

**MASON PUBLIC SCHOOLS
EDUCATION ASSISTANCE PLAN**

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MASON PUBLIC SCHOOLS EDUCATIONAL ASSISTANCE PLAN

With this instrument, the Mason Public Schools is establishing an Educational Assistance Plan, for the exclusive benefit of its Employees, which shall henceforth be known as the Mason Public Schools Educational Assistance Plan and, for convenience, shall be referred to in this document as the “Plan.”

1.0 PURPOSE.

1.1 Intent of the Plan. The Plan is intended to meet the requirements of an education assistance program under Section 127 of the Internal Revenue Code of 1986, as amended (the “Code”) and is to be interpreted in a manner consistent with the requirements of applicable law.

1.2 Purpose of the Plan. The purpose of this Plan is to furnish educational assistance to the employees of the Mason Public Schools. It is the intention of the Employer that the Plan qualify as a plan providing qualified educational assistance under Code § 127(b)(1), and that the educational assistance under the Plan be eligible for exclusion from the Employees’ income under Code § 127(a).

1.3 Plan not an Employment Agreement. This Plan is not an employment agreement between any Participant and the Employer, nor does this Plan give any Participant any right to be retained as an employee of the Employer.

1.4 Rights of Employees. The rights of Employees under the Plan are hereby acknowledged to be legally enforceable. Except as may be permitted under applicable law, the Plan is maintained for the exclusive benefit of Employees of the Employer who are eligible to be participants in the Plan. The Plan has been established with the intention of being maintained for an indefinite period of time.

2.0 DEFINITIONS

2.1 Accredited Institution. Any college or university the primary function of which is the presentation of formal instruction and that normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance at the place where its educational activities are regularly carried on.

2.2 Benefits. The direct payment or reimbursement of Educational Assistance incurred by a Participant.

2.3 Code. The Internal Revenue Code of 1986, as amended.

2.4 Educational Course. Any course taken by a Participant at an Accredited Institution, except for a course that instructs the Participant in any sport, game or hobby as defined in the Code.

2.5 Educational Assistance.

- (a) The term “Educational Assistance” means:
 - (i) The payment, by the Employer, of expenses incurred by or on behalf of an Employee for education of the employee (including, but not limited to, tuition, fees, and similar payments, books, supplies, and equipment);
 - (ii) In the case of payments made before January 1, 2026, the payment by the Employer, whether paid to the Employee or to a lender, of principal or interest on any qualified education loan (as defined in section 221(d)(1) of the Code) incurred by the Employee for education of the Employee; provided that, if IRC §127(c)(1)(B) is changed by future legislation to allow educational assistance plans to reimburse payments of qualified education loans after December 31, 2025, then the Plan shall automatically be deemed modified to conform to such change; and
 - (iii) The provision, by the Employer, of courses of instruction for such Employee (including books, supplies, and equipment).
- (b) “Educational Assistance” does not include:
 - (i) Any payment for, or the provision of, tools or supplies which may be retained by the Employee after completion of a course of instruction, or meals, lodging, or transportation.
 - (ii) Any payment for, or the provision of any benefits with respect to, any course or other education involving sports, games, or hobbies.

2.6 Employee. Any individual employed on a full time basis by the Employer or on a Leave of Absence from the Employer.

2.7 Employer. The Mason Public Schools, a public school established in accordance with Michigan statutory authority.

2.8 Leave of Absence. Any absence from the Employer (i) for a period of not more than two years or (ii) for service in the Armed Forces of the United States.

2.9 Participant. Any Employee who has satisfied the eligibility requirements of Section 3.01.

2.10 Plan. The Mason Public Schools Educational Assistance Plan.

2.11 Plan Administrator. The person or committee designated to administer the Plan under Section 7.01.

2.12 Program Year. The 12-month period commencing on the first day of January and ending on the last day of December.

3.0 ELIGIBILITY

3.1 Eligibility. There is no entitlement to participation in Benefits under the Plan. Benefits are subject to budgetary considerations and are at the Employer's discretion.

An Employee who is not covered under a collective bargaining agreement is eligible to participate under the Plan if the Employee satisfies the eligibility requirements to receive Educational Assistance Benefits under the written employment agreement between the Employer and the Employee or, as to Employees who are not employed pursuant to a written employment agreement, if the Employees satisfies the eligibility requirements to receive Educational Assistance Benefits under written policies adopted by the Board of the Employer pertaining to Benefits under this Plan.

An Employee who is covered under a collective bargaining agreement is eligible to participate under the Plan if the Employee is entitled to receive Educational Assistance Benefits under the provisions of the collective bargaining agreement covering such Employee, and the Employee has satisfied all additional conditions for participation as are stated in the collective bargaining agreement, if any.

3.2 Cessation of Eligibility. A Participant will cease to be eligible to participate in the Plan if he or she terminates employment with the Employer and is not on a Leave of Absence.

4.0 BENEFITS

4.1 Prospective Benefits. An Employee shall be entitled to Benefits under this Plan only for expenses related to Educational Courses incurred after the Employee becomes a Participant in the Plan. Without limiting any other Benefits that may be provided under this Plan, the Employer may adopt policies and procedures in order to receive grants authorized under the Michigan Student Loan Repayment Program (MCL 388.1627k), and under guidelines issued by the Michigan Department of Education, to fund Benefits under Section 2.5(a)(ii) for Employees who are eligible under MCL 388.1627(k)(8)(b); provided that all such procedures and policies shall be consistent with IRC 127 and the federal regulations published thereunder.

4.2 Requests for Benefits. A Participant who desires to receive a Benefit under the Plan shall submit a written request to the Plan Administrator for such Benefit. For Educational Course related expenses, the written request shall be submitted no later than 30 days following the date of the completion of the Educational Courses for which such Benefit is requested. Such request shall state:

- (a) The educational institution the Participant wishes to attend;
- (b) The course or courses such Participant wishes to take;
- (c) The tuition or other cost of such course; and
- (d) Whether the Employee is (or anticipates) receiving any other public or private financial assistance for such education.

The Participant must agree to submit evidence of completion of such courses within 30 days after the end of the semester. Further, the Participant must agree to furnish additional information as reasonably requested by the Employer relating to the courses or the Benefit.

For purposes of educational loan repayments under Section 2.5(a)(ii) of the Plan, the Employer shall establish application procedures that the Employer and Employees must follow to establish eligibility for Benefits that reflect written qualification standards which the Employer establishes and which are consistent with requirements under IRC 127 and the Michigan Student Loan Repayment Program (MCL 388.1627k).

4.3 Benefit Determination. Within 30 days of receipt of the written request described in Section 4.2, the Plan Administrator shall make a determination and notify the Participant whether the Participant will be entitled to the requested Benefit. The decision of the Plan Administrator shall be final. The Plan Administrator shall pay the Participant the Benefit the Participant is entitled to receive under the Plan within 30 days of such determination or the date(s) when payment is due, whichever is later.

4.4 Benefits after Cessation of Eligibility. If a Participant is determined to have ceased to be eligible to participate in the Plan for any reason: (a) no Benefits shall be paid to the former Participant for expenses incurred after the date of such cessation of eligibility; and (b) unless the former Participant was discharged from employment with the Employer for cause, requests for Benefits may be made after the date of cessation of eligibility for Educational Assistance incurred prior to such date.

5.0 LIMITATIONS ON BENEFITS

5.1 Off-set for Financial Assistance. Any Participant receiving financial assistance or a fellowship or scholarship from any public or private source shall only be entitled to a Benefit under this Plan to the extent the Educational Assistance of the Educational Courses taken exceed the amount of such financial assistance, fellowship, or scholarship.

5.2 Relationship to Duties. No Participant shall receive any Benefit under this Plan for Educational Courses taken that are not substantially related to the Employee's duties or position with the Employer.

5.3 No Choice for Compensation. In no event shall a Participant be entitled to receive any Benefit under this Plan in lieu of any other compensation he or she might otherwise be entitled to from the Employer.

5.4 Limitation on Benefits. A Participant may not receive benefits under the Plan for any given Program Year in an amount greater than: (i) \$5,250; or (ii) the maximum amount of Benefits provided under the employment agreement, collective bargaining agreement, or Board policy covering the Participants participation under the Plan. Payments of Benefits may be further limited in accordance with the Michigan Student Loan Repayment Program (MCL 388.1627k).

6.0 FUNDING

6.1 Employer contributions. The Employer shall fund the amount required to pay Benefits under this Plan out of the general assets of the Employer at the time such Benefits are to be paid. Funding of Benefits by the Employer may be conditioned upon receipt of adequate funding by the Employer pursuant to the Michigan Student Loan Repayment Program (MCL 388.1627k). Benefits shall be paid to or for Participants upon the submission and approval of a claim for Benefits pursuant to the procedure set forth in Article VIII. There shall be no special fund out of which Benefits shall be paid, nor shall Participants be required to make a contribution as a condition of receiving Benefits.

7.0 PLAN ADMINISTRATOR

7.1 Appointment of Administrator. The Board shall designate a Plan Administrator, which may be an individual or a Committee, to serve until resignation or removal by the Board of directors and appointment of a successor by duly adopted resolution of the Board. The Plan Administrator shall have the authority to control and manage the operation and administration of the Plan, including the authority to make and enforce rules or regulations for the efficient administration of the Plan; to interpret the Plan; and to decide all questions concerning the Plan and the eligibility of any person to participate in the Plan.

7.2 Communication of Plan. The Plan Administrator shall give reasonable notice of the availability and terms of the Plan to eligible Employees.

7.3 Records. The Plan Administrator shall keep accurate records of all Benefits paid to Participants under the Plan and ascertain that no Benefit was paid to an Employee in lieu of other compensation due a Participant.

8.0 CLAIMS PROCEDURE

8.1 Claims. A Participant shall make a claim for Benefits by making a request in accordance with Section 4.2.

8.2 Appeals. If a claim is wholly or partially denied, notice of the decision, in accordance with Section 8.3, shall be furnished to the claimant within a reasonable period of time, not to exceed 60 days after receipt of the claim by the Plan Administrator, unless special circumstances require an extension of time for processing the claim. If such an extension of time is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 60 day period. In no event shall such extension exceed a period of 90 days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date on which the Plan Administrator expects to render a decision.

8.3 Notification of Denial of Claim. The Plan Administrator shall provide every claimant who is denied a claim for benefits written notice setting forth, in a manner calculated to be understood by the claimant, the following:

- (a) A specific reason or reasons for the denial;
- (b) A specific reference to pertinent Plan provisions upon which the denial is based; and
- (c) If applicable, a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary.

8.4 Dispute; Suspension of Claim. If a dispute arises with respect to any matter under this Plan, the Plan Administrator may refrain from taking any other or further action in connection with the matter involved in the controversy until such dispute has been resolved.

9.0 MISCELLANEOUS

9.1 Amendment; Termination. The Board of the Employer may amend this Plan at any time by duly adopted resolution. Subject to the terms of applicable collective bargaining agreements, the Board of the Employer may terminate this Plan at any time by duly adopted resolution.


9.2 Construction. Except where otherwise indicated by the context, any masculine terminology used shall also include the feminine and vice versa and the definition of any term in the singular shall also include the plural, and vice versa.

9.3 Effective Date. This Plan shall be effective as of the date specified in the Board resolution approving and adopting this Plan.

9.4 Not an Employment Agreement. This Plan shall not be deemed to constitute a contract between the Employer and any Employee, or be consideration or an inducement, for the employment of any Employee. Nothing contained in this Plan shall be deemed to give any Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Employee (subject to applicable law) at any time regardless of the effect which such discharge shall have upon his or her participation in this Plan.

9.5 Applicable Law. This Plan shall be construed and enforced according to the laws of the State of Michigan, other than its laws respecting choice of law, to the extent not preempted by any federal law.

MASON PUBLIC SCHOOLS

By:  _____

Its: Steve Duane, MPS School Board Secretary

5-9-24