

Graduate Tuition Remission FAQ

The Payroll Department aims to simplify the Graduate Tuition Remission process and provide exceptional service to our end-users. We've compiled some of our most frequently asked questions below.

What types of Tuition Remission are a taxable benefit?

IRS regulations do allow for a tax-exempt threshold of \$5,250 per calendar year for Pace employees in their own graduate course work. Any graduate tuition remission received by an employee beyond the \$5,250 becomes a taxable benefit during that calendar year. The IRS requires that all graduate level Tuition Remission benefits be fully taxable for spouses and other eligible dependents of our employees.

When does the tax impact occur?

Tax is reported by calendar year, not academic year, for this reason Spring semester graduate tuition remission requests will be processed after January 1 each year to ensure that your tax impact falls within the tax year in which you are taking the classes.

Is it at the University's discretion to take out taxes?

No, we are obligated to withhold taxes on this benefit. It is not optional.

How do I find out the amount of Tuition Remission I have received during a tax year?

You are encouraged to track your own tuition remission through student accounts. The OSA department will send you a bill outlining the amount Tuition Remission that has been provided for each semester. This bill is also accessible via your MyPace Portal (Student Tab > Registration > Account Summary by Term). For more information regarding your bill, [please visit the Student Accounts website](#).

How and when will the taxes be taken out?

Any taxable Tuition Remission will be divided over the remaining pay periods in the calendar year. The tax on the Tuition Remission will be calculated by payroll and deducted from your paycheck. The taxable tuition remission will appear on your paycheck stub as "Earning 803 Grad Txbl Tuit". This is not the amount being withheld from your paycheck. This amount represents the Tuition amount you are being taxed on for the pay period.

When will my Tuition Remission be applied to my student account?

Your Tuition Remission form must be approved by your supervisor, the Benefits, and the Payroll department before it reaches OSA for billing – you will receive a notification after each approval. On average, the tuition remission benefit will be applied to your student account within 1 week of your supervisor's approval.

What should I do if I am taking additional courses?

If you are adding new courses that will be covered by the Tuition Remission benefit, you must submit a new Tuition Remission form, (please keep in mind each form is semester-specific). Payroll will recalculate your tax liability when the Tuition Remission form reaches our department.

How will my tuition remission tax liability be affected if I drop courses?

If you drop courses after submitting your initial Tuition Remission form, you will need to fill out a new Graduate Tuition Remission Tax Liability form. Please keep in mind that tuition rates will follow the [Tuition rate policy](#). Payroll will calculate your tax liability based on the rates set forth by OSA.

Where can I go for questions on the Tuition Remission Benefits Policy?

Please go to the [Benefits website](#) to review the summary on Tuition Remission. You must request remission for each semester using the on-line tools provided.

Where can I go for questions on tax withholding?

[Visit the IRS website](#) or contact a tax accountant. Each taxpayer should seek advice from their own independent tax adviser, based on the taxpayer's particular circumstances. The Payroll Department is unable to provide tax advice.

Additional Questions? Suggestions? Concerns? The Payroll Department is here to help! Please contact us via email (payroll@pace.edu) or phone (914) 923-2898 and we'll happily answer your questions.

Links

- [Student Accounts Website](#)
- [Tuition Cancellation Policy](#)
- [Benefits Website](#)