



## US Tuition Reimbursement Policy

**Policy effective date:** 01/01/2003

**Last update:** 06/01/2013

If you have questions call [HR Connections](#) at 877-812-7547 or 918-661-5381.

### **IMPORTANT!**

Prior to proceeding with the US Tuition Reimbursement process, it is recommended that all employees read the [Global Educational Reimbursement Principles](#), to fully understand the spirit and intent of ConocoPhillips' Tuition Reimbursement process.

### **Introduction**

The U.S. Tuition Reimbursement Policy is designed to help employees further their knowledge, skills and job effectiveness through higher education in fields of interest to the company. Tuition reimbursements are offered to regular, full-time and regular, part-time employees.

Only courses taken at nationally recognized accredited colleges, universities and technical schools will be approved for reimbursement. Nationally recognized accreditations are those from the U.S. Department of Education and/or those acknowledged by the American Council on Education.

### **1. Tuition reimbursement process for Non-Advanced Degrees (Degree Programs, Certifications and Professional Memberships)**

- [Reimbursement Provisions](#)
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### **2. Tuition reimbursement process for Advanced Degrees (Master's, MBA, PhD and JD)**

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- [General Eligibility Guidelines for Reimbursement](#)
- [Approval & Reimbursement Process/Checklist](#)

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# 1. Tuition reimbursement process for Non-Advanced Degrees

## Reimbursement Provisions

The program will pay 90 percent of tuition and other mandatory, incidental expenses required for enrollment as follows:

- **\$4,000 per calendar year for all formal education.**
- Successful completion of courses is required for a tuition reimbursement to be granted. Successful completion of a grade of "C" or equivalent or better (certification of completion is required for non-graded classes).
- Cost for books, travel, testing and field trips will not be reimbursed.
- To participate, employees must obtain their supervisor's pre-approval before enrolling in the desired course(s) or degree program. See procedures below for the tuition approval process for a non-advanced degree.

## General Eligibility Guidelines for Tuition Reimbursement – Non-Advanced Degrees

To be eligible to participate in the US Tuition Reimbursement process, the employee:

- **Must** be a regular, full-time or a regular, part-time employee.
- **Must** meet the performance expectations of his or her current position.
- **Must** have an [individual development plan](#) (41KB .PDF) in place, reviewed and agreed to by the supervisors with recognition that the educational investment is part of the employee's development for the current job or for a job to which he or she would realistically move to within ConocoPhillips in the future.
  - Undergraduate level and graduate level non-degree course work, (both credit and non-credit courses) are eligible for reimbursement, provided the employee's management agrees that the intended studies relate to the individual's current or potential future job at ConocoPhillips. This alignment should be reflected within the employee's individual development plan.
- **Must** have clear alignment between the employee's educational ambitions, the organization's needs, the employee's performance management agreement and individual development plan.
- **Must** ensure the educational institution is accredited or have recognized professional accreditation for specific courses to which the employee is enrolling. The following online tool is available to assist in determining accreditation: [U.S. Department of Education Office of Postsecondary Education](#).
- **Must** apply for and be pre-approved before enrolling in courses or any other type of formal education such as professional certifications, etc. It is advisable for application to be made a year in advance of the course/program (by Aug. 1 of the year before coursework begins) to allow the BU to consider approval and budgeting, as appropriate.
  - **NOTE:** The BU is allowed the discretion to limit tuition reimbursement to employees during the year for budgetary considerations.
- **NOTE:** It is expected that time needed for formal education will be limited to the employee's personal time off, vacation or unpaid leaves of absence. Occasional time allowances can also be made between the supervisor and employee to participate in required activities such as examinations, registration, etc. The BU is allowed the discretion to limit time off.

Employees are not eligible for Tuition Reimbursement if they are:

- A temporary employee.
- An intermittent employee.
- A summer hire or an intern.
- Unable to work due to illness or injury, or are on a personal, disability, labor dispute or military leave of absence or family medical leave of absence (FMLA) (if the absence or leave began prior to your application for Tuition Reimbursement).

### Guidance on approval of Non-Advanced Degree programs and non-degree courses

Approved degree programs are those that align with the employee's development plan and enhance the employee's capabilities, whether or not they are essential for the employee to perform the job. Such programs can be courses for which the employee has enrolled:

- As a candidate for an undergraduate degrees and degree work (Bachelor or Associate Degree).
- To participate as a special or unclassified student in undergraduate or graduate non-degree course work (geared toward enhancing an employee's capabilities).
- To participate in non-degree refresher courses (maximum of two total programs annually).
- To prepare for professional examinations (such as but not limited to CPA, CPS, EIT, PE, etc.) provided the professional certificate, license or registration granted by successful completion of the examination is required in the performance of the employee's current job or will significantly enhance that performance.
- Where deemed necessary by the company, to participate in non-degree, continuing education courses required to maintain a professional certification as defined above.
- To participate in other non-degree certificate programs, as deemed appropriate by the BU.

### Certification Course Guidelines

Certification courses will be approved by the supervisor or manager on a case-by-case basis depending on the following criteria:

Description	Type	Reimbursement
Certification courses that are <u>necessary</u> for the job to ensure the employee has the immediate competencies to satisfactorily perform the job.	Training	100% paid for by the business unit
Certification courses that are <u>not essential</u> for the employee to perform the job but will enhance an individual's capabilities in his or her job and are linked to the employee's development plan.	Formal Education	90% tuition reimbursement
Certification courses that are <u>not essential</u> for the employee to perform the job and are <u>not linked</u> to the business need or to the employee's development plan.	N/A	Denied

## **Approval and Reimbursement Checklist – Non-Advanced Degrees**

(All policy approval steps to be completed prior to enrolling in a program or course)

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- Read the [Global Educational Reimbursement Principles](#).

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  - Complete and obtain supervisory approval on the IDP ([individual development plan](#) – 41KB .PDF).

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  - Ensure institution accreditation (online look up available at: [U.S. Department of Education Office of Postsecondary Education](#) and/or those acknowledged by the American Council on Education).

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  - Complete and obtain pre-approval on [Tuition Reimbursement Policy Application for Active U.S. Employees](#) (276KB .PDF).

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  - Retain the original copy of the Tuition Reimbursement Policy Application for Active U.S. Employees form (276KB .PDF) and register for class.

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  - Upon each course completion and receipt of grade, complete Section 2-B (grades, actual cost), of the original Tuition Reimbursement Policy Application for Active U.S. Employees (276KB .PDF) (used to obtain pre-approval to attend courses).

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  - Attach the necessary documentation of grades and expenses eligible for reimbursement to the form (grade transcript and itemized statement of tuition and fees).

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  - Obtain final reimbursement approval on the original Tuition Reimbursement Policy Application for Active U.S. Employees (used to obtain pre-approval to attend courses).

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  - Within 60 days of course completion date, employee submits approved forms, documents and receipts to [HR Connections](#), 6POB or PO Box 5555, Bartlesville, OK 74005 for reimbursement processing.
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## 2. Tuition reimbursement process for Advanced Degrees

### Reimbursement Provisions

The policy will pay 90 percent of tuition and other mandatory, incidental expenses required for enrollment as follows:

- **Not to exceed: \$8,500 per calendar year for advanced degree courses** (beyond Bachelor's degree, or its equivalent – such as Master's, Doctorate, J.D. degrees). NOTE: All advanced degree programs require the approval of the Executive Leadership Team + 1 member or designee. **See advanced degree approval section below.**
- Successful completion of courses is required for a tuition reimbursement to be granted. Successful completion is a grade of "C" or equivalent or better (certification of completion is required for non-graded classes, such as thesis work).
- Cost for books, travel, testing and field trips will not be reimbursed.
- To participate, employees must obtain their supervisor's pre-approval before enrolling in the desired course(s) or degree program. See procedures below for the tuition approval process for advanced degrees.

### General Eligibility Guidelines for Tuition Reimbursement – Advanced Degrees

#### Guidance on approval of advanced degree programs and courses

Approved degree programs are those that align with the employee's development plan and enhance the employee's capabilities, whether or not they are essential for the employee to perform the job. Such programs can be courses for which the employee has enrolled as a candidate for an advanced degree (Master's Degree, MBA, PhD, JD).

**To be eligible to participate in the US Tuition Reimbursement process for Advanced Degrees, the employee:**

- **Must** apply for and be pre-approved before enrolling in courses or any other type of formal education such as professional certifications, etc. **It is advisable for application to be made a year in advance of the course/program (by Aug. 1 of the year before coursework begins) to allow the BU to consider approval and budgeting, as appropriate.**
  - NOTE: The BU is allowed the discretion to limit tuition reimbursement to employees during the year for budgetary considerations.
- **Must** be a regular, full-time or a regular, part-time employee.
- **Must** meet the performance expectations of his or her current position.
- **Must** have an [individual development plan](#) (41KB .PDF) in place, reviewed and agreed to by the supervisors with recognition that the educational investment is part of the employee's development for the current job or for a job to which he or she would realistically move to within ConocoPhillips in the future.
  - Undergraduate and graduate-level studies and credit and non-credit courses are eligible for reimbursement, provided the employee's management agrees that the intended studies relate to the individual's current or potential future job at ConocoPhillips. This alignment should be reflected within the employee's individual development plan.
- **Must** have clear alignment between the employee's educational ambitions, the organization's needs, the employee's performance management agreement and individual development plan.
- **Must** ensure the educational institution is accredited or have recognized professional accreditation for specific courses to which the employee is enrolling. The following online tool is available to assist in determining accreditation: [U.S. Department of Education Office of Postsecondary Education](#).
- **NOTE:** It is expected that time needed for formal education will be limited to the employee's personal time off, vacation or unpaid leaves of absence. Occasional time allowances can also be made between the supervisor and employee to participate in required activities such as examinations, registration, etc. The businesses are allowed the discretion to limit time off.

- **Must** complete and submit the [Tuition Reimbursement Tax Questionnaire](#) for Advanced Degrees (19KB .PDF) to HR Connections, 6POB or HR Connections, PO Box 5555, Bartlesville, OK 74005 if there is any chance the annual reimbursement amount could exceed \$5,250. HR Connections will forward the employee's completed questionnaire to receive a pre-determination of taxable non-taxable ruling from ConocoPhillips, Tax Counsel – Employee Benefits. Prior to the employee taking any course, this determination must be completed. **NOTE:** If employee does not obtain pre-determination of taxable or non-taxable prior to enrollment, any annual reimbursement over the \$5,250 annual limit will automatically be a taxable event to the employee.
- **Must** sign and submit the [Advanced Degree Repayment Commitment and Authorization for Deduction](#) (17KB .PDF) to HR Connections, 6POB or HR Connections, PO Box 5555, Bartlesville, OK 74005 prior to enrolling in the course(s). Prior to management approval of the advanced degree request, employee must have signed and submitted the Advanced Degree Repayment Commitment to HR Connections, 6POB or HR Connections, PO Box 5555, Bartlesville, OK 74005 **prior** to enrolling in the course(s). This form states that repayment is required if he or she leaves the company within two years of completion of the last advanced degree course; that repayment is required prior to termination date; and that in the event repayment is not remitted by the termination date and deductions of the amounts due will be made from the final paycheck or any amounts payable including, but not limited to: Vacation, Variable Cash Incentive Program bonuses, special compensation awards, etc.
- Upon supervisory approval, the employee's supervisor **must** complete the [Advanced Degree Tracking Record](#) (21KB .PDF).
  - Supervisor should check with the BU/local HR Business Partner (HRBP) for required assistance on local BU approval routing procedures to obtain BU/Functional/Staff concurrence and final documented Executive Leadership Team + 1 member or designee approval.
  - The supervisor will work through the local HRBP/TMT to ensure all required concurrences and pre-approvals are captured on the tracking record.
  - NOTE: Supervisor/BU/local leadership is expected to be able to discuss the educational investment with the Executive Leadership Team + 1 member or designee as appropriate.
- BU/local HR Business Partner (HRBP) informs supervisor of decision. If approved, the supervisor returns the [Tuition Reimbursement Policy Application for Active U.S. Employees](#) form (276KB .PDF) (or the appropriate process/form for locations outside of the US) and the [Advanced Degree Repayment Commitment and Authorization for Salary Deduction](#) form (17KB .PDF), with documented Human Resources General Manager approval to the employee.

**Employees are not eligible for Tuition Reimbursement if they are:**

- A temporary employee.
- An intermittent employee.
- A summer hire or an intern.
- Unable to work due to illness or injury, or are on a personal, disability, labor dispute or military leave of absence or family medical leave of absence (FMLA) (if the absence or leave began prior to your application for Tuition Reimbursement).

## **Approval and Reimbursement Checklist – Advanced Degrees**

(All policy approval steps to be completed prior to enrolling in a program or course)

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- Read the [Global Educational Reimbursement Principles](#).

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  - Complete and obtain supervisory approval on the IDP ([Individual Development Plan](#) – 41KB .PDF).

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  - Ensure institution accreditation (online look up available at: [U.S. Department of Education Office of Postsecondary Education](#) and/or those acknowledged by the American Council on Education).

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  - Prior to management pre-approval of the advanced degree request, each advanced degree candidate **must** sign and submit the [Advanced Degree Repayment Commitment and Authorization for Salary Deduction form](#) (17KB .PDF) to HR Connections, 6POB or HR Connections, PO Box 5555, Bartlesville, OK 74005.

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  - Complete and submit the [Tuition Reimbursement Tax Questionnaire](#) (19KB .PDF).

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  - Complete and obtain pre-approval on [Tuition Reimbursement Policy Application for Active U.S. Employees](#) (276KB .PDF) or the appropriate process/form for locations outside of the US.

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  - Submit [Advanced Degree Tracking Record](#) (21KB .PDF) to supervisor for completion, HR/TMT routing and documented Executive Leadership Team + 1 member or designee approval.

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  - Retain the original copy of the Tuition Reimbursement Policy Application for Active U.S. Employees form (276KB .PDF) and register for class.

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  - Upon each course completion and receipt of grade, complete Section 2-B (grades, actual cost), of the original Tuition Reimbursement Policy Application for Active U.S. Employees (276KB .PDF) (used to obtain pre-approval to attend courses).

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  - Attach the necessary documentation of grades and expenses eligible for reimbursement to the form (grade transcript and itemized statement of tuition and fees).

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  - Obtain final reimbursement approval on the original Tuition Reimbursement Policy Application for Active U.S. Employees (used to obtain pre-approval to attend courses).

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  - Within 60 days of course completion date, employee submits approved forms, documents and receipts to [HR Connections](#), 6POB or PO Box 5555, Bartlesville, OK 74005 for reimbursement processing (or the appropriate payroll processing entity for locations outside of the US).
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### 3. Frequently Asked Questions (FAQs)

#### What are the primary changes to the U.S. Tuition Reimbursement Policy?

Effective February 2011

All changes to the US Tuition Reimbursement Policy have been designed to improve clarity and understanding of the policy and its application. No material changes to the policy have been made.

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#### I am taking a course in the fall of this year but I will not receive grades until January so I will not submit the claim for reimbursement until after the new year. Will this count against this year's cap or next year's cap?

The cap is based on the money reimbursed in a calendar year regardless of when the classes were taken. U.S. tuition reimbursements occur after the employee successfully completes the course(s), and within 60 days of successful completion submits original receipts and documentation for each course(s) to HR Connections, 6POB or HR Connections, PO Box 5555, Bartlesville, OK 74005. Consequently in the above example, even though the courses were taken in the previous year, the following year's cap would be affected. The reimbursement amount will accumulate towards and not-to-exceed the "annual calendar year tuition cap" i.e. \$4,000 undergraduate or \$8,500 advanced degree limits.

The year in which the reimbursement is received, **not** the year in which the employee took the course, is the same year in which the reimbursement amount will be applied to the annual cap. Per policy, reimbursement requests must be submitted within 60 days after successful completion of **each** course, not after the calendar year.

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#### Whose responsibility is it to find out if the college I am interested in attending is accredited?

Employees have the responsibility to thoroughly investigate the credentials of the college/universities/program prior to seeking approval for tuition reimbursement. If employees want to validate an institution's accreditation, he or she can ask the institution for proof of accreditation and then verify that with the American Council on Education or the U.S. Department of Education (for online validation visit [U.S. Department of Education Office of Postsecondary Education](#)). Employees can also check the institution's listing in *Accredited Institutions of Postsecondary Education Programs Candidates*. This resource book is published annually and lists institutions which have been evaluated by recognized accrediting bodies and found to meet acceptable levels of educational quality and financial stability.

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#### Are reimbursements taxable?

If the reimbursement for a year exceeds \$5,250 and a **pre**-determined taxable or non-taxable ruling has **not** been obtained prior to enrolling in the course(s) ([Tuition Reimbursement Tax Questionnaire](#)) – (19KB .PDF), the excess amount up to the \$8,500 annual limit will be a taxable event to the employee.

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#### Can an employee be disqualified for reimbursement?

Yes, under any of the following conditions. Reimbursement will not be approved for any employee who:

- Does not successfully pass or complete the courses (specific exceptions are listed in the following FAQ).
- Does not provide the required grade and cost documentation.
- Does not obtain pre-approval and reimbursement approval signatures from supervisor(s).
- Does not obtain all additional appropriate approvals for advanced degrees.
- Did not submit [Advanced Degree Repayment Commitment and Authorization for Salary Deduction](#) form (17KB .PDF) to HR Connections, 6POB or HR Connections, PO Box 5555, Bartlesville, OK 74005 in advance of course enrollment (required for Advanced Degrees only).
- Reimbursement request does not reach HR Connections, 6POB or HR Connections, PO Box 5555, Bartlesville, OK 74005 (or the appropriate payroll processing entity for locations outside of the US) within 60 days after completion of each course.



- Has given indication that employment will be sought or accepted elsewhere or has voluntarily terminated before the reimbursement is processed.
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### **Are incomplete courses ever eligible for reimbursement?**

Yes. The policy will reimburse the difference between your covered costs and the amount (if any) the school reimbursements when you withdraw from a course for one or more of the following reasons:

- Active military service.
- On-the-job accident at ConocoPhillips.
- Company-initiated change to working hours/work location or unanticipated business travel.
- Company-initiated termination for reason other than "cause."
- Death of the employee (estate to receive reimbursement).

If you need to withdraw from a course for the above reasons, you should (or your supervisor, in the case of death) withdraw as soon as possible to receive the maximum amount of reimbursement available from the institution. A note of explanation and record of the institution's reimbursement must accompany the Tuition Reimbursement Policy Application for Active U.S. Employees that you submit for reimbursement processing.

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### **Administrative Guidelines**

For non-US based institutions that are not accredited under US National Accreditation guidelines, endorsement by the local country Human Resources Business Partner, is required.

Each time an employee begins a new semester or enrolls in their next round of course(s), they must first obtain immediate 1<sup>st</sup> and 2<sup>nd</sup> line supervisor pre-approval of those individual courses(s) on a new application. A new application is required for each semester or round of course(s).