Is my tuition remission benefit considered taxable income?

Who will be taking courses at Pacific?

Myself

What type of courses will You be taking?

Graduate

No, this benefit is not taxable to you under IRC 117.

Undergraduate

Are you being required by your supervisor to take graduate courses?

Yes

No

My spouse/child

What type of courses will Your spouse/child be taking?

Graduate

No, this benefit is not taxable to you under IRC 117.

Undergraduate

Yes, under IRC Section 132, the employee may receive tuition reduction for dependents/spouses however the employee is liable for taxes on the full amount of the benefit. This will be added to your gross income for tax purposes.

Under IRC Sections 127 and 162, if the employee is being required to take graduate courses by the supervisor to help maintain or improve performance in the workplace then the benefit is considered non-taxable to the courses that apply. Your supervisor must submit a letter to Human Resources informing them each semester of the required courses.

Under IRC 127, the amount of qualified tuition reduction for graduate studies is excludable from gross income for tax purposes up to $5,250.00 for the employee. Anything over $5,250.00 is added to your gross income for tax purposes.