

OKOLONA FIRE PROTECTION DISTRICT
Educational Assistance Plan
Internal Revenue Code Section 127

The Plan

On December 9, 2021 OKOLONA FIRE PROTECTION DISTRICT (OFPD) established an Educational Assistance Plan to provide educational benefits under Internal Revenue Code Section 127 to all full-time and part-time employees of OFPD. This document sets forth the terms and intent of the Plan.

Employment Status

Employees qualify for the Plan and earn Plan benefits when they actually work 1500 hours or more during a calendar year. One year of qualification entitles the employee to one year of reimbursement. Time off for school does not count toward the 1500 hours of work.

Employees may only take courses of instruction during active employment.

Employees must complete the OKOLONA FIRE PROTECTION DISTRICT APPLICATION FOR EDUCATIONAL ASSISTANCE each semester

OFPD Application Prerequisites

No employee shall be reimbursed unless they have first applied for Free Application for Federal Student Aid (FASFA) and then applied for The Work Ready Kentucky Scholarship or any replacement scholarship program. Written proof must be provided that FASFA was either approved or denied as well as written proof must be provided that The Work Ready Kentucky Scholarship was either approved or denied. Additionally, any employee seeking educational reimbursement shall complete the OFPD Application for Educational Assistance Plan.

Plan Benefits

OFPD will reimburse the employee no more than \$5,250 a calendar year for qualified educational programs. Should there be an increase or decrease to the \$5,250 ceiling due to law change, this Plan automatically adopts the new ceiling on its effective date. **Under Section 127 of the Internal Revenue Code, the employee receives the reimbursements under this Plan as tax-free fringe benefits and will not be included as income on their W-2 wage statement.**

Plan Termination

OFPD reserves the right to change or terminate the Plan without prior notice for any reason. If OFPD does end the Plan, OFPD will reimburse all courses in process prior to termination. It will not reimburse any classes that begin after Plan termination and notification of the employee.

Funding

OFPD will pay educational benefits out of its general assets and cash funds. OFPD does not maintain a special fund to cover the benefits. OFPD does not require employees or participants to contribute as a condition of receiving benefits.

Prohibited Payments

This Plan prohibits payment of more than 5 percent of the amounts paid or incurred by OFPD for educational assistance during the year for the class of individuals who are shareholders or owners (or their spouses or dependents), each of whom (on any day of the calendar year) owns more than 5 percent of the stock, capital, or profits interest in OFPD.

After application of the previous sentence, this Plan then prohibits payments to those in the highly compensated group when such payments violate the discrimination clause as set forth in IRC 127 (b) (3).

Prohibited Choices

This plan prohibits OFPD from offering eligible employees a choice between educational assistance and any other form of compensation or benefit.

Covered Educational Expenses

This Plan reimburses costs for tuition, fees and books for college and university classes. The Plan does not reimburse costs for tools, supplies, meals, lodging, or transportation. The Plan does not reimburse costs for any education that involves sports, games or hobbies.

Notification to Employer

Employees who plan to take advantage of the Educational Assistance Plan offered by OFPD shall notify OFPD, in writing, of such plan, course of study and expected reimbursement amounts and dates no later than 30 days after the educational activity begins.

Reimbursements

Upon completion of the courses, the participant must provide an official transcript of grades and original receipts for all items for which he or she seeks reimbursement from OFPD. Additionally, an employee must complete OFPD's Application for Educational Reimbursement.

Further, OFPD will not reimburse any amounts already reimbursed by any financial assistance, scholarship, or any other financial benefit derived from public or private programs.

A passing grade or successful class completion must be attained in order to qualify for benefits under the Plan.

OFPD shall reimburse the participant within a reasonable amount of time after proper submission of the supporting documents.

OFPD has explained this Plan to me, an eligible employee, and I have read this document.

With this signature, I verify that I have read and understand the Plan document.

BY THE EMPLOYEE:

PRINTED NAME

SIGNATURE

DATE

On behalf of OFPD, I explained this Plan to the employee above.

I furnished the employee with a copy of the Plan and observed as he or she read the Plan. I hereby affix my signature in verification of these facts.

FOR OKOLONA FIRE PROTECTION DISTRICT:

PRINTED NAME

SIGNATURE

DATE

**OKOLONA FIRE PROTECTION DISTRICT
APPLICATION FOR EDUCATIONAL ASSISTANCE**

Under the penalty of perjury, I certify that all of the following are true and correct:

- ___ 1. This application to OFPD is submitted no later than 30 days after the educational activity begins.

- ___ 2. Completed Free Application for Federal Student Aid (FASFA) with approval or denial official notification is **ATTACHED.**

- ___ 3. Completed Work Ready Kentucky Scholarship or any replacement scholarship program application with approval or denial official notification is **ATTACHED.**

Employee Name Printed

Employee Signature

Date

Reviewed by:

Fire Chief or designee

Date

BOT Member
(not a firefighter trustee)

Date

___ Approved

___ Denied

**OKOLONA FIRE PROTECTION DISTRICT
APPLICATION FOR EDUCATIONAL REIMBURSEMENT**

Under the penalty of perjury, I certify that all of the following are true and correct:

- ___ 1. The OFPD Application For Educational Assistance was submitted no later than 30 days after the educational activity began.

- ___ 2. The OFPD Application For Educational Assistance was reviewed and approved by the Fire Chief and his/her designee as well as a BOT Member.

- ___ 3. Employee has complied with and submitted all required documents referenced in the 'Reimbursements' section of OFPD's Educational Assistance Plan.

- ___ 4. Employee has received a passing grade or successful class completion. Employee is requesting reimbursement only for those classes or courses that have been successfully completed with a passing grade for the amount of \$_____.

Employee Name Printed

Employee Signature

Date

Reviewed by:

Fire Chief or designee

Date

BOT Member
(not a firefighter trustee)

Date

___ Approved

___ Denied