

## UNIVERSITY OF CONNECTICUT

### TAX CONSIDERATIONS FOR GRADUATE LEVEL EMPLOYEE TUITION WAIVERS

In accordance with U.S. Income tax laws, a tuition waiver granted to a qualifying employee for graduate level courses may be taxable to the employee if one of the following statements is true:

- The education qualifies the employee for a new trade or business.
- The education teaches the employee new skills unrelated to their current position.
- The education is required to meet the minimum educational qualification stated for the employee's current position.
- The education is being pursued by the employee to satisfy their own personal interest in the subject matter and not primarily for work-related reasons.

The following graduate degrees are most often found to qualify an employee for a new trade or business:

- Masters in Accounting
- Masters in Social Work
- Masters in Business Administration
- Masters in Nursing (If it qualifies the graduate for APRN licensure)
- Masters in Educational Psychology with a concentration in Counseling Psychology or Counselor Education
- Law Degrees (LLM/JD)