

BALDWIN-WALLACE COLLEGE
SECTION 127 EDUCATIONAL ASSISTANCE PLAN

1. **Establishment and Purpose:** Effective August 1, 2007, Baldwin-Wallace College (“College”) hereby establishes the Baldwin-Wallace College Educational Assistance Plan (“Plan”) as set forth in this document for the exclusive benefit of its eligible employees and retirees. The purposes of the Plan are to exclude up to \$5,250 of educational assistance from the gross income of an employee who takes courses for credit that are offered by the College and to waive a portion of retirees’ tuition for enrollment in any courses of study offered by the College. It is intended that the Plan meet the requirements for qualification under Section 127 of the Internal Revenue Code of 1986, as amended (“Code”), and that benefits received by employees and retirees under the Plan be excludable from gross income to the extent permitted under Code Section 127.

2. **Eligibility:** College employees are eligible for this Plan if they:
- (a) Are taking undergraduate or graduate level courses at the College; and
 - (b) Are employed by the College immediately prior to the beginning of the academic term in which desired courses begin.

College retirees are eligible for this Plan if they were employed by the College immediately prior to reaching age 65.

3. **Educational Program Requirements:** Educational programs meeting the following requirements qualify under this Plan:

- (a) The course must be an undergraduate or graduate level course;
- (b) The course must not involve sports, games or hobbies; and
- (c) The course must be offered by the College.

4. **Waiver of Tuition:** Any eligible employee or retiree who enrolls in a class that meets the above Educational Program Requirements will qualify for a partial reduction in the tuition for those courses. Eligible full-time employees and retirees will receive a 95% waiver of the tuition for any course that meets the Educational Program Requirements. Eligible part-time employees will receive a pro-rata waiver that is in alignment with their appointment status. The Plan does not provide for the reimbursement of fees, books or other expenses.

5. **Taxation of Tuition Waiver:** Up to \$5,250 of educational assistance may be excluded from an employee's gross income with respect to each calendar year under the Plan. The amount of the educational assistance provided to an employee with respect to any year is the difference between the cost of the courses to any non-employee student of the College and the cost to the employee. If the accumulated educational assistance provided to any employee or retiree by way of tuition waivers under this Plan exceeds \$5,250 in any year, the excess amount will be taxable compensation to the employee or retiree and will be reported as such according to Internal Revenue Service requirements.

6. **Plan Year:** The Plan will have a short first Plan year from August 1, 2007 through December 31, 2007. Thereafter, the plan year of the Plan shall be the calendar year.

7. **Administrator:** The Administrator of the Plan shall be the College or such individual or entity designated by the President, or by the Board of Trustees of the College.

8. **Administration:** The Plan shall be administered by the Administrator, who is authorized and empowered to issue uniform rules and to adopt forms to be used in carrying out the purposes of the Plan. The Administrator shall make all factual determinations regarding eligibility for, and the amount of, benefits under, the Plan, and shall determine all questions arising from the interpretation of the terms and conditions of this Plan.

9. **Amendment; Termination:** The College intends to continue this Plan indefinitely, provided however, the College may amend or terminate the Plan at any time by action of the President or by its Board of Trustees. Any employee enrolled in an approved course at the time of any such amendment or termination shall be entitled to benefits with respect to such course in accordance with the Plan as in effect immediately before the effective date of such amendment or termination.

10. **Notification of Employees:** The College shall communicate in writing the terms and conditions of the Plan to all employees, and shall provide each eligible employee with a copy of the Plan upon request.

Approved: June 26, 2007