



Lehigh University provides a tuition cash grant to another post-secondary degree granting institution for each child of eligible faculty and exempt staff members. The amount and terms of the cash grant are established by the Board of Trustees but shall not exceed the cost of tuition (and room and board, if applicable) at the receiving institution. Although it is anticipated that the cash grant program will continue, the Board of Trustees reserves the right to change, amend, or cancel the program at any time.

Who is eligible?

This benefit is available to salaried faculty and exempt staff members who are regularly scheduled to work at least 75% of a full-time schedule.

Is there a waiting period?

There is a five-year waiting period for the grant. The waiting period is waived for faculty members at the rank of Associate or Full Professor and exempt staff at salary grade 11 and above.

What does “dependent child” mean?

This program is governed by the terms and conditions detailed in the Internal Revenue Code [Section 117(d)]. Under this section of the Code, and after all related cross-references, the term “dependent child” applies to:

- Natural sons and daughters
- Adopted sons and daughters
- Step-sons and step-daughters,

of the faculty or exempt staff member who are their “dependents” as defined under the other sections of the Code.

The Tuition Cash Grant is also available, on a fully taxable basis, to the stepsons and stepdaughters of faculty or exempt staff members who have declared a domestic partnership with a partner of the same sex.

The child must be an unmarried dependent of the faculty or exempt staff member who is attending college on a full time basis. If the child is under the age of 24, s/he must be claimed as a dependent on the federal tax return of the faculty or exempt staff member or the child’s custodial parent. If the child will be age 24 or older at the end of 2025, the child must be a full time student who is residing with and supported by his/her parents.

What is the maximum size of the grant?

The current maximum academic-year grant for faculty and exempt staff employed in eligible positions after September 1, 1986 is \$5,000 per child.

For faculty and exempt staff employed in eligible positions on or before September 1, 1986, the maximum academic-year grant is equal to 50% of Lehigh's tuition. The 2025-26 grant maximum is \$33,405.

The benefit was designed to support a four-year undergraduate degree. However, if the maximum award is not necessary during the first four years of study, the remaining balance may be available if additional coursework is necessary to complete the undergraduate degree program.

What if both parents work at the University?

Only one grant for one four-year course of study is available for each child. However, if both parents were employed in eligible positions and married to each other before September 1, 1986, their dependent children may be eligible for a double award. The total amount of the double award may not exceed the tuition and room and board allocations of the receiving institution.

What expenses may be paid by the grant?

Charges identified by the receiving institution as "tuition" may be paid by the grant. Additional charges identified as "fees" are not paid by the grant (except those fees that are required of all students at that institution and which may not be waived). Documented proof of required fees must be supplied by the faculty or exempt staff member.

Faculty and exempt staff members employed in eligible positions before September 1, 1986 may include room and board charges. If the child lives on campus, the benefit available is equal to the room charges for "double occupancy" and full board charges at the receiving institution. If the child chooses to reside off-campus, the award may include an allocation based on the receiving institution's financial aid determination of off-campus room and board expenses. All room and board charges paid by the grant are subject to full taxation as additional income to the child's parent.

How is the award paid?

After the faculty or exempt staff member submits an application for the 2025-2026 grant, and submits a copy of the receiving institution's bill each semester, Human Resources will request a check payable to the receiving institution in the appropriate amount. The check is forwarded to the school with a letter explaining the nature of the award. The child's parent will be provided with a copy of the letter.

The tuition cash grant plan requires that the cash grant for any semester, trimester, quarter, or other term be paid at the beginning of each term. All requests for payment must be submitted prior to the start of the term at the receiving institution.

It is the responsibility of the faculty or exempt staff member to ensure that Human Resources receives the bill early enough to meet the receiving institution's due date. If the bill is submitted to Human Resources two weeks before the due date, the bill can be processed and paid on time.

How much is paid in each check?

The award is divided into equal payments over the course of the receiving institution's academic year after subtracting any payments made for summer session coursework, if applicable (i.e., two equal payments for a semester schedule, three payments for trimesters, or four payments for quarters).

When is the grant available for summer sessions?

Summer session tuition can be paid if the summer course work is applied toward the child's degree program and the child is attending the summer session on a full-time basis. The receiving institution's definition of "full-time" for their summer schedule is used to determine coverage under the grant.

Are all post-secondary educational institutions covered?

No. Only regionally accredited, degree-granting institutions are covered. The school must be accredited by Middle States Association of Colleges and Schools, New England Association of Schools and Colleges, North Central Association of Colleges and Schools, Northwest Association of Schools and Colleges, Southern Association of Colleges and Schools, Western Association of Schools and Colleges, or an equivalent accrediting body for colleges or universities located outside the United States.

In addition, the dependent child must be enrolled in a program of study that leads to an associate's degree or a bachelor's degree.

Can the child attend on a part-time basis?

No, the child must be enrolled on a full-time basis. If the child drops below full-time status, the cash grant is returned to Lehigh.

How is "full-time status" defined?

Full-time status is defined by the institution the child is attending.

What if the child interrupts the traditional educational schedule of his or her course of study?

If the child does not enroll in an undergraduate program immediately following high school graduation or chooses to interrupt his or her undergraduate studies, the benefit is not withdrawn from the faculty or exempt staff member. If the child enrolls at a later date and continues to qualify as a "dependent child," the grant may be available.

After an interruption of 12 months or more, the child must be less than age 30 in the calendar year during which the academic year begins to qualify as a new enrollment or a renewal enrollment.

The grant continues to be available to the parents of dependents over age 30 provided that the child has matriculated before age 30, has been continuously enrolled on a full-time basis since age 30, and remains a dependent of the faculty or exempt staff member (see Statement of Dependency).

Is the benefit subject to taxation?

If the faculty or exempt staff member is considered “highly compensated” under IRS guidelines, the full value of the award is taxable as ordinary income. For the 2025-2026 plan/academic year, a person is considered highly compensated if total gross earnings in the previous calendar year exceeded \$155,000.

All benefits provided for the dependent children of domestic partners are fully taxable.

If the child will be age 24 or older at the end of 2025 and earns more than the Internal Revenue Service’s individual exemption amount for calendar year 2025, the full value of the award is taxable as ordinary income.

For all other faculty or exempt staff members, only room and board charges (if paid) are considered taxable income.

How are the taxes paid and the income reported?

The income is reported in equal increments during each month of the semester, trimester, or quarter to which the payments apply. Taxes are withheld on the same basis as other ordinary income.

The University is required to withhold all taxes for income received in a tax year. If a grant payment is made late in the tax-year which relates to benefits received during the same tax-year, the University may be required to withhold the full tax amount from one monthly payroll.

Are there any special limitations on the payments?

Yes, the faculty or exempt staff member must be employed in an eligible position at the beginning of and continuously throughout the semester, trimester, or quarter to receive the cash grant for that period.

Currently, the benefits under this program continue to be available to your dependent children if you should become totally disabled, die after completing 10 years of continuous full-benefits eligible service or retire with full-benefits. Retiree benefits are available if you retire with 10 years of continuous full-benefits eligible service at age 59½, or at age 55 and with 25 years of continuous full-benefits eligible service.

Whom do I contact for further information concerning this program?

You may contact the following individual in Human Resources with questions about this or other tuition programs at Lehigh University:

- **Betty Rubio**, extension 82952 (bjk208@lehigh.edu)