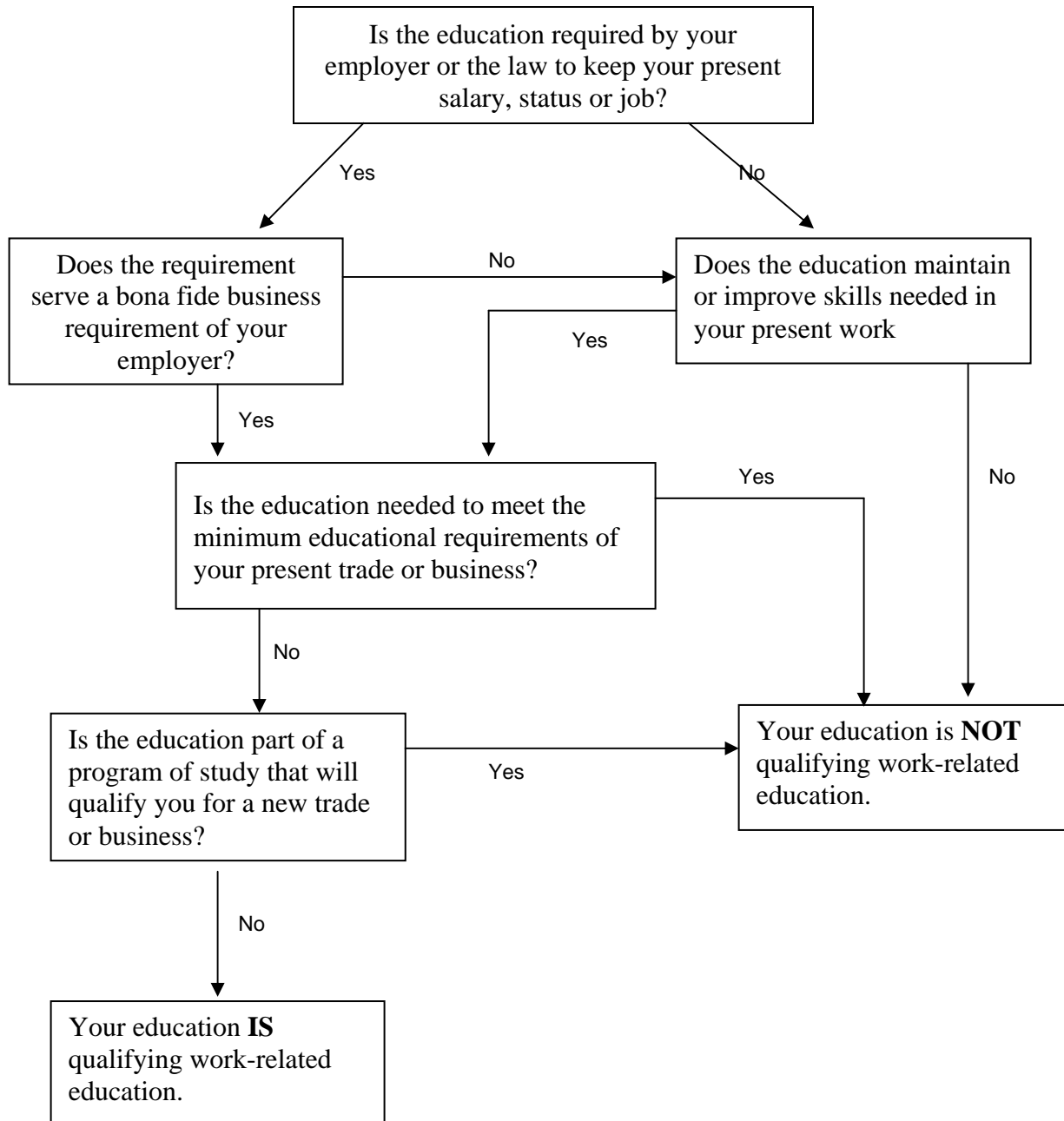
2. **TAKE** the *Educational Benefit Tax Exemption Form* to your agency’s HR department for signature.

3. **SUBMIT** your signed *Form* to UET within 30 days from the date you apply for voucher or reimbursement.

Deductible vs. Non-deductible education expenses flow chart

(IRS Publication 970, Chapters 10 and 11)

Start Here



EXAMPLES:

1. You are a teacher and you are minimally qualified for your position. Each year, you have to take X hours of education to maintain your certification so that you can stay employed. If you take course related to your current trade (here teaching) the courses are not taxable. This is true, even if you are pursuing an advanced degree in teaching. The advanced degree does not qualify you for a “new trade or business”; you are already a teacher.
2. Courses or seminars taken to maintain or improve the skills required in the employee’s current position are also non-taxable
3. Any courses taken to satisfy the minimum qualifications of a position are NOT tax exempt.