

Employer paid tuition



Even though the process an employer must follow to maintain an education assistance program is tedious, and sometimes more costly than worth it for the employer. Employers investing in their employees' education are investing in the future of their company, because employees with higher education are more likely to stay invested; this prevents costly training of frequent and newly hired replacement employees.

When taken into consideration, an education assistance program offered by an employer has many benefits to the employer and the employee. These benefits include:

- Internal Revenue Code (IRC) Section 127 provides a tax-free amount for an employer to pay for tuition assistance of up to \$5,250 per calendar year per employee (ArlenGroup, 2010).
- Minimized turnover and cost for training of frequent, newly hired employees.
- Educated employees are proven to be better organized which will result a more productive workforce.

Qwest Communication Corporation (Qwest) has been my employer for just over the past 10 years, and for all 10 of those years I was aware of the tuition assistance program, Pathways, available to Qwest employees; I am still kicking myself for not taking advantage of the program sooner. It was the math that motivated me to return to school: 10 years at \$5,250 per year totals to \$52,500 in tuition assistance that I will never get back.

It does not come as a surprise that I work for an employer who recognizes the value of their employees, but I am quite a bit surprised when I realize my coworkers around me at work not taking advantage of these benefits, also. Technology changes every day. Each time the television is on there is a new

commercial advertising the newest cell phones. Just a year ago the fancy upgrades involved touch screens and Internet capabilities (with heavy limitations), now they still have the touch screen but many more abilities involving the web and interfaces or applications for directly uploading pictures onto sites.

This is just an idea at how quickly technology changes, and a large communications company like Qwest providing training to all of their Network Technicians (like myself), to perform the same functions a GeekSquad™ technician, they would expand customer service to one more level. I cannot explain how many times I have been expected to fix a customer's computer while working, but unfortunately, liability would allow it, and I left the customer less than satisfied. Educated people are well prepared and provide for a more organized and productive environment.

I can attest to this and believe it to be very accurate. As stated before I have been with Qwest for more than 10 years and for all 10 of those years the one matter that always remained constant was Quality Jobs per Day (QJD) or productivity. Maintaining a 4.83 QJD or higher is considered satisfactory; my QJD always loomed in the 5.2 to 5.5 range (getting over a 6.0 for any technician is rare and well rewarded when it does happen.) After my return to school and the newfound need to prioritize my time, I have kept a 6.2 QJD for the past three months!

All can be attributed to my time management and organization around academics. “ Experts say a well-designed tuition reimbursement program can turn what seems like a cash-sucking recruiting tool into a revenue-

increasing program that creates loyal employees" (Reference for Business: Encyclopedia of Business, 2010). As with any bright idea, comes the dark truth that tuition assistance provided by an employer is obviously beneficial to the company and the employee but is also tedious and costly for the employer. Developing a system to avoid abuse of funds is imperative.

Such precautions would include:

- Ensuring the employee will apply academically—proof of a passing grade must be provided.
- Courses taken must be job related—although, in most cases, this is not a stressed requirement. However, courses that are hobby or recreational related are not covered unless they are pertaining to a specific degree.
- When taking part in the program, the employee is required to stay employed for a specific length of time—this prevents employees from taking advantage of the program and then leaving the company.

I am fortunate enough to work for an employer with a well-organized program for tuition assistance; however, an employer who is just beginning to incorporate such a program is in for a great deal of work. Keeping records up to date is not the only concern a program would have, other important details of a successful program include: incorporating a system non-discriminatory (favored to highly compensated employees, not the typical gender, age, race, etc.), shareholders or owners are not allowed more than five percent, and eligible employees must be given fair notice of the program.

Given these tedious set-backs a company could reconsider establishing such a program, and although IRC section 127 states that an employer has that

option, it still remains just that: an option. The reasons an employer would provide tuition assistance to employees is quite clear and it is clear why an employer would not. Taking the examples I have provided regarding Qwest and their tuition assistance program, it seems easy for other companies to follow the lead and provide a tuition assistance program to their employees as well.

The bigger picture makes more sense when considering the funds used to train recurring newly hired employees could be used, instead, to fund a tuition assistance program for the existing employees. One important feature under IRC section 127(b)(5) to keep in mind is that a company that participates in a tuition assistance program “ is not required to fund it” (Fenton, Jr. , 2004). In the event the company falls into uncertain times, “ the plan can be put on hold until better financial times return” (Fenton, Jr. , 2004).

My first day as a Qwest employee I learned a valuable bit of information that I have kept with me since, and I believe it could be the foundation behind companies that offer tuition assistance compared to companies that do not. When an employee enters a new position with the mentality that this is my career, they are more likely to take pride in personal work and value the position they have been given. However, when an employee enters the same position with the attitude that this is just a job, they are very unlikely to maintain that position for very long.

I firmly believe this concept; I watched those that I worked with filter through the cracks. The coworkers who did not take their work seriously or even

maintained that it was a job and nothing more, did not stay employed for very long. This same concept is exactly what fuels a company's ability to retain employees. When a company invests in an employee's knowledge and education, that employee also becomes invested and knows he or she is valued as an employee turning " just a job" into a strong bond between employer and employee creating a career relationship that can be a successful foundation for growth within.