



## Tuition Benefits Taxation Guidelines

Qualified Tuition Reduction (QTR) and the Domestic Partner Tuition Program (DPTP) allow eligible active and officially retired employees, as well as their spouses/domestic partners and their dependent children to enroll in courses of study at reduced tuition rates. For more information on QTR and the DPTP, visit [http://hr.arizona.edu/educational\\_benefits](http://hr.arizona.edu/educational_benefits).

The charts below provide a general overview of the taxability of the QTR benefit and the DPTP benefit. It does not constitute tax advice. Each recipient of tuition reduction is strongly encouraged to discuss all questions related to tax liability, or the amount that may be owed in taxes, with a tax advisor.

UNDERGRADUATE TUITION	TAXATION
Employee/Retiree	The amount of the QTR benefit is not taxable.
Spouse or dependent child	The amount of the QTR benefit is not taxable.
Domestic partner/dependent of domestic partner	The DPTP benefit amount will be awarded on the student's Form 1098-T as if he or she received a scholarship. The amount of the DPTP benefit is not taxed through payroll. Consult a tax advisor for tax liabilities.
UA Affiliate	The full amount of the QTR benefit will be reported on Form 1099-MISC. Consult a tax advisor for tax liabilities.

GRADUATE TUITION	TAXATION
Employee/Retiree	The first \$5,250 of the QTR benefit is exempt from taxation. Any amount in excess of \$5,250 per calendar year is taxed through payroll. Consult a tax advisor for tax liabilities.
Spouse or dependent child	The full amount of the QTR benefit is taxable to the employee and taxed through payroll. Consult a tax advisor for tax liabilities.
Domestic partner/dependent of domestic partner	The DPTP benefit amount will be awarded on the student's Form 1098-T as if he or she received a scholarship. The amount of the DPTP benefit is not taxed through payroll. Consult a tax advisor for tax liabilities.
UA Affiliate	The full amount of the QTR benefit will be reported on Form 1099-MISC. Consult a tax advisor for tax liabilities.

For questions about how tuition reduction is taxed in your paycheck, please contact Payroll at 520-621-9097.