

## **CHAPTER 4: BENEFITS**

### **Overview and Eligibility Requirements**

**Section 400**

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The Office of Human Resources serves as a resource for faculty and staff seeking benefit information and assistance. Shortly after being hired, benefit-eligible employees should schedule a benefits enrollment appointment to enroll in the benefit plans they choose.

#### **Master Insurance Contracts**

This handbook is meant to highlight some important features of the college's benefit plans. The group insurance and retirement-related programs are described more fully in the summary plan descriptions (SPDs) that are provided to you. Complete information on the group insurance plans is contained in the college's master contracts with the insurance carriers. Complete information on retirement-related programs is contained in the master contracts with the various retirement investment companies and in the summary plan document. This information is maintained by the Office of Human Resources. In the event of any contradiction between the information appearing in this handbook and the SPDs, the master contracts or plan documents shall govern in all cases.

#### **Annual Human Resources Fair**

The Human Resources Fair is held annually in November or December during the benefits open enrollment period. Smith College benefits and retirement vendors participate in the fair and are available to answer questions and provide information about their products and services.

#### **Benefit Plan Revisions**

As changes are made in existing benefit plans or as new plans and policies are established, new descriptions will be distributed by the Office of Human Resources. The effective date of each new or revised plan or policy will be the date determined by the President and/or the Board of Trustees, whether or not new descriptions have actually been issued.

#### **Reserved Rights**

Smith College reserves the right to amend or terminate any of these programs or to require or increase employee contributions toward any benefits at its discretion. This reserved right may be exercised in the absence of financial necessity.

**Position Classifications**

Benefits are available to Smith College depending on the employee's position classification.

**Regular Position:** A regular position is part of the regular budgeted staff of a department, and is authorized for an unspecified period of time for 17.5 hours per week or more. Staff members in regular positions are eligible for benefits as shown in Column 1.

**Limited-Term Position:** A limited-term position is not part of the regular budgeted staff of the department. It is authorized for a time period of more than five months and less than or equal to two years, **and** for 17.5 hours per week or greater. Grant-funded positions are included in this category. Staff members in limited-term positions are eligible for benefits as shown in Column 2.

**Temporary Position:** A temporary position is not part of the regular budgeted staff of a department. It is authorized for five months or less (regardless of the number of hours per week), **or** for less than 17.5 hours per week (regardless of the authorized time period). Staff members in temporary positions are eligible for benefits as shown in Column 3.

**Benefits Eligibility Chart**

BENEFIT PLAN	EMPLOYMENT STATUS		
	(1) REGULAR	(2) LIMITED-TERM	(3) TEMPORARY
Health Care Program	✓	✓	no
Dental Plan	✓	✓	no
Employee Assistance Plan	✓	✓	no
Health Care Spending Account	✓	✓	no
LTD Insurance	✓	✓	no
Life Insurance	✓	✓	no
Travel Accident Insurance	✓	✓	✓
Dependent Care Spending Account	✓	✓	no
Infant/Toddler Center (lower rate)	✓	no	no
Dependent Care Subsidy (low-income families)	✓	no	no
Retirement Plan*	✓	✓	no
Tax-Deferred Salary Plan	✓	✓	no
Social Security	✓	✓	✓
Tuition Assistance for Employees: Grants at Smith* Reimbursement at	✓	✓	no

other colleges*	✓	✓	no
Tuition Assistance for Spouses / Partners at Smith*	✓	no	no
Tuition Assistance for Children:			
Grants at Smith*	✓	no	no
Grants at other colleges*	✓	no	no
Exchange Program*	✓	no	no
Grants at Campus School	✓	no	no
Workers' Compensation Insurance	✓	✓	✓
Unemployment Compensation	✓	✓	✓

\*waiting period applies

### **If a Benefit Claim is Denied**

The Employee Retirement Income Security Act of 1974 (ERISA) provides you with the right to appeal claims that are denied in full or in part under plans covered by ERISA. Information on notification procedures and the filing of appeals is included in the summary plan description for each benefit plan (see links below). ERISA requires that the insurance company or plan administrator make a full and fair review of the claim and furnish you with its decision, including the reasons for the decision, in writing.

[http://www.smith.edu/hr/benefits\\_health.php](http://www.smith.edu/hr/benefits_health.php)

[http://www.smith.edu/hr/benefits\\_retirement.php](http://www.smith.edu/hr/benefits_retirement.php)

### **Dependent Eligibility**

Dependents must be listed on the college's *Certification of Eligibility for Dependent Benefit Coverage* form in order to receive benefits and Smith *OneCards*. For eligibility requirements, or for a copy of the form, please visit <http://www.smith.edu/hr/forms.php>, or contact the Office of Human Resources.

**Spouse:** A spouse is a person to whom you are married. The marriage must be recognized by the laws of the Commonwealth of Massachusetts.

**Domestic Partner:** For benefit purposes, Smith College defines domestic partner as the same-sex partner of an eligible college employee who is sharing a long-term committed relationship of indefinite duration. For eligibility requirements, or for a copy of the Certification of Eligibility for Dependent Benefit Coverage form, please visit <http://www.smith.edu/hr/forms.php>, or contact the Office of Human Resources.

**Children:** As a rule, your children or stepchildren and the children of your spouse or domestic partner who are age 18 and under are eligible for benefits. Some benefit plans require that the child be your income-tax dependent. Children over age 18 may be eligible for benefits under certain conditions (e.g., they are unmarried full-time students

or they are unmarried and were disabled prior to age 19). Please refer to each benefit plan description for the specific eligibility requirements for children.

Exclusions: Parents, foster children, ex-spouses, ex-domestic partners, and other relatives are not considered eligible dependents unless otherwise stated.

Notification: You are responsible for notifying the Office of Human Resources within 60 days in the event of divorce or termination of partnership, or in the event your child ceases to meet the eligibility requirements for benefit coverage.

The college maintains the right to request documentation from you at any time to ensure that your dependents meet the eligibility criteria. Any attempt to secure or maintain coverage for a non-eligible person may lead to disciplinary action up to and including termination of employment.

For information on Health & Welfare programs please see the College's Health and Welfare Summary Plan Descriptions (SPD). This summary provides information on;

- Eligibility
- Dependent Eligibility
- Enrollment
- Changing Coverage
- When Coverage Ends
- Health Care Program
- Dental Care Plan
- Life and Accident Plans
- Long-Term Disability
- Health Care and Dependent Care Spending Accounts
- Employee Assistance Plan
- Tuition Assistant Program
- Coverage During Leave of Absence
- Continuing Coverage Under Cobra
- Claims and Appeal Process
- Your Rights Under ERISA

If you have any additional questions about the above benefit programs at Smith College, please call the Office of Human Resources at extension 2270.

Low-Income Subsidy for Health Care: A college-paid subsidy of \$423 to \$1,691 per year is available to help offset the cost of family health insurance. You may be eligible for the subsidy if your family income is less than \$42,000 and you file a joint or head-of-household tax return. If you think you may qualify, please call the Office of Human Resources for further details.

Low-Income Subsidy for Dependent Care: A college-paid subsidy of \$423 to \$1,691 per year is available to help offset the cost of dependent care. You may be eligible for the subsidy if your family income is less than \$43,890, you file a joint or head-of-household tax return, and you have a dependent care flexible spending account of \$100 or more. The family income limit is increased periodically to reflect inflation. If you are employed in a regular position of half-time or more, you are eligible to apply for the dependent care subsidy. Staff who hold limited-term positions which exceed three years may also apply for this subsidy.

Tuition assistance is available to eligible employees, their spouse/partners, and their children as follows:

- Employees: Smith College and other colleges and universities;
- Spouse/Partners: Smith College only;
- Children: Smith College, other colleges and universities, and Tuition Exchange Scholarship programs.

### **Tuition Plans Criteria**

These following criteria are common to all tuition benefit plans offered by Smith College:

- If you satisfy a service requirement by the first of the month following the start of classes, you will be considered to have satisfied the service requirement for that semester.
- If you meet the eligibility requirement by the first of the month following the start of classes, you will be considered to have satisfied the eligibility requirement for that semester.
- If your eligibility changes midterm, **after** the first of the month following the start of classes, your benefit will not be prorated.
- If your eligibility changes **prior** to the first of the month following the start of classes, your benefit will be prorated accordingly.
- If both you and your spouse/partner are college employees, your family is entitled to only one tuition benefit per eligible child at any given time.

### **Taxability of Tuition Benefits**

For all the programs described here, please consult with your tax advisor regarding the taxability of tuition benefits. The Office of Human Resources may provide information regarding current legislation on the taxability of tuition benefits.

### **Tuition Assistance for Employees**

Tuition assistance is available to eligible employees who enroll in academic courses both at Smith College and at other colleges and universities. The maximum number of courses referred to in each of the following sections applies to the combination of all the courses for which you receive a tuition benefit, whether the courses are taken at Smith College or at other colleges.

#### Tuition Waiver for Smith College Courses

**Eligibility:** If you are employed in a regular or limited-term position of half time or more, you are eligible to receive tuition assistance for Smith College courses. If you work less than half time or hold a temporary position, you are not eligible.

Waiting period: You must complete **one full year** of consecutive service at the college prior to participation in this plan. If you satisfy the one-year service requirement by the first of the month following the start of classes, you will be considered to have satisfied the service requirement for that semester.

Eligibility of courses: Providing the other terms of this plan are met, tuition charges will be waived for any Smith College undergraduate or graduate course provided that there is space available in the class and the instructor gives his/her approval to enroll. Tuition assistance under this plan is not available for non-Smith College courses (except for Five College courses taken by Smith degree candidates), School for Social Work courses, or courses in which the instructor is paid on the basis of the number of students registered in the course.

Number of tuition-free courses: If you work full –time, you may enroll in two Smith College courses or eight credit hours per semester tuition free, although only one course may be taken during work hours. Part-time employees may enroll in either one course or four credit hours per semester tuition free; or two courses per semester with a prorated tuition waiver (i.e., there will be some cost for each course).

Tuition waiver—additional fees/costs: Once your tuition application has been received by the Office of Human Resources, a pending credit will show on your tuition bill for the course(s) in which you have registered. If you add or drop a course, you must notify the Office of Human Resources so that the pending credit may be adjusted. The tuition waiver credit will not actually be applied to your tuition bill until after the add/drop date for that semester. There is no charge for the usual application and registration fees. However, you are responsible for paying for books, course materials, and all other fees.

Course attendance during work hours: If, in the judgment of the department head and the Office of Human Resources, a course is deemed job related, you may be granted excused time of up to four hours per week to attend one course which meets during your work hours. A job-related course is defined as one in which the course content is of direct and significant assistance to you in the performance of your present duties and responsibilities in the department in which you currently work. Job-relatedness is determined on a course-by-course basis.

Time off to attend a non-job-related course which meets during your work hours may be granted on a make-up time basis. The time will be made up through arrangements between you and your supervisor or department head in a manner that is least disruptive to the normal operation of the department.

Time off from work to attend a course, whether on an excused or make-up time basis, will be granted at the discretion of the department head based on the work load and schedule in the department, and will not exceed four hours per week. Interruption or rearrangement of work hours will be granted for only one course per semester.

If you work part-time, you are expected to enroll in courses which meet outside of your regularly scheduled work hours; only in unusual circumstances will a part-time employee's work schedule be rearranged to allow course attendance.

Enrollment procedures: You may view the Smith College Course Catalogue at <http://www.smith.edu/registrar/schedules.php>, or pick up a copy from the Office of College Relations. After selecting a course, obtain an application form from the Office of Human Resources. The deadline to submit course applications for the fall semester is August 15 (for employees with a bachelor's degree) or August 31 (for employees without a bachelor's degree). The deadline for spring semester courses is December 1.

Unless you are enrolled as a degree candidate in the Ada Comstock Scholars program or in a Smith College graduate degree program, enrollment will be based on space availability after traditional student enrollment has been completed.

Smith College degree programs: If you wish to enroll as a candidate for a Smith College undergraduate or graduate degree, you must make application to and be accepted by the Ada Comstock Scholars Program or the Graduate Study Office. All tuition assistance for employees who are enrolled in degree programs is covered under this plan; additional financial aid is not available.

Tax issues: Please consult with your tax advisor regarding the taxability of tuition benefits. The Office of Human Resources may provide information regarding current legislation on the taxability of tuition benefits.

#### Tuition Reimbursement for Courses at Other Colleges/Universities

Eligibility: If you are employed in a regular or limited-term position of half time or more, you are eligible to receive tuition reimbursement for courses taken at other colleges or universities. If you work less than half time or hold a temporary position, you are not eligible.

Waiting Period: You must complete **one full year** of consecutive service at the college prior to participation in this plan. If you satisfy the one-year service requirement by the first of the month following the start of classes, you will be considered to have satisfied the service requirement for that semester.

Eligibility of courses: Reimbursement will be made for the following courses and degree programs:

- GED preparation courses and exam fees;
- job-related courses taken for academic credit;
- courses that can be applied toward an associate's or bachelor's degree, if the degree program is job- or career-related;
- courses taken for credit that are part of an academic degree program that improves your current job skills or which relates to your career at Smith College.

Normally, an Associate of Arts or Bachelor of Arts degree will be considered job- or career-related. Other degree programs will be reviewed on a case-by-case basis.

Courses must be taken at an accredited college or university. The plan does not cover the cost of independent study, thesis/dissertation, or internship credits.

Please consult with the Office of Human Resources if you have any questions regarding the reimbursement eligibility of a course.

Number of reimbursable courses: If you work full –time, you may be reimbursed for up to two courses per semester or term, not to exceed four courses per fiscal year (July through June). If you work part –time, you may be reimbursed for either one course per semester or term, not to exceed two courses per fiscal year, or two courses per semester or term on a prorated basis, not to exceed four courses per fiscal year.

In certain situations, department heads may supplement the tuition benefits offered under this plan. In such situations, the course must be directly related to a particular project or to the employee's current position.

Tuition reimbursement: Eligible employees may receive a reimbursement of tuition fees up to a maximum of \$1,500 per fiscal year. The maximum reimbursement will be prorated for part-time employees.

Reimbursable expenses include course fees and mandatory or educational service fees; no reimbursement will be made for registration, laboratory fees, late fees, books, and other course materials costs.

Course attendance: Employees who receive tuition reimbursement to attend classes at other colleges and universities are expected to do so outside of regular work hours.

Application and reimbursement procedures: Application prior to the beginning of classes is not required. Tuition reimbursement depends on the successful completion of the course. Grades for successful completion are "C" or better for undergraduate courses and "B" or better for graduate courses.

The tuition benefit will be added to other outside support in an amount not to exceed the total tuition charge. Any additional educational assistance (e.g., VA benefits) must be noted on the tuition reimbursement application form.

Submit a tuition reimbursement application form to the Office of Human Resources within 90 days of the successful completion of the course. This application must be accompanied by your grade for the course and an **itemized** tuition bill. You will normally be reimbursed in your next paycheck following receipt of this documentation. No reimbursement will be made to employees who leave the college before completing the course.

Tax issues: Please consult with your tax advisor regarding the taxability of tuition benefits. The Office of Human Resources may provide information regarding current legislation on the taxability of tuition benefits.

### **Spouses/Partners at Smith College**

Tuition assistance for courses taken at Smith College is available to the spouses and same-sex domestic partners of eligible employees.

Eligibility: If you are employed in a regular position of half time or more, your spouse or same-sex domestic partner is eligible for tuition assistance for courses at Smith College. If you hold a less than half-time, limited-term, or temporary position, you are not eligible.

Waiting Period: You must complete **one full year** of consecutive service at the college prior to your spouse or partner's participation in this plan. If you satisfy the one-year service requirement by the first of the month following the start of classes, you will be considered to have satisfied the service requirement for that semester.

Eligibility of courses: Providing the other terms of this plan are met, tuition charges will be waived for any Smith College undergraduate or graduate course provided that there is space available in the class and the instructor gives his/her approval to enroll. Tuition assistance under this plan is not available for non-Smith College courses (except for Five College courses taken by Smith College degree candidates), School for Social Work courses, or courses in which the instructor is paid on the basis of the number of students registered in the course.

Number of tuition-free courses: If your spouse or partner is a degree candidate, at Smith College or elsewhere, s/he may enroll in an unlimited number of Smith College courses (assuming the spouse or partner is making satisfactory progress toward attaining his or her degree). Spouses and partners who are taking non-degree-related courses may enroll in up to a total of four courses or 16 credit hours per academic year, whichever is more.

Tuition waiver—additional fees/costs: Once your spouse/partner tuition application has been received by the Office of Human Resources, a pending credit will show on his/her tuition bill for the course(s) that s/he has registered for. If s/he adds or drops a course, you must notify the Office of Human Resources so that the pending credit may be adjusted. The tuition waiver credit will not actually be applied to a tuition bill until after the add/drop date for that semester. There is no charge for the usual application and registration fees. However, your spouse/partner is responsible for paying all other fees (e.g., laboratory fees, late fees, music performance fees, etc.), books, and other course materials costs.

Enrollment procedures: Your spouse/partner may view the Smith College Course Catalogue at <http://www.smith.edu/registrar/schedules.php>, or pick up a copy from the Office of College Relations. After selecting a course, s/he must obtain an application form from the Office of Human Resources. The deadline to submit course applications for the fall semester

is August 15 (for spouses/partners with a bachelor's degree) or August 31 (for spouses/partners without a bachelor's degree). The application deadline for spring semester courses is December 1.

Unless your spouse/partner is enrolled as a degree candidate in the Ada Comstock Scholars program or in a Smith College graduate degree program, enrollment will be conditional based on space availability after traditional student enrollment has been completed.

Smith College degree programs: If your spouse/partner wishes to enroll as a candidate for a Smith College undergraduate or graduate degree, s/he must make application to and be accepted by the Ada Comstock Scholars Program or the Graduate Study Office. All tuition assistance for spouses/partners who are enrolled in degree programs is covered under this plan; additional financial aid is not available.

Tax issues: Please consult with your tax advisor regarding the taxability of tuition benefits. The Office of Human Resources may provide information regarding current legislation on the taxability of tuition benefits.

### **College Tuition Assistance For Children**

The college offers three types of undergraduate tuition assistance for college-age children:

- grants for children attending other colleges and universities;
- grants for daughters attending Smith College;
- Tuition Exchange Scholarships at participating schools.

You may receive only one type of tuition assistance per child in any given semester. Tuition assistance grants are not given for graduate study or summer courses.

#### Tuition Grants at Other Colleges

Eligibility: If you are employed in a regular position of half time or more, you are eligible to receive college tuition grant(s) for your eligible child(ren). If you hold a less than half-time, limited-term, or temporary position, you are not eligible.

Waiting period: You must complete **three full years** of consecutive service at the college prior to participation in this plan. If you satisfy the three-year service requirement by the first of the month following the start of classes, you will be considered to have satisfied the service requirement for that semester. The waiting period will be waived if you come to Smith College from a college or university where you were eligible for a similar tuition benefit. Your prior eligibility must be documented in writing by your former employer.

Child eligibility: Tuition grants are available for a birth, adopted, or stepchild of yours, your spouse, or your same-sex domestic partner. The child must be unmarried and under age 24 and must qualify as your dependent for tax purposes in the current calendar year.

The child must be enrolled as a full-time student in an undergraduate degree program at an accredited two- or four-year college or university. Each child may receive up to a maximum of four years of assistance. Up to two years of assistance will be provided for a child enrolled in a two-year program; up to four years of assistance will be provided if the child is enrolled in a four-year program.

Please consult with the Office of Human Resources if you have questions regarding the full-time status requirements.

Grant amount: The tuition grant is equal to 40% of the college's or university's tuition and mandatory educational service fees, up to an annual maximum of \$14,423.20. The benefit is not applied to room and board, laboratory fees, late fees, music performance fees, books, or other course materials costs. The total compensation of the Smith College grant and any other grants or scholarships your child receives in a given academic year cannot exceed 100% of tuition.

Application and payment procedures: When the term tuition bill arrives, visit the Office of Human Resources to pick up an application or visit <http://www.smith.edu/hr/forms.php>. Complete the application, attach a copy of the itemized tuition bill, and mail or deliver it to the Office of Human Resources. Grants are mailed directly to the child's school, generally within 10 days of when the application is received.

Change in status: Once a tuition grant payment has been made on your child's behalf, it is your responsibility to notify the Office of Human Resources if any of the following occur: (1) the student withdraws or takes a leave from school; (2) the student obtains his/her undergraduate degree; or (3) the student ceases to be your tax dependent.

Tax issues: Please consult with your tax advisor regarding the taxability of tuition benefits. The Office of Human Resources may provide information regarding current legislation on the taxability of tuition benefits.

### Tuition Assistance for Children at Smith

Eligibility: If you are employed in a regular position of half time or more, you are eligible to receive tuition assistance at Smith College for your eligible child(ren). If you work less than half-time or hold a limited-term or temporary position, you are not eligible.

Waiting period: You must complete **three full years** of consecutive service at the college prior to participation in this plan. If you satisfy the three-year service requirement by the first of the month following the start of classes, you will be considered to have satisfied the service requirement for that semester. The waiting period will be waived if you come to Smith College from a college or university where you were eligible for a similar tuition benefit. Your prior eligibility must be documented in writing by your former employer.

Child eligibility: Tuition grants at Smith College are available for a birth, adopted, or stepchild of yours, your spouse, or your same-sex domestic partner. The child must be

unmarried and under age 24 and must qualify as your dependent for tax purposes in the current calendar year.

The child must be enrolled as a full-time student in an undergraduate Smith College degree program. Tuition grants are not awarded to children in Smith College graduate degree or School for Social Work programs.

Please consult with the Office of Human Resources if you have questions regarding the full-time status requirements.

General information: There are three tuition benefit options for children who wish to attend Smith College:

- (1) Your daughter may attend Smith College as a full-time student to pursue an undergraduate degree. She must apply and be accepted through the normal admissions process for traditional undergraduate students. This benefit also applies if your daughter participates in a Smith College sponsored off-campus program (e.g., Junior Year Abroad Program).
- (2) A daughter who is enrolled in a degree program at another college may attend Smith College as a full-time visiting student for a semester or a year. She would apply through the normal admissions process for visiting students.
- (3) A daughter or son who is enrolled in a degree program at another college may enroll on a part-time basis in Smith College courses. There is a limit of eight credits per semester, or sixteen credits in total per year. Your son or daughter would submit a letter to the Registrar's Office requesting enrollment on a part-time basis.

Grant amount: The tuition benefit is equal to 60% of Smith College tuition for any of the options described above. Tuition assistance is prorated if you work part time. The benefit is not applied to room and board, laboratory fees, late fees, music performance fees, books, or other course materials costs.

Application and payment procedures: Call the Office of Human Resources to request an application. Following receipt and approval of your application, your child's tuition bill will be credited with the appropriate tuition waiver.

Student housing policy: The Dean of the College's office has instituted the following housing policies for daughters enrolled as regular or visiting students and participating in the Tuition Assistance Plan at Smith:

- If your daughter wishes to live on campus, she must apply to the Student Affairs Office by June 1 for on-campus housing. Housing assignments are made in late August on a space-available basis.

- Daughters admitted under the Early Decision Plan are assigned to on-campus housing before daughters who are admitted under the Regular Decision Plan.
- Room and board are prorated from the date of your daughter's move if she moves on campus after the beginning of classes. Once living in a college house, the daughters of employees follow the same housing procedures as all other students.

Tax issues: Please consult with your tax advisor regarding the taxability of tuition benefits. The Office of Human Resources may provide information regarding current legislation on the taxability of tuition benefits.

### Tuition Exchange Program

Smith College is a member of the Tuition Exchange Program (TEP), a private consortium of colleges and universities nationwide that offers tuition exchange scholarships to children of employees of those member institutions. Smith College offers the children of eligible employees an opportunity to apply for tuition exchange scholarships for study at other participating institutions. A current listing of member colleges and universities is available from the Office of Human Resources. The number of scholarships available in any given year is determined in part by the number of students who in turn attend Smith College as participants in the program.

One of the fundamental principles of our partnership with TEP is that member colleges and universities can set their own policies and procedures for determining eligibility and conferring Tuition Exchange scholarships to students sent on the exchange as well as determining the requirements for students received or hosted. Eligibility for Tuition Exchange, which is restricted to family members of faculty and staff, is determined by the employing (home) institution. The employment status, years of service for eligibility, priority status, or limitations for families seeking to send more than one family member are all established by the home exporting institution.

Eligibility: If you are employed in a regular position of half time or more, you are eligible to apply for a Tuition Exchange scholarship for your eligible child(ren). If you work less than half time or hold a limited-term or temporary position, you are not eligible to apply.

Waiting period: You must complete **three full years** of consecutive service at the college prior to participation in this plan. If you satisfy the three-year service requirement by the first of the month following the start of classes, you will be considered to have satisfied the service requirement for that semester. The waiting period will be waived if you come to Smith College from a college or university where you were eligible for a similar tuition benefit. Your prior eligibility must be documented in writing by your former employer.

Child eligibility: Applications for a Tuition Exchange scholarship may be made for a birth, adopted, or stepchild of yours, your spouse, or your same-sex domestic partner. The child must be unmarried and under age 24 and must qualify as your dependent for tax purposes in the current calendar year.

Applicant selection: Eligibility for the Tuition Exchange Program guarantees that your dependent child may submit an application for a scholarship; it does not guarantee that their application will be selected for submission or that a school of their choice will award them a scholarship.

Scholarship awards: The value of the scholarship is generally the full tuition of the college attended or the amount determined by The Tuition Exchange, Inc. for that academic year, whichever is less. Scholarships will be awarded based on two academic years of study or on the student's expected graduation date, whichever is shorter. Tuition Exchange scholarships are limited to one dependent child in an employee's family.

Scholarships are not given for graduate or professional study, non-degree study, or work toward a second undergraduate degree. Tuition Exchange scholarship recipients must remain in good academic and financial standing with the college they are attending.

Deadlines: Applications must be submitted to the Office of Human Resources by December 1. Written notification of your application selection status will be sent by December 15. The deadline for notifying the Office of Human Resources of your acceptance or decline of a Tuition Exchange Scholarship is May 1.

Tax issues: Please consult with your tax advisor regarding the taxability of tuition benefits. The Office of Human Resources may provide information regarding current legislation on the taxability of tuition benefits.

Smith College offers tuition assistance for eligible children who attend the Smith College Center for Early Childhood Education (CECE) and/or the Smith College Campus School.

### **Smith College Center for Early Childhood Education**

The Smith College Center for Early Childhood Education offers two programs for the children of Smith College faculty and staff, as well as children from the local community. The Fort Hill Infant and Toddler program enrolls children two months to 32 months of age in three classrooms. The Fort Hill Preschool program enrolls children 2.9 to 4.11 years of age in three classrooms. To be eligible for the Preschool program, children must be 3 years of age by November 1. The programs follow the Smith College administrative calendar for holiday and inclement weather closings, and are open from 8 to 5 p.m., Monday through Friday, year round.

**Smith College Campus School** is a coeducational laboratory day school for children ages 5 -12. It is open to all children in the surrounding communities.

### **Tuition Plans Criteria**

These following criteria are common to all tuition benefit plans offered by Smith College:

- If you satisfy a service requirement by the first of the month following the start of classes, you will be considered to have satisfied the service requirement for that semester.
- If you meet the eligibility requirement by the first of the month following the start of classes, you will be considered to have satisfied the eligibility requirement for that semester.
- If your eligibility changes midterm, **after** the first of the month following the start of classes, your benefit will not be prorated.
- If your eligibility changes **prior** to the first of the month following the start of classes, your benefit will be prorated accordingly.
- If both you and your spouse/partner are college employees, your family is entitled to only one tuition benefit per eligible child at any given time.

### **Forms**

Tuition Assistance Forms are available online.

#### Employee eligibility

If you are employed in a regular position of half time or more or you hold a limited-term position which exceeds three consecutive years, you are eligible to receive a tuition grant for your child(ren) who attend(s) the CECE and/or Campus School. Staff who are less than half

time, hold a limited-term position of less than three years, or are in a temporary position are not eligible for this benefit.

### Child eligibility

Tuition grants are available for a birth, adopted, or stepchild of yours, your spouse, or your same-sex domestic partner. The child(ren) must qualify as your dependent(s) for tax purposes in the current calendar year.

### Grant amount

If your dependent child(ren) attend(s) the CECE and/or Campus School, you will receive a tuition grant equal to the grant amount from the 2008-2009 academic year. Contact Human Resources for actual grant amounts. Tuition assistance is prorated if you work part time. Your child's tuition bill will be credited with the appropriate tuition grant.

### Tuition payment

There are several options for the payment of tuition bills at the CECE and Campus School. Please contact the administrative offices of the appropriate school for more information.

Tax Issues: Please consult with your tax advisor regarding the taxability of tuition benefits. The Office of Human Resources may provide information regarding current legislation on the taxability of tuition benefits.

### **Taxability of Tuition Benefits**

If you have a dependent child attending the CECE, then part of your tuition discount will be taxable. In accordance with IRS regulations, the College may offer an employee a tuition discount of 20% that is non-taxable; however, any additional contribution above the 20% (5% or 10% depending on your discount eligibility) is considered taxable (non-cash) and will be included in your gross income.

**Sunnyside Childcare Center**

An independent childcare center is conveniently situated on the Smith College campus. Sunnyside is located in a college-owned building at 70 Paradise Road and accepts children from 18 months to 5 years.

**Smith-Northampton Summer School**

In conjunction with the City of Northampton, the college sponsors and subsidizes the Smith-Northampton Summer School, which offers academic, sports, and creative art programs for local children in grades three through eight.

**Snow Day/Vacation Week Programs**

The People's Institute in Northampton offers before- and after-school care for children in grades K-6. Smith College sponsors subsidized childcare programs for children of benefit-eligible employees when public schools in Northampton are closed for inclement weather and during the February and April vacations. Registration, in the Office of Human Resources, is required prior to enrollment in the Smith-sponsored programs.

For a detailed description of Smith College's retirement plan, please refer to our Summary Plan Description.

The college's Retirement Plan provides a significant contribution to income replacement for employees upon retirement. The college pays approximately 9% of your annual salary to your retirement account(s). The Retirement Plan is fully funded by the college and you are not required to make any matching contribution. The college's contributions to your retirement plan are fully vested beginning with the first premium payment.

The college sends your retirement contributions to accounts which have been established in your name with insurance and mutual fund companies with whom the college contracts.

The Retirement Plan is structured so that, after a 30-year career at the college, you can expect to receive approximately 67% of your final year's salary in retirement income from a combination of Social Security and Retirement Plan benefits. While the college cannot guarantee that you will meet this objective, you have the opportunity to make investment decisions that fit your particular goals.

### **Tax-Deferred Salary Plan**

The Internal Revenue Service (IRS) allows employees of colleges, universities, and certain other nonprofit organizations to allocate a portion of salary on a federal tax-deferred basis to retirement accounts.

Eligibility: If you are employed in a regular or limited-term position of half-time or more, you are eligible to participate in the Tax-Deferred Salary Plan.

Enrollment: Contact the Office of Human Resources if you wish to begin saving a portion of your salary for retirement purposes. The IRS sets annual limits on how much you may defer; these limits are determined by: (1) your years of service, (2) your current annual salary, (3) the amount of salary you tax-deferred in previous years, and (4) college contributions to your Retirement Plan accounts.

Investment Options: You may establish one or more tax-deferred accounts with the four Retirement Plan companies. The Office of Human Resources has a list of these companies from which you may choose.

Withdrawal of Funds: You may withdraw funds from your tax-deferred salary account(s) under certain conditions including termination of employment, disability, or significant financial hardship. Any amount withdrawn will be subject to federal tax and an early withdrawal penalty.

### **Health Insurance for Early Retirees**

Employees who retire between the ages of 62 and –65, and who have 10 years of consecutive service in a regular position at Smith College, may continue to participate in the college's group health plan until age 65, with the college paying half its normal benefit. Please refer to the plan description for the Health Care Program, which can be obtained from the Office of Human Resources, for further details.

For other retiring employees, Medicare Part A (hospital insurance) and Part B (medical insurance) are available beginning at age 65. Enrollment in Part A is automatic when you reach age 65.

### **Pre-Retirement Counseling**

The college sponsors educational programs to help you acquire the knowledge you need to make appropriate Retirement Plan investment decisions and to plan for your retirement. The Office of Human Resources will publicize all on-campus retirement planning seminars.

**Second Mortgage Plan**

The college offers a second mortgage loan to newly hired administrators who are relocating to the Northampton area. The Plan is designed to enhance the college's compensation package and to encourage administrators to purchase homes in the local area.

Eligibility: You are eligible for a second mortgage loan if you:

- are employed in a regular full-time senior administrative position; and
- are relocating.

If you work less than full time or hold a limited-term or temporary position, you are not eligible for the Second Mortgage Plan. The Plan is not available to current administrators or to administrators who own homes in the local area at the time of hire.

The plan is also available to full-time faculty who have appointments that extend for longer than one year.

Loan Amount and Interest: A second mortgage will be granted for up to \$75,000 or 35% of the purchase price, whichever is less. The "purchase price" may include up to 50% of the cost of immediate capital improvements. The mortgage cannot be used for later renovations or home improvements. The interest rate on the second mortgage is established at the time the loan is made and is fixed at 80% of the applicable federal rate (AFR).

Equity in Property: You must have at least 10% equity in the property at the time the mortgage is written.

Term of Loan: The loan will be granted for up to 30 years or for the term of the first mortgage, whichever is less. If you pay off your first mortgage ahead of schedule, you must pay off the second mortgage as well.

Tax Issues: The IRS allows the college to treat the subsidized interest on the second mortgage loan as tax free if the loan is awarded within two years of your date of hire. After two years, the 20% interest subsidy (i.e., 80% AFR vs. 100% AFR) is treated as taxable income.

Location of Property: The property must be located within the local area, which is defined as within a 25-mile radius of Northampton.

Repayment of the Loan: Payments on the loan are made by salary deduction from your paycheck. Loan payments must continue during any leave without pay. The loan balance must be paid in full within 30 days of termination of employment with the college.

Homeowner's Insurance: Because the college has an insurable interest in the property for the term of the loan, you must arrange for and maintain homeowner's insurance in an amount not less than the amount secured by all mortgages. The college must be named as an insured on the insurance policy and a copy of each current policy must be kept on file at the college.

Certification of Title: As a condition of the loan and prior to purchase, you must guarantee clear title to the property by submitting a formal certificate of title to the Office of the Controller.

Evidence of an Obligation: Each loan is secured by the following::

- (1) a promissory note from you (and the co-owner, as applicable) payable on demand;
- (2) a second mortgage on the property purchased; and
- (3) a collateral agreement which sets forth the terms of repayment and which provides that no demand will be made for the payment of the note as a whole if the terms of repayment are complied with. However, if the borrower ends full-time employment at the college, the entire remaining balance of the loan will be due and payable.

Personal Obligation: The loan debt is owed by you (and the co-owner, if applicable) as an individual and cannot be considered discharged by returning the property. In the event the property is sold and does not bring a price equal to the outstanding indebtedness, you are personally liable for any balance due the college on the loan. In the event the property must be sold, the college assumes no responsibility for the sale.

Refinancing the Property: The College will agree to subrogate a second mortgage to an increased first mortgage or will allow its second mortgage to become a third mortgage under the following conditions:

- if the total debt obligation on the property does not exceed 65% of the current assessed value; OR
- if the total debt obligation on the property does not exceed 75% of the current appraised value, as provided by a certified appraiser.

Questions about the terms or administration of the Second Mortgage Plan should be directed to the Controller's Office.

## **Rental Housing**

The college owns a limited number of private dwellings and apartments which are rented on a space-available basis. Information regarding availability, rates, etc., may be obtained from the 3 College Rental office, located at Amherst College. Call (413) 542-8506 for information.

Eligibility: The members of the Smith College community who are eligible for rental housing are full-time faculty, full-time administrators, Area Coordinators (residence required), Ada Comstock Scholars, graduate students, and teaching assistants.

The President may reserve openings for senior faculty, administrators, and visiting scholars. The Dean of the Faculty may reserve openings for new faculty. After the President and Dean of Faculty have reserved openings, requests for rental housing have priority according to the following guidelines:

- junior faculty members, untenured;
- junior faculty members, tenured;
- senior faculty;
- administrators;
- all others.

If you work less than full time or hold a limited-term or temporary position, you are not eligible for college rental housing. Holders of college-financed second mortgages are also not eligible for rental housing.

Dependents: The number of dependents in the employee's family will be taken into consideration in the allocation of single-family dwellings.

Leases: Leases may be awarded for up to 10 years. Tenants who retire may remain in college housing until May 30 of the year following retirement. In the case of an employee's death, the widow/widower or partner may remain in college housing until May 30 following the first anniversary of the spouse's or partner's death. Tenants who leave the college for any reason except retirement must vacate college housing within 60 days.

Taxability: The difference (if any) between the fair rental value or 5% of the appraised value of college-owned property and the annual rent which the college charges is treated as a taxable benefit to the employee resident.