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## **Eligibility**

### **What is EAP?**

The Educational Assistance Program (EAP) offers a variety of programs and services, including financial assistance, for professional development activities and work-related travel for full-time faculty, administrators, and staff.

Criteria for EAP is that the activity should help employees:

- Improve job-related knowledge and skills to perform more effectively in current job
- Complete a job-related degree-seeking program
- Prepare for a different or higher-level job at the College

Note that EAP-eligible employees can use Tuition Waiver for any MC credit course, even if not related to the current position.

### **Who is eligible for EAP?**

After completion of six (6) months of employment, the following employees are eligible for EAP benefits:

- Full-time faculty, administrators, and staff
- Full-time temporary staff with benefits
- Part-time staff are eligible on a pro-rated basis (i.e., 1/2 time = 1/2 benefit)

### **Who is ineligible for EAP?**

Casual temps and student workers are not eligible for EAP benefits.

### **What can I use EAP funds for?**

EAP funds can be used, in specific circumstances, for:

- MC and Non-MC courses, seminars, conferences, and workshops that are job-related
- Eligible travel related to attending an approved EAP event
- Tuition, fees, and required books for any credit or non-credit courses taken inside or outside Montgomery College that is job-related or that is part of a degree program
- Professional association memberships, journal subscriptions, etc.
- Professional certifications and recertifications
- Presentations representing the College
- MC Wellness classes
- Outside gym memberships, up to \$35/month, as long as you use the gym at least ten (10) times a month on ten (10) separate days

## **What are the specific eligible and ineligible EAP expenses?**

Please refer to the EAP Resource Guide for a more detailed list of eligible and eligible expenses.

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## **Annual EAP Limit and Tax Implications**

### **How much am I eligible to spend for EAP each fiscal year?**

EAP allocations by employee type are determined each fiscal year. There are limits per employee up to an overall limit for the employee type for standard EAP-eligible programs. The amount each employee is eligible for depends on his or her employee type: full-time faculty, bargaining staff, or non-bargaining staff. EAP-eligible employees are also eligible for a separate allocation for eligible travel. The allocations renew on July 1 of each year. Employees cannot carry unused EAP funds into the new fiscal year or transfer to another employee. The EAP limits will be listed on the EAP/PDAP website each fiscal year.

In addition, Montgomery College will cover the cost per credit taken equal to the University of Maryland, College Park credit rate for in-state tuition and fees for undergraduate or graduate coursework, not to exceed twelve (12) credits in a fiscal year. These limits are not in addition to the standard EAP limits, but rather represent the overall maximum total for any employee in a fiscal year.

For current UMD undergraduate and graduate Tuition and Fees, visit <https://billpay.umd.edu/costs>.

### **How do I check my remaining balance for the fiscal year?**

Although we currently do not have a feature to check your remaining balance for the fiscal year, you may contact [EAPRequests@montgomerycollege.edu](mailto:EAPRequests@montgomerycollege.edu) and we can provide you with your total remaining balance.

### **What is the annual tax-free limit for tuition benefits?**

For 2024, the annual limit for tax-free tuition benefits is \$5,250. Employees must pay taxes on any tuition benefits received in excess of this amount by the end of the applicable calendar year.

Note that even though EAP benefits are tied to the fiscal year, taxation of benefits received above the IRS tax-free limit are based on the calendar year.

# FAQ for EAP

Updated February 2024

## **How and when will I pay the taxes on any EAP benefits I receive above the annual IRS tax-free limit?**

HRSTM will track and process all EAP tuition benefits on a quarterly basis. If an employee has received more than the applicable calendar year IRS tax-free tuition benefit limit, then the balance above the limit will be split over the next two (2) pay dates immediately following the quarter end. The total amount due will be split into even amounts to be added to your taxable income for the applicable pay period. This will increase your taxable income specifically for the purpose of calculating and deducting taxes, but will not increase your gross pay. Your net pay will be reduced by the additional tax liability you are responsible for paying.

Note that even though EAP benefits are tied to the fiscal year, taxation of benefits received above the IRS tax-free limit are based on the calendar year.

## **How much will be taken from my paycheck if I receive benefits above the annual IRS tax-free limit?**

The amount depends on the amount of your benefits that exceed the tax-free limit, your compensation, and your tax elections. The tuition benefits that exceed the IRS tax-free limit are added to your taxable income, specifically for the purpose of calculating and deducting taxes, but will not increase your gross pay. Your net pay will be reduced by the additional tax liability you are responsible for paying.

HRSTM will notify affected employees via email with the taxable tuition amount, which is then divided over the two (2) pays following the applicable quarter. For more information, please contact your tax advisor or [visit the IRS website](#).

## **How and when will I pay the taxes on EAP benefits used on taxable wellness expenses and prizes/incentives?**

EAP benefits used for eligible wellness expenses up to \$35 per month and any wellness prizes/incentives are always taxable and will be processed on a quarterly basis.

The total amount due will be added to your taxable income for the applicable quarter on the immediate next pay period. This will increase your taxable income specifically for the purpose of calculating and deducting taxes, but will not increase your gross pay. Your net pay will be reduced by the additional tax liability you are responsible for paying.

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## Timing of EAP Requests

### **Can I make a request for the next fiscal year?**

No. EAP requests cannot be entered until the official start of the fiscal year, which is July 1. This means that EAP requests cannot be made for future fiscal years.

### **What is the last day to submit EAP requests for processing?**

Office of Business Services (OBS) will announce the last day of the fiscal year that EAP requests can be submitted in Workday. OBS will also provide a deadline for eligible employees that have approved EAP events and/or travel the last week of the fiscal year. Employees and supervisors are responsible for adhering to all stated deadlines to ensure processing on the appropriate fiscal year. Late requests may be denied.

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## Processing Requests

### **How do I create an EAP request?**

EAP requests can be processed in one of two (2) ways:

1. Request that MC pay the supplier (i.e., vendor, college, university) directly by **creating a Requisition and a Receipt**, or
  - a. [Create Supplier Request \(Total Time 3:32\)](#) to add a new supplier to the system (if applicable).
  - b. [Step 1 of 2: Create Requisition \(Until 9:57\) and](#)
  - c. [Step 2 of 2: Create Receipt \(Total Time 12:23\)](#)
2. Pay the supplier yourself and request a reimbursement by **creating a Spend Authorization and an Expense Report**. Reimbursement is the only option for eligible EAP travel expenses and eligible wellness expenses.
  - a. [Step 1 of 2: Create Spend Authorization \(Until 10:37\) and](#)
  - b. [Step 2 of 2: Create Expense Report \(Total Time 15:08\)](#)

**In either case, both steps are required for the request to be fully processed. Payment will not be made without the second step.** Please go to the EAP Training, Resources, and Key Information section of the [EAP/PDAP website](#) for more details regarding each of these processes and the applicable required documentation.

## **Am I required to provide proof that I attended the EAP event and/or received a satisfactory grade?**

Yes. All employees are required to submit proof of completion and/or satisfactory grade for all EAP events to [EAP Requests](#).

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## **Policy and Procedures**

### **What is the College policy that governs EAP?**

All eligible EAP and related travel expenses must be pre-approved in accordance with [College PandP 35001 Compensation Programs XIX, A](#).

### **What happens if I do not attend an EAP event that the College paid for or reimbursed me for?**

Employees are financially responsible for reimbursing the College in full and the use of EAP benefits are suspended until the full refund is received. Once EAP funds are paid back, they are added back to the employee's balance for use on other eligible expenses.

### **What happens if I use EAP funds while on approved paid Sabbatical Leave or Professional Development Leave and I do not return to work?**

Per the Sabbatical Leave or Professional Development Leave agreement, employees will be responsible for returning all EAP funds received during the Sabbatical Leave or Professional Development Leave period including EAP benefits, insurance benefits, and pay if they do not return to work at the conclusion of the approved leave of absence.

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## **Additional Support**

### **Who should I contact if I need assistance with my EAP request?**

We are here to help! Please email [EAPRequests@montgomerycollege.edu](mailto:EAPRequests@montgomerycollege.edu) or [HRSTM@montgomerycollege.edu](mailto:HRSTM@montgomerycollege.edu) for questions about your EAP request. We recommend emailing us **BEFORE** you submit your request if you are unsure about expense eligibility.

Use videos, job aids, and resources on the [EAP/PDAP website](#) **BEFORE** you attempt to process your request in Workday.

# FAQ for EAP

Updated February 2024

Requests are processed in the order they are received. If you have already successfully submitted your request in Workday, **please do not email us to check on the status unless it has been more than five (5) business days.**

Please contact [AccountsPayable@montgomerycollege.edu](mailto:AccountsPayable@montgomerycollege.edu) if you are looking for an update on the payment for your EAP request.

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