



## 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 dependent children, to enroll in courses of study at reduced tuition rates. For more information, visit <https://hr.arizona.edu/employees-affiliates/benefits/educational-benefits>.

The charts below provide a general overview of the taxability of the QTR and DPTP benefits. This does not constitute tax advice. **We strongly encourage you to discuss all questions related to tax liability, or the amount that may be owed in taxes, with a tax adviser.**

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 they received a scholarship. The amount of the DPTP benefit is not taxed through payroll and does not come out of your paycheck.
UA affiliate	The full amount of the QTR benefit used in 2022 will be reported on Form 1099-MISC. Beginning in 2023, QTR will be taxed by the affiliate's employer, and the benefit will be included in W-2 wages.

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 and comes out of your paycheck.
Spouse or dependent child	The full amount of the QTR benefit is taxable to the employee and taxed through payroll and comes out of your paycheck.
Domestic partner/dependent of domestic partner	The DPTP benefit amount will be awarded on the student's Form 1098-T as if they received a scholarship. The amount of the DPTP benefit is not taxed through payroll.
UA affiliate	The full amount of the QTR benefit used in 2022 will be reported on Form 1099-MISC. Beginning in 2023, QTR will be taxed by the affiliate's employer, and the benefit will be included in W-2 wages.

For questions, please contact payroll at [FNSV-Payroll-Info@arizona.edu](mailto:FNSV-Payroll-Info@arizona.edu) or 520-621-9097.