

The College is obligated by law to withhold payroll taxes (Federal, state and local income and employment taxes, and Social Security), on the graduate tuition exemption benefits received by all eligible employees. Please be mindful as you register for classes, that the College will withhold payroll taxes on the value of the benefit taken each semester. The value of the benefit taken and related tax withholdings will be reported on your Form W-2 for the calendar year such benefit is used.

Current tax law permits an exclusion from tax withholding \$5,250 of graduate tuition benefits taken in a calendar (tax) year for employees using the benefit for themselves. Therefore, only the portion exceeding \$5,250 will be subject to payroll tax withholdings. **However, please note that current tax law does NOT permit the \$5,250 exclusion from tax withholding for employees who use the graduate tuition benefit for spouses, dependents, or same-sex domestic partners. Therefore, graduate tuition benefits used for spouses, dependents or same-sex domestic partners are taxable in full.** Income tax withholdings on the taxable portion of the benefit taken in each semester will generally be spread for each employee group as follows:

<u>Semester</u>	<u>Weekly</u>	<u>Biweekly</u> Union 2110 and PT Professionals	<u>Semi-Monthly</u>
Fall *	9 equal installments starting with the third pay period in October.	Four (4) equal installments starting with the second pay period in October.	Five (5) equal installments starting with the first pay period in October.
Spring	14 equal installments starting with the fourth pay period in February.	Seven (7) equal installments starting with the second pay period in February.	Seven (7) equal installments starting in February.
Summer	16 equal installments starting with the third pay period in June.	Five (5) to Six (6) equal installments starting in June and ending in September. No tuition exemption for part-time Union 2110 members.	Five (5) to Six (6) equal installments starting in July.

* We are required by law to withhold taxes in the calendar year the benefit is received, therefore withholdings for the Fall semester cannot be extended through January.

Note: If your appointment ends before all installments of tax withholdings are made, you will be taxed a larger lump sum. (Ex. If you're a semi-monthly employee and your appointment ends at the end of August, you will see only 4 equal installments starting in July). If you leave your position before the end of the semester, your tuition exemption benefit will be prorated and you will have to pay back the College the additional amount you received.

For individuals paid through a grant, withholdings may vary from the above depending on the period of the grant. In such a case, withholdings will be made over the period for which the Personnel Action Form is written, or over the period outlined above, whichever is shorter.

For the Summer sessions, withholdings will be made over the period for which the Personnel Action Form is written, or over the period outlined above, whichever is shorter. If you register and submit tuition exemption forms for the Summer A and/or B sessions by the Summer A deadline, as communicated by the Office of Student Accounts or Human Resources, tax withholdings will be spread for all classes registered for in accordance with the above table. However, if you are only taking Summer B classes, and you register and submit your tuition exemption form after the Summer A deadline, withholdings will be prorated over the remaining pay periods through the end of September (or sooner, depending on an individual's employment end date at the time of payroll calculations).

For individuals taking classes at Columbia (CU), please submit your forms to CU's Office of Student Financial Services (after TC's Office of Human Resources' approval) sufficiently in advance of the deadline established by Teachers College's (TC) Office of Student Accounts to enable CU to transfer the requisite information to TC's Office of Student Accounts by its established deadlines. We will communicate our deadlines to CU. Withholdings will be made in accordance with the above table provided that tuition exemption forms are received by the deadlines communicated by the Office of Student Accounts. Tax withholdings for tuition exemption forms received after the deadlines will be prorated accordingly.

We recommend that you consult with your tax advisor to appropriately assess the impact of the above withholdings on your individual circumstance. Please contact the Office of Human Resources, x3175, if you have questions regarding your tuition exemption benefits and/or the taxation of tuition, and the Payroll Office, x3047, if you have questions regarding your income tax withholdings.