



Frequently Asked Questions

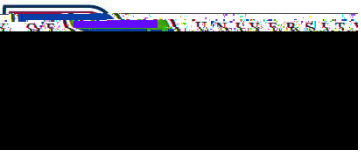
1. Who should I contact with questions regarding tuition remission?

Questions regarding the inclusion of graduate-level tuition remission benefits in your taxable wages should be directed to the Payroll Department at (313) 993-1036.

Questions regarding your eligibility, application for and approval of tuition remission benefits should be directed to the Human Resources Department at (313) 993-1036.

Questions regarding the timing and amount of tuition remission credits applied to your student account should be directed to the Student Accounting Office at (313) 993-1420.

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6. Can the University record the additional taxable income on my W-2 but not withhold any additional taxes? I will pay them myself when I file my return.

While the IRS does allow employers to record the taxable income associated with certain benefits without requiring additional income taxes to be withheld, educational assistance is not one of these benefits. The University is required to withhold taxes for this additional income.

7. Why are the withholding amounts always higher at the end of the year, when I need money the most?

Tuition remission you receive at the beginning of the year is not taxed under the \$5,250 exclusion. Once you exceed that amount, every dollar of the graduate level tuition remission benefit is taxable. If you are taking graduate courses throughout the year, this means that the additional income and additional taxes will always occur in the latter part of the year. Employees receiving this taxable benefit should plan accordingly for the decrease in net pay that will occur when the additional taxes are withheld.

8. Is there any way to avoid having these taxes come out of my pay?

Taxation must be applied in the case of graduate level tuition remission benefits received. Employees who do not apply for the tuition remission benefit, and who elect to pay for their graduate level coursework themselves, have not received a benefit and thus are not required to have any taxation withheld from their pay. Employees who would consider this should keep in mind 85-4.3(s) JT.6(wh)00lecit, ax74.02032 Tm 4.6(d74.03/v)-5(i)-2.3