The Massachusetts Institute of Technology Children's College Scholarship Plan and Education Loan Plan

Plan Guide

This document describes the features of the Massachusetts Institute of Technology Children's College Scholarship Plan and Education Loan Plan as of May 2019. Please read this document carefully. It explains how these Plans work for you.

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I. Introduction

MIT provides two benefits to help you with the cost of college education for your children:

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

The Education Loan Plan offers loans to help you finance your child's college education.

This booklet explains the features of these benefits, including who is eligible, who may participate, what type of assistance you can receive from these plans and how to apply for benefits.

Benefits is responsible for Children's College Scholarship Plan administration and authorizes payments from the funds allocated to the Plan by the Institute. Eligibility for the Education Loan Plan is determined by Benefits and the loans are administered by MIT Student Financial Services.

Here are some of the highlights of the Children's College Scholarship Plan:

- The Plan covers full tuition for four years of undergraduate study at MIT and, in some cases, tuition at accredited universities outside of MIT, as long as your child is a dependent and is a full-time undergraduate student.
- Grants for partial tuition at other colleges and universities are available for faculty children and children of academic, research and administrative staff who terminated employment prior to July 1, 1998.
- Grants are made only for the cost of tuition and may not be used to pay required fees, room and board or other educational expenses.
- Grants cannot duplicate other financial aid.
- Grants are prorated for employees working less than full time but at least half time.

Highlights of the Education Loan Plan Include

- You may borrow up to $10,000 per school year, $15,000 if you have more than one child attending college.
- Loans are made to cover the cost of tuition and may not be used to pay for required fees, room and board, or other education expenses.
- Loans cannot duplicate other financial aid.
- Loan repayments begin immediately after graduation and are made through payroll deduction.

If you have questions,

- Please contact Benefits by calling 617-253-6151 or sending an email to benefits@mit.edu.

II. The Children's College Scholarship Plan

Eligibility

Your dependent child will be eligible for a tuition grant under the Children's College Scholarship Plan if you are a MIT employee and are:

- appointed to work at MIT for at least three months and
- scheduled to work at least 50% of the normal full-time work schedule in your department, laboratory or center and
- are not employed by MIT as a visitor, contractor, fellow, affiliate, teaching or research assistant, honorary lecturer, consultant, members of the armed service assigned to MIT; individual paid by MITemps or other temporary employment agency

Union employees of MIT are eligible for the Plan only if the applicable collective bargaining agreement provides for plan participation.

When You May Begin Receiving Benefits from the Plan

You must be appointed to an eligible employment category prior to the beginning of the semester or term for which you are seeking a tuition grant.

Amount of Tuition Grants

The amount of tuition your child can receive under the Children's College Scholarship Plan depends on several factors:

- the maximum grant in effect; for any semester or term, grants cannot exceed MIT's tuition for the same semester or term,
- your employment status,
- when you were hired
- where your child attends school.

You may receive a 100% tuition grant for up to four (4) years of undergraduate studies that your child takes at MIT. In some cases, 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. Please refer to the Benefit Eligibility Chart in Section III for details.

If both parents are employed by MIT, only one will be eligible for Children's Scholarship Plan benefits. If one parent is eligible for a greater benefit under the Plan, the amount of the grant will be equal to that higher level of benefit.

Grants are only made for the cost of tuition and may not be used for required fees, room and board, or other education expenses. Grants cannot duplicate other financial aid your child receives.

Mandatory fees are not covered with the exception of certain large academic fees (e.g. curriculum support fees) assessed by some state schools to cover costs ordinarily covered by tuition. If your child is attending a state school, please contact Benefits to see which fees, if any, may be covered by the grant.

Qualifying for a Tuition Grant

Grants are available to your dependent children. In general, the Plan uses the Internal Revenue Service definition of dependent.

To qualify for a grant, your child must attend school full-time. Tuition grants are not made for part-time course of study. Tuition grants will be made for summer study when the course load is equivalent to a full-term course load, but not for make-up courses. Study at trade and technical schools and home study plans do not qualify for tuition grants.

Grants for studies outside of MIT are awarded for two (2) or four (4) year degree programs at an accredited college or universitie. Benefits approves tuition grants for colleges and universities accredited by regional groups recognized by the Commission on Postsecondary Accreditation.

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 Benefits immediately, in writing, of any changes in your child's study plan.

Benefit Eligibility Chart

Eligibility Criteria	Benefit
All tenured faculty	**MIT Undergraduate** • 100% tuition – four years **Other Undergraduate Institution** • Up to 50% of MIT's annual tuition – four years
Non-tenured faculty, other academic, administrative, or research staff hired on or before January 1, 1978	**MIT Undergraduate** • 100% tuition – four years **Other Undergraduate Institution** • Up to 50% of MIT's annual tuition – four years
Non-tenured faculty, other academic, administrative, or research staff hired after January 1, 1978 and before July 1, 1998	**MIT Undergraduate** • 100% tuition – four years **Other Undergraduate Institution** • Up to $2,000 – four years
Support Staff hired prior to July 1, 1998	**MIT Undergraduate** • 100% tuition – four years **Other Undergraduate Institution** • Ineligible
Non-tenured faculty, other academic, administrative, research, support or service* staff hired on and after July 1, 1998	**MIT Undergraduate** • 100% tuition – four years **Other Undergraduate Institution** • Ineligible

* Union employees (Service Staff) of MIT are eligible for the Plan only if the applicable collective bargaining agreement provides for plan participation.

Changes in Employment Status

In general, your eligibility for tuition grants ends when you terminate employment with MIT. If you are reemployed by MIT, the amount of the grant available to your child will be based on your most recent date of hire, not on your original date of hire.

If you

- **are laid-off from MIT and are rehired within two years** of your layoff, your grant will be determined using your date of hire or rehire immediately preceding your layoff.
- **retire with at least ten years of service**, your eligibility for tuition grants will continue as before you retired for your children on the date of your retirement.
- **on sabbatical,** your child will continue to be eligible for the same tuition privileges while you are on sabbatical leave.
- **are on authorized sick leave, extended sick leave or long-term disability** from MIT, you eligibility for tuition grants will continue as before your leave began.
- **are authorized leave of absence not due to disability,** your eligibility will be considered on an individual basis.

If you die while working at MIT and had completed at least ten years of service, 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 completed less than ten years of service, payments will 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.

Applying for a Grant

You can apply for a Children's College Scholarship tuition grant through the Atlas website. Click on "About Me" in the menu bar at the top of the web page and then select "Benefits" from the "My Benefits" subsection in the menu column on the left side of the web page. You will receive an email from Benefits about your grant application's status within five (5) to seven (7) business days. You can review your application's status at any time on the Atlas website.

How and When Payments are Made

If your child attends MIT, the grant will be paid directly to the Student Financial Services Office. Grants for children attending other colleges or universities, **are paid by check made payable to the college or university.** Grant checks cannot be issued in your name. Grants payable to schools other than MIT are mailed directly to your child's school according to the following schedule:

Academic Schedule	Date of Payment
Semester	July 15, November 15
Trimester	July 15, November 15, March 15

Other payment schedules can be arranged when necessary. You can also elect to have your grant check sent to your home or office address if you would rather remit the check to your child's school.

Annual Verification of Eligibility

You must verify your child's status each year. You will receive an email form Benefits at the end of May reminding you to verify your child's continued college enrollment. The email will provide instructions on how to verify your child's college enrollment through the Atlas website.

Taxability of Benefits

The Children College Scholarship grants you and your child receive are currently exempt from Federal and Massachusetts State Income Taxes. Future Tax Code changes by Congress or the Internal Revenue Service may change the tax status of these benefits.

III. The Education Loan Plan

Eligibility

You are eligible for an Education Loan if you are an MIT employee and:

- appointed to work at MIT for at least three months and
- scheduled to work at least 50% of the normal full-time work schedule in your department, laboratory or center and
- are not employed by MIT as a visitor, contractor, fellow, affiliate, teaching or research assistant, honorary lecturer, consultant, members of the armed service assigned to MIT; individual paid by MITemps or other temporary employment agency.

Note: Union employees of MIT are eligible for the Plan only if the applicable collective bargaining agreement provides for plan participation.

When You May Begin Receiving Benefits from the Plan

All eligible employees may apply for a loan after completing a year of service. Tenured faculty may apply for a loan on or after the date of their tenured appointment.

Qualifying Education Expenses

You can apply for a Loan to pay for your child's tuition and school expenses for full time study in a two- or four-year program at an accredited college or university. Loans are not made for part-time course of study. Loans will be made for summer study when the course load is equivalent to a full-term course load, but not for make-up courses. Study at trade and technical schools and home study plans do not qualify for Education Loans.

Loan Amounts, Terms, and Repayment

You may borrow up to $10,000 per school year, $15,000 per school year if you have more than one child enrolled in a college or university. The total outstanding balance of all Education Loans cannot exceed $50,000 at any time. Per year and maximum loan amounts are prorated for employees who work less than full time.

Interest immediately begins accruing on the loan. The interest rate equals the cost to MIT to borrow the necessary funds to support the plan. The interest rate is reviewed each calendar quarter and adjusted (increased or decreased) if it changes by more than 0.50%.

You are responsible for repaying the amount borrowed plus interest. The minimum required monthly payment is $15.00 per $1,000 loaned. The loan term, or number of payments needed to pay off the loan varies with the payment amount, interest rate and outstanding loan balance. Student Financial Services will provide you with a payment schedule when you take out your loan.

Loan repayments are deducted from your paycheck. The full amount of the loan must be paid when you terminate employment from MIT unless you retire with at least ten years of service.

Applying for a Loan

Applications for the Education Loan can be downloaded at https://hr.mit.edu/benefits

IV. Other Important Information

About this Summary

This booklet describes the main provisions of the Children's Scholarship Plan and the Education Loan Plan. While every effort has been made to accurately describe these Plan(s) provisions, this booklet does not cover all of the plan(s) details. In the event of any discrepancy between the plan(s) documents and this booklet, the Plan(s) documents will always govern.

Future of the Plan

MIT intends to continue the Children's College Scholarship Plan and Education Loan Plan indefinitely but, the Plans may be changed or discontinued without notice at any time and for any reason. Any claims or expenses incurred before the date of any Plan(s) amendments or termination will be paid in accordance with the Plan(s) terms in effect at the time the claim or expense was incurred; provided the claim is filed with the Plan(s) in accordance with the applicable claims procedures and within the applicable time limits for filing such claims. No vested rights of any nature are provided under the Plan(s).

Your Employment

Your eligibility or right to benefits under these Plan 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.