

MIT

children's scholarship plan

*Human Resources Department
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MIT provides two Plans to help you with the cost of continuing education for your children:

The Children's Scholarship Plan provides tuition grants to help pay for your child's tuition at an approved college or university, including MIT.

The Educational Loan Plan offers loans to help you finance your child's higher education.

This booklet summarizes the important features of both these Plans, including who may participate, what types of assistance you can receive from the Plans and how to apply for benefits. The Campus Benefits Office authorizes payments from the Plans, and is responsible for Plan administration, interpretation and approvals.

If you have questions that are not addressed in the Children's Scholarship Plan booklet, please send e-mail to csp@mit.edu or call (617) 253-0497. The Campus Benefits Office is open from 9:00 a.m. to 5:00 p.m. each day. The office is located in Building E19, Room 215. Application forms for the Children's Scholarship Plan and Educational Loan Plan can be downloaded from the Human Resources Forms, Publications, and Tools web page - <http://web.mit.edu/personnel/www/hrform.htm> - and are available in the Campus Benefits Office or at the Lincoln Benefits Office at LIN-A-128.

CONTENTS

CHILDREN'S SCHOLARSHIP PLAN	<i>p. 3</i>
Eligibility	<i>p. 3</i>
Amount of Tuition Grants	<i>p. 3</i>
Tuition Amount Chart	<i>p. 4</i>
Changes in Employment Status	<i>p. 4</i>
If You Die	<i>p. 5</i>
Qualifying for a Tuition Grant	<i>p. 5</i>
Applying for a Grant	<i>p. 6</i>
How Payments Are Made	<i>p. 6</i>
Annual Verification of Eligibility	<i>p. 6</i>
Taxability of Benefits	<i>p. 6</i>
EDUCATIONAL LOAN PLAN	<i>p. 7</i>
OTHER IMPORTANT INFORMATION	
Future of the Plans	<i>p. 8</i>
About This Summary	<i>p. 8</i>
Your Employment	<i>p. 8</i>

Eligibility

Your child may be eligible for a tuition grant from the Children's Scholarship Plan if you (1) work at least 50% of the normal full-time work schedule in your department, laboratory or center; (2) are appointed to work at MIT for at least three months; and (3) are paid by MIT.

The following are not eligible: individuals with visiting appointments, contractors, fellows, affiliates, teaching or research assistants, honorary lecturers, post-doctoral trainees, consultants, people paid by voucher and members of the armed services assigned to MIT.

If you are a member of a collective bargaining unit, all the provisions of the Children's Scholarship and Educational Loan Plans are subject to the terms of your collective bargaining agreement.

Amount of Tuition Grants

The amount of tuition your child can receive under the Children's Scholarship Plan is subject to maximum limits in effect at the time your child is attending school, and will depend on several factors, including your employment status, when you were hired and where your child attends school. Benefits are prorated for those working between 50% and 100% time (for a general listing of tuition grant amounts available, see chart on page 4).

All employees are eligible for a grant providing 100% of tuition costs for undergraduate study at MIT. Employees hired after July 1, 1998 (with the exception of tenured faculty) are not eligible for a grant if their children attend a school other than MIT. Employees hired before July 1, 1998 may be eligible for a grant for schools other than MIT. The availability and level of the grant is based on date of hire and employment category.

The following chart of tuition grant amounts available applies only to undergraduate study at colleges or universities **other than MIT**.

If you work full-time in this Employment Category ...	You are eligible for Tuition grant shown for up to ...
All tenured faculty	Up to 50% of MIT's tuition for 4 years
Non-tenured faculty, Other academic, Administrative, or Research staff hired on or before 01/01/78	Up to 50% of MIT's tuition for 4 years
Non-tenured faculty, Other academic, Administrative, or Research staff hired after 01/01/78 and before 07/01/98	Up to \$2,000 per academic year for 4 years (after 3 years of credited service)
Support staff	Not available
Non-tenured faculty, Other academic, Administrative, or Research staff hired on and after 07/01/98	Not available

For grants to colleges and universities operating on a semester basis, you must be appointed to an eligible employment category and complete the three-year service requirement on or prior to October 1 for a fall semester grant or **February 1** for a spring semester grant. For schools operating on a trimester basis, the Plan's eligibility requirements must be met on or prior to **October 1st, December 1st, or February 1st**.

Changes in Employment Status

If you voluntarily terminate from MIT and later return, the amount of the grant available to your child will be based on your most recent date of hire, not on your original hire date. CSP participants re-hired after July 1, 1998 will not have a benefit available for colleges or universities other than MIT. If you are laid off from MIT and are re-hired within two years of your layoff, you will be credited with all prior eligible service regardless of how long you worked at MIT prior to the layoff.

Your child will continue to be eligible for the same tuition privileges under the Plan after you retire from MIT, or while you are on authorized sick leave, extended sick leave or long-term disability from MIT. Your child will also continue to be eligible for the same tuition privileges while you are on a sabbatical leave. Eligibility for those on authorized leaves of absence, not due to disability, will be considered on an individual basis.

If you die while working at MIT or after retiring from the Institute, all of your children - whether enrolled in college or not at the time of your death - who were eligible for the Plan before your death may continue to be eligible for tuition grants if you had worked at MIT for at least ten years before your death or retirement. If you had completed less than ten years of service, payments may continue only for your children already enrolled in college or who had applied for admission for the next term; payments will be made up to your maximum benefit for the duration of your children's term of study.

If both parents are employed by the Institute, only one will be eligible for Plan benefits; however, if one parent is eligible for greater benefits under the Plan, the amount of the tuition grant will be equal to that higher level of benefits.

Qualifying for a Tuition Grant

You may receive a tuition grant for undergraduate studies that your child takes here at MIT. If you are a member of the faculty, administrative, academic or research staff, you may also receive a tuition grant for undergraduate courses your child takes at another accredited college or university, provided you have completed the necessary waiting period (see Eligibility, page 3) and you were hired prior to 7/1/98. Grants are available to support and service staff members for undergraduate study at MIT. Grants are not available to support or service staff members for studies outside of MIT. After July 1, 1998 only tenured faculty are eligible to receive a grant toward tuition for schools outside of MIT.

Grants are available to your dependent children (including those who are legally adopted). Dependent stepchildren are not eligible for benefits from the Plan unless you were hired on or before January 1, 1978 or hired as a service staff member prior to July 1, 1978. In general, the Institute uses the Internal Revenue Service definition of dependent.

To qualify for a grant, your child must attend school full-time. Tuition grants are not available for part-time courses of study. Grants are only made for the cost of tuition, may not be used to duplicate other financial aid or to pay room and board or other educational expenses. Mandatory fees are not covered with the exception of certain large academic fees (e.g. curriculum support fees) at some state schools that have been assessed to cover costs ordinarily covered by tuition. If your grant is for a state school, please contact the Benefits Office to see which fee, if any, is covered at the chosen school.

Studies outside of MIT must be taken in two- or four-year degree programs at an accredited college or university. Accreditation is a process of reviewing educational institutions and their plans for performance, integrity and quality. The Benefits Office approves applications for tuition grants for colleges and universities accredited by certain regional accrediting groups that are recognized by the Commission on Recognition of Postsecondary Accreditation and listed in "Accredited Institutions of Postsecondary Education," published annually by the American Council on Education. This book is available in the Benefits Office.

Tuition grants will be made up for summer grants of study when they are equivalent to full-term workloads, but not for make-up courses. Study at trade and technical schools and home study plans do not qualify for tuition grants.

The period of time required to complete a course of study is flexible. If your child withdraws from a college and elects to resume studies at a later time, tuition grants will then be available **if the child is still your dependent**. Please notify the Benefits Office immediately, in writing, of any changes in your child's plans.

Applying For A Grant

The Benefits Office is responsible for reviewing your eligibility, verifying accreditation of the college or university your child plans to attend, and for maintaining records necessary to administer the Plan.

Applications for tuition grants are available from the Campus Benefits Office or the Lincoln Benefits Office. All application forms should be returned to the Benefits Office for approval. As soon as your child is accepted at MIT or another college or university, you should complete an application. The Benefits Office will notify you when your application is approved and will advise you of the amount of the grant and the payment schedule.

How Payments Are Made

If your child attends MIT, the grant will be paid directly to the Student Financial Services Office. For children attending other colleges or universities, **checks for tuition grants from the Plan are made payable only to the educational institution**. Checks from the Plan cannot be issued in your name.

Grants payable to your child's school are sent to you according to the following schedule:

SCHOOL'S SCHEDULE	DATE OF PAYMENT
Semester	July 15, November 15
Trimester	July 15, November 15, March 1

Other payment schedules may be arranged when necessary - for example, for co-op plans. Annual payments will not be made unless required by the educational institution.

Annual Verification of Eligibility

Each year, you will be asked by the Campus Benefits Office to verify your child's status. You will be provided with a verification form that must be returned before any payments for the upcoming year will be made.

Taxability of Benefits

Grants you receive for your child's undergraduate studies are no longer taxable as of September 1994. Future changes by the Internal Revenue Service could require MIT to resume treating benefits for undergraduate study as taxable.

You may request a loan from MIT to help pay for your dependent child's higher education - either graduate or undergraduate studies - from MIT's Educational Loan Plan. Tenured faculty may apply for an educational loan as soon as they begin working at MIT. Non-tenured faculty, members of the administrative, research or other academic staff, support and service staff members who are eligible for the Children's Scholarship Plan may apply for a loan after one year of credited service (see Eligibility, page 3).

You may borrow up to \$10,000 for a 12-month period beginning July 1 and ending June 30 if you have one child enrolled in a college or university. If you have more than one child enrolled in a college or university, for a 12-month period beginning July 1 and ending June 30, you may borrow up to a total of \$15,000. You may have no more than \$50,000 in outstanding indebtedness at any time. If you are a part-time employee, these amounts will be prorated based on the number of hours you work.

The interest rate is intended to equal the cost to MIT of borrowing the necessary funds to support this Plan. Changes in the interest rate will apply to any loan balances outstanding at the time the rates are adjusted. The Loan Services Office can provide you with the rate of interest being charged at the time the loan is made.

The Loan Services Office will arrange repayment schedules and provide you with a promissory note. You repay the loan through payroll deduction beginning as soon as the loan is made. Loans must be repaid within approximately eight years of when the loan was made. If you cease active employment at the Institute for any reason other than retirement, the entire balance of principal and interest will become due and payable in full. If you retire from the Institute, you may elect to continue to pay the loan in monthly installments, but you must notify the Loan Services Office of this election in writing before the date of your retirement.

Application forms for the Educational Loan Plan can be downloaded from the Human Resources Forms, Publications and Tools web page: <http://web.mit.edu/personnel/www/hrform.htm>. They are also available in the Campus Benefits Office, E19-215, or at the Lincoln Benefits Office at LIN-A-128.

If you have questions that are not addressed in the Children's Scholarship Plan booklet, please send e-mail to csp@mit.edu. The staff in the Campus Benefits Office can also answer any questions you may have about the Plans. The Campus Benefits Office is open for walk-in inquiries from 9:00 a.m. to 5:00 p.m. each day, Building E19, Room 215, or you may call extension 3-0497 between 9:00 a.m. and 5:00 p.m.

Future of the Plans

While MIT expects to continue the Children's Scholarship Plan and the Educational Loan Plan as benefits for employees, it reserves the right, subject to contractual obligations or other limitations, to modify or discontinue these Plans should this become necessary or advisable.

About This Summary

This booklet describes the main provisions of the Children's Scholarship Plan and the Educational Loan Plan. The benefits under the Plans are provided for the exclusive benefit of participants and eligible dependents, and your rights to benefits provided by these Plans are enforceable under the law. The Campus Benefits Office and the Lincoln Benefits Office are available to explain your rights under the Plans.

Your Employment

Your eligibility or right to benefits under these Plans should not be interpreted as a guarantee of employment. The Institute's employment practices are made without regard to the benefits it offers as part of your total compensation.