

**VMDAEC**  
Educational Assistance Plan  
Tuition & Student Loan Reimbursement Program

This document is effective on and after January 12, 2023, subject to annual review and revision.

As stated in the Employee Handbook, the Association has a plan and program to provide reimbursement for certain educational expenses. This document consists of the written Educational Assistance Program Plan and the Educational Assistance Approval Form. Together with the Handbook, relevant parts of pages 28-29 being incorporated herein by reference, this document forms the Educational Assistance Plan. All parts of the Handbook continue to apply to this Program, and you should read this document alongside the Handbook.

**Program Part A. Retroactive Reimbursement for Tuition Expenses.** Please consult the Handbook for the eligibility requirements of this part of the Program. Utilize the Education Assistance Approval Form on the following page for reimbursement.

**Program Part B. Company Repayment of Student Loan Debts.** For this part of the Program, student loans may have been incurred, with any lender, prior to employment with the Association. The student loan must be a “qualified education loan” as defined in 26 U.S.C. § 221. This is the type of loan for which you may deduct the interest on your U.S. income taxes. Payments for student loan debts will be made directly to the student loan servicer or owner, not to the employee. The employee is responsible for providing appropriate information to the Association to make this payment. The employee must qualify for the Program as stated on the Education Assistance Approval Form. This part of the Program is open for the 2023 calendar year, and is subject to annual review by the Association. There is no guarantee that this part of the Program will continue into the future.

The Consolidated Appropriations Act of 2021 (amending, in relevant part, 26 U.S.C. § 127), allows for employers to contribute up to \$5,250 of eligible education expenses for the benefit of employees, without an employee incurring any increase in the employee’s adjusted gross income for federal income tax purposes. Note that there still may be state tax consequences for employees; however, federal AGI is used as the starting point for establishing your Virginia taxable income, if you pay taxes in Virginia. **In all cases, the Association encourages its employees to seek appropriate independent tax advice.** The Association is not responsible for tax liability on amounts paid out of this Program. The amendments to federal law enabling this type of program for student loans expire on January 1, 2026.

The Association offers student loan reimbursement assistance subject to the following restrictions:

- This Program is available to all employees and does not discriminate in favor of highly-compensated employees (employees who received over \$130,000 in gross compensation in calendar year 2021).
- The Association is owned by its Member Cooperatives, so this Program will not inure to the benefit of any single “owner” of the Association; no individual employee is an “owner” of the Association.
- This Program exists in addition to your base pay and other compensation and benefits; employees need not choose to participate in this program at the expense of base pay, eligibility for bonuses, or eligibility of any other benefit.
- By receiving the Employee Handbook and reviewing this document, you are being given notice of this Program.

## EDUCATION ASSISTANCE APPROVAL FORM

Instructions: Fill out all items applicable. Those items with an asterisk (\*) only pertain to Part A of the Program if you are taking a course in the future.

<b>Name:</b>	<b>Date:</b>
<b>Employee Eligibility – Employed at least 12 months at VMDAEC?</b>	<b>YES NO</b>
<b>Employee Eligibility – Full-Time employee?</b>	<b>YES NO</b>
<b>Class(es) or Subject Taken:</b>	
<b>Grade Received:*</b>	
<b>Date Class Completed:*</b>	
<b>Class Pre-Approved: Yes or No. If Yes, date of approval.*</b>	
<b>Have you received duplicate benefits elsewhere? Yes or No</b>	
<b>To whom should we issue the check (name and address)?</b>	
<b>Check Memo Line:</b>	

<b>Tuition</b>	\$
<b>Books</b>	\$
<b>Other Fees</b>	\$
<b>Student Loan Reimbursements</b>	\$
<b>Subtract: Duplicate Benefit, if Applicable</b>	\$-
<b>Total Reimbursement (\$2,500 Max per Year)</b>	\$

For future courses, attach receipts and grades for above expenses and return your supervisor for processing.

For student loan reimbursements, attach a recent student loan statement or other evidence of indebtedness and return to your supervisor.

For student loan reimbursements, your signature acknowledges that:

- I understand that I must remain at the Association for at least 12 months after receiving reimbursement. This does not guarantee employment, but, if I leave before 12 months, then a pro-ration of the reimbursement may be due back to the Association or withheld from my final paycheck.
- I am responsible for ensuring that payments from the Association reach my student loan provider.
- I understand that cannot deduct the interest on my taxes for those amounts paid by the Association.
- I understand that I should seek appropriate independent professional tax advice on any tax questions and that the Association does not give tax advice to its employees.
- This document shall not constitute a contract for employment and that I remain employed at-will.
- This Program of VMDAEC may be modified, amended, or cancelled at any time, with or without notice to me.

<b>Approved by:</b>	Signature and Date	
<b>Employee</b>		
<b>Direct Supervisor</b>		
<b>VMDAEC Senior Staff</b>		
<b>President &amp; CEO</b>		
<b>HR Approval</b>		Accounting Code: Amount Approved: