

# GarrettEDU

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## Program Specifics & Eligibility Requirements

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### Eligibility Requirements

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- The reimbursement can only be made for direct billings from the educational institution in which dependents are enrolled.
- This reimbursement is commonly used for tuition, class-related fees, and on-campus room and board fees.
- GarrettEDU does not reimburse for educational-related expenses such as travel to and from the school, technology, books, off-campus housing, dining, or other fees, expenses, or dues that are not directly billed by the educational institution.
- GarrettEDU is only available to employees with dependent students that are actively and currently enrolled in secondary education and used directly for those students' incurred expenses.
- Reimbursements must be requested within 90 days of incurred cost (as shown on the dated bill and proof of payment).
- Reimbursements cannot be made for billings that occur prior to employee 6-year employment anniversary.
- Refer to the full terms and conditions that govern this program in this document. Updates and edits can occur, so please contact Human Resources for the most up-to-date information, or if you have questions!

### Rules, Terms, & Conditions

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The Garrett Companies are proud to be able to provide support for the secondary education of our team's dependents, whether that be to attend college, university, or trade school. The GERP gives back to our team and supports their family's educational efforts and aspirations. This program was designed to cover the core fees and dues related to a 4-year degree program for one dependent. The current total max lifetime benefit per employee is One Hundred Thousand Dollars (\$100,000). This benefit can be used to support multiple employee dependents; however, the total employee lifetime benefit shall not exceed \$100,000. In a rare occurrence where employees are married or share dependent financial responsibility, this benefit is capped at \$100,000 per family.

#### **What Costs are Eligible for Reimbursement?**

The GERP reimburses employees for out-of-pocket costs as they relate specifically to Secondary Education Tuition and Fees. The reimbursement can only be made for direct billings from the educational institution in which dependents are enrolled. This reimbursement is commonly used for tuition, class-related fees, and on-campus room and board fees. The GERP does not reimburse for educational-related expenses such as travel to and from the school, technology, books, off-campus housing, and dining, or other fees, expenses, or dues that are not directly billed by the educational institution. In addition, GERP is only available to employees with dependent students that are actively and currently enrolled in secondary education and used directly for those students' incurred expenses. GERP reimbursements must be requested within 90 days of incurred cost (as shown on the dated bill and proof of payment). Reimbursements cannot be made for billings that occur prior to an employee's 6-year employment anniversary.

## **GERP Eligibility Guidelines**

All regular, full-time employees in good standing are eligible to receive GERP reimbursement for dependents attending secondary education, up to an employee (or family, see above) lifetime maximum of the benefit of \$100,000. GERP cannot be used to reimburse pre-high school graduation expenses, summer programs, primary education, or AP courses. Employee dependents must be high school graduates. Dependents are as defined by the Internal Revenue Code and must be identified in the most recent tax filings.

To qualify for this benefit, employees must:

- Have completed at least six (6) consecutive years of employment with The Garrett Companies, starting from their current start date as a full-time employee. Full-time employees work more than 30 hours per week. Internships are not full-time employment.
- Employees must be in good standing and not have any formal disciplinary actions within the previous six (6) months of reimbursement request. If the employee has had a disciplinary action, after six months from the final resolution of that action, the employee will once again be eligible for GERP reimbursements.
- Have a dependent that is enrolled in a secondary education program that has previously graduated from high school.
- Show proof of dependency for identified student via most recent (prior year) tax filings.

## **How to Enroll in GERP**

At the time an employee has a dependent of age or eligibility to attend secondary education, they may participate in GERP. Contact Alyssa Skarbek, VP of Human Resources, via email within 90 days PRIOR to the anticipated reimbursement request with the following information:

- Your name
- Dependent's name and age
- Educational Institution where dependent is enrolled and date of such enrollment
- Degree sought by dependent
- Estimated date of graduation
- Copy of dependent's high school diploma
- Copy of most recent tax filing identifying the student as employee dependent.
- Copy of Student's Driver's License or Identification Card
- Student ID with Social Security Number

This requested information, and potentially more is outlined in the GERP Enrollment form that is available from the Garrett Companies HR Department. This form is available both in print and digitally.

## **Reimbursement Requirements**

GERP is a reimbursement program. This means that you, the employee, are responsible for all initial fees, dues, and expenses as they relate to your dependent's secondary education. If all criteria outlined in this program are met, and all information required herein has been submitted and approved, you can request expense reimbursement by submitting the following information:

- Proof of curriculum registration by documentation generated by the educational institution.
- Itemized billing statement from the educational institution showing amount billed, date of billing, amount paid, and date of payments.
- Copy of check, banking account statement, or other means showing payment for billings, and the date of those payments. The payment amount must match the billing statement in terms of amounts, dates, and payees.
- NOTE: All statements must be legible and clearly show billing, enrolled student information, and paying parties. Only billings directly from the identified educational institution that clearly identifies the enrolled student of record will be reimbursed.

## **Reimbursement Amount – Yearly Max and Lifetime Max**

All employees that meet the criteria and requirements of this program are eligible for a lifetime max benefit of up to \$100,000 of dependent secondary education expense reimbursement. This benefit has an annual cap as well for each employee based upon the tenure of employment. Annual amounts do not roll over or compound in any way. Each annual max resets each year as outlined below.

Upon commencement of year six (6), employees will earn annual potential reimbursement increments correlated with each completed year of employment as outlined below:

- (a) 6 Years - \$10,000 Max Annual Reimbursement
- (b) 7 Years - \$15,000 Max Annual Reimbursement
- (c) 8 Years - \$20,000 Max Annual Reimbursement
- (d) 9 Years and beyond - \$25,000 Max Annual Reimbursement
- (e) Up to \$100,000 lifetime maximum.

At the time an employee has fulfilled all requirements for reimbursement and is ready to utilize the Garrett Educational Reimbursement Program, they should contact the Director of Human Resources to complete a GERP Reimbursement form with the required documentation. Reimbursement for approved expenses will be issued within 60 days of the receipt of all required materials outlined within this program. Reimbursement funds will be issued through regular payroll (or direct check) and are considered taxable income.

## **Tax Implications**

The GERP is a reimbursement paid directly to employees for their direct educational costs as outlined above. This reimbursement will be considered taxable income by the IRS, and it will have a tax liability. Be aware there are no holdbacks from a reimbursement, and you will owe income tax based on your taxable income bracket. Please consult with your tax prep professional for more information as it relates to such. All reimbursements are paid via normal payroll (or as a check) directly to the employee that paid the educational institution.

## **Termination of Employment**

This benefit is intended to provide financial support to our team as a token of gratitude for the dedication and commitment an employee contributes throughout the duration of their career with The Garrett Companies. This program was designed as a long-term tenure encouraging benefit, and as such, it is a "look back" reward for prior commitment, dedication, and performance. In the event an employee terminates from The Garrett Companies, whether voluntarily or involuntarily, and has utilized any or all of the GERP for a dependent, there will be no obligation for reimbursement of earned funds to The Garrett Companies.

## **Employer Rights**

Like all voluntary benefits, this program is subject to change in terms of scope, duration, amounts, criteria, and qualifications. This program, its existence, and employee enrollment into such is no guarantee of benefits. This program is not transferable. All details in this program are subject to change and The Garrett Companies reserves the right to do such without notice. Employees waive all rights of dispute in matters regarding this program and its implied benefits. Enrollment into this program requires confirmation of these employer rights.

