

## Tuition Reimbursement Policy – Allianz Trade

Allianz Trade recognizes that the skills and knowledge of its associates are critical to the success of the organization. The tuition reimbursement program encourages personal development through formal education so that associates can maintain and improve job-related skills or enhance their ability to compete for reasonably attainable jobs within Allianz Trade. The purpose of this policy is to outline the Tuition Reimbursement Program for work related undergraduate and graduate courses.

This Program is designed to:

- Improve employees' skills and competencies to meet the growing demands of our business.
- Assist employees in achieving their educational and career development goals.
- Help attract and retain top talent.

This Program is not designed to:

- Provide reimbursement for professional seminars or conferences that an employee attends at the direction or discretion of the Company. Requests to attend job related seminars and/or conferences should be discussed with employees' direct managers.
- Although attainment of educational goals often leads to improved performance and new career opportunities, participation in this voluntary program does not guarantee a specific career result such as a promotion or salary increase.
- Defer payment for the employee to the school. The employee must provide a paid receipt upon completion, as this is a reimbursement program, not a deferment program.

### **Eligibility**

All **full-time** employees may be eligible to participate in the Tuition Reimbursement program. To be eligible employees must:

- Have completed **six (6) months** of continuous employment with Allianz Trade.
- Be actively employed and must remain on the active payroll (cannot be on leave).
- Be performing their job satisfactorily through the completion of each course.
- Have not received any disciplinary actions i.e. written warnings for performance, attendance, behavioral issues etc. or have been placed on a Short Term Action Agreement (STAA) within the last six (6) months preceding the date of their tuition reimbursement submission and must refrain from receiving such discipline throughout their participation in the program.

## **Reimbursable Expenses**

Individual courses taken must be part of a certified or accredited College or University degree program and must be related to the associate's current job duties or a foreseeable-future position in the organization. Allianz Trade has the sole discretion to determine whether a course relates to an associate's current job duties or a foreseeable-future position.

Under the Tuition Reimbursement program, Allianz Trade will provide reimbursement (up to the limits stated below) for:

- Tuition
- Books
- Registration Fees

## **Reimbursement Limits**

- Undergraduate courses/programs: \$5,000 per calendar year
- Graduate courses/programs: \$6,000 per calendar year

Allianz Trade will reimburse associates 100% of the tuition reimbursement limit for undergraduate and graduate classes for a grade of "C" or above or a "Pass" in a pass/fail course. Grade "D" or below, or a "Fail" in a pass/fail course will not be eligible for reimbursement.

Employees are responsible for all expenses that exceed the annual reimbursement limits. The annual tuition reimbursement limit is based on course completion date, not the reimbursement date. Therefore, a course completed by year-end counts towards that year's limit regardless of the year you are reimbursed.

Benefits received under the GI Bill, educational grants, trust funds, scholarships, fellowships or other tuition reimbursement programs must be declared at the time the employee completes the tuition reimbursement request and may reduce the amount of the reimbursement paid by the Company.

## **Tax Implications**

Taxation of employer-provided tuition assistance is governed by the IRS tax code, Section 127. Under federal law, the taxability of tuition reimbursements for a given calendar year is calculated based on the tuition payment date. Federal and state taxation of education assistance will be withheld in accordance with current tax laws, as applicable. Currently the Federal tax code allows payment of \$5,250 prior to taxing this benefit. Due to the timing of reimbursement payments which may cross calendar years, it is possible to receive payments in excess of \$5,250. If in any calendar year, you are reimbursed for expenses totaling more than \$5,250 under this Program, the amount exceeding \$5,250 will be reported as taxable income on state and federal income tax forms. Employees may also be required to pay state or local taxes for any reimbursed amounts based upon the tax laws of individual states and municipalities.

Please consult your tax advisor for additional information.

## **Expenses Not Covered**

The following expenses are not reimbursable under the tuition reimbursement program:

- Meals
- Lodging
- Transportation
- Parking
- Supplies (i.e. notebooks, pens, calculators, computers or software)

Employees who voluntarily leave Allianz Trade within one year of service (from the date of final payment) will be expected to pay back to the company **50%** of the reimbursement paid within the last 365 days.

For more information on the process for reimbursement please see the Tuition Reimbursement Process document on Connect.

Employees should contact the Human Resources Department for specific questions for tuition reimbursement.