

**COUNTY OF RIVERSIDE
EDUCATION REIMBURSEMENT PLAN**

(as amended and restated on December 2010)

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RECITALS

WHEREAS, the County of Riverside has experienced substantial growth over the last several years; and

WHEREAS, in order for the County to be able to serve the needs of its citizens and keep pace with this growth, it has been necessary for the County to add additional personnel, especially in professional and technical areas; and

WHEREAS, the County's ability to attract and retain qualified workers is declining in light of both issues unique to Riverside County and problems facing the nation as a whole, including the slowing growth of the workforce, pending retirements by the "baby boom" generation and the failure of society to educate young people;

WHEREAS, the County believes that in order to be able to serve the needs of its growing population and to attract and retain needed professional and technical workers, it is necessary to develop its own workforce through providing an incentive for its eligible employees to obtain higher education; and

WHEREAS, the County Board of Supervisors adopted revised Policy C-7, Support for Employee Training and Education, on August 29, 2006, which grants the authority to the County Executive Officer or his/her designee to adopt a plan to accomplish the foregoing goals;

NOW, THEREFORE, pursuant to the authority granted in Board of Supervisors' Policy C-7, Support for Employee Training and Education, the County Executive Officer hereby adopts this Amended and Restated Education Reimbursement Plan, effective as of December 14, 2010.

ARTICLE I

PURPOSE AND SCOPE

Section 1.1 Purpose. The purpose of the County of Riverside Education Reimbursement Plan is to provide eligible County employees with assistance in the payment of eligible expenses related to post-secondary school courses of study involving subject matters considered by the County to be critical to its provision of services to its residents, whether or not such courses of study lead to the earning of a post-secondary school degree or other certification. This plan will assist eligible employees with the financial burdens associated with the expenses incurred by them in the pursuit of their studies.

Section 1.2 Scope. The benefits provided under this Plan consist of reimbursements of Eligible Expenses and Eligible Loans, which may be given at the discretion of the Plan Administrator.

ARTICLE II

TITLE AND DEFINITIONS

Section 2.1 Title. This plan shall be known as the County of Riverside Education Reimbursement Plan.

Section 2.2 Definitions. The following words, when used in this Plan, have the meanings set forth below:

(a) “Accredited Educational Institution” means a junior college, college, university or other post-secondary educational institution acceptable to the County.

(b) “Code” means the Internal Revenue Code of 1986, as amended.

(c) “County” means the County of Riverside.

(d) “Education” means post-secondary school courses of study taken or to be taken by an Eligible Employee at an Accredited Educational Institution involving subject matters considered by the County to be critical to its provision of services to its residents, whether or not such courses of study lead to the earning of a post-secondary school degree or other certification.

(e) “Eligible Employee” means an employee of the County who meets the criteria set forth in Section 3.1 below.

(f) “Eligible Expenses” means expenses for Education, including but not limited to, tuition, registration and lab fees, and payments for required books but excluding Excluded Expenses, reasonably and necessarily incurred by an Employee.

(g) “Eligible Loan” means a loan that is issued by any United States governmental entity or agency (Federal, state or local), academic institution, or commercial lender to an Eligible Employee to enable such employee to pay Eligible Expenses.

(h) “Employee” means an employee of the County of Riverside.

(i) “Excluded Expenses” means expenses for Education other than Eligible Expenses, including but not limited to the cost of tools or supplies that an Employee retained after completing a course of instruction (other than textbooks) or for meals, lodging, transportation or other living or incidental expenses incurred by an Employee, regardless of whether a loan was incurred to pay such expenses.

(j) “Expense Statement” means a statement of Eligible Expenses from an Accredited Educational Institution. The County will accept an Expense Statement received from such institution through the U.S. mail or via other means that enables the County to verify the source of the statement.

(k) “Loan Repayment” means the payment by the County to an Eligible Employee to reimburse him or her for the amount needed to repay an Eligible Loan (subject to the limitation set forth in Section 5.1 below) or payment to a lender on behalf of an Eligible Employee for such purpose.

(l) “Loan Statement” means a statement of a loan account provided to the County by the lender or servicing agent for an Eligible Loan. Such statement shall detail the current loan balance, interest charges, and other information, such as an account number or payment address. The County will accept a Loan Statement received from the servicing agent through the U.S. mail or via other means that enables the County to verify the sources of the statement.

(m) “Plan” means the County of Riverside Education Reimbursement Plan.

(n) “Plan Administrator” means the Director of the County Human Resources Department or his or her designee.

(o) “Reimbursements” means amounts provided by the County for the payment of Eligible Expenses at the successful completion of the educational course of study with an approved career development plan. Reimbursements will be made, if at all, subject to the terms and conditions of Sections 3.1 and 4.2 below.

ARTICLE III

ELIGIBILITY

Section 3.1 Eligibility. Employees of the County are eligible to receive benefits under this Plan if they meet the following requirements:

(a) They are either (i) regular employees (as defined in section 1 of Ordinance 440 of the County of Riverside, California, as the same may be amended from time to time) who have completed their initial probationary period, or have been hired for a position designated by the Human Resources Director as difficult to recruit and retain; or (ii) temporary or Per Diem employees working in a Nursing classification in any County Department who works a minimum of 520 hours in any fiscal year;

(b) The employee receives or received at least a grade of “C” in undergraduate courses or “B” in graduate courses or their equivalent grades for each course for which he or she seeks Reimbursement hereunder;

(c) The employee follows the written procedures adopted by the Human Resources Department for the administration of this program; and

(d) In the case of an employee seeking Loan Repayment, the employee must have received a degree from an accredited college or university to which the proceeds of the Eligible Loan were paid.

Section 3.2 Prorata Benefits. Part-time regular employees who are eligible to participate and Temporary or Per Diem employees regularly scheduled to work less than 36 hours per week who are otherwise eligible to participate will receive a prorata level of benefits hereunder. For instance, an employee working 20 hours per week requesting reimbursement for \$4000 in eligible expenses would qualify for half the amount as they worked half of the full time requirement of 40 hours per week.

ARTICLE IV

REQUIREMENTS FOR BENEFITS

Section 4.1 Request for Loan Repayment. An employee who has met the eligibility requirements set forth in Section 3.1 may apply for Loan Repayment hereunder by submitting to the Plan Administrator a completed Loan Repayment request packet, provided by the Plan Administrator. Such request shall include, among other items, official transcripts, including grades, of the course of study pursued by the Employee, evidence of the degree received, an Expense Statement or Loan Statement, as the case may be, and a certification by the Employee that the expenses or loans were incurred solely for Eligible Expenses. The Plan Administrator may require that the applicant for Loan Repayment submit letters of reference, appear for an interview and submit other substantiation that the expenses or loans were incurred solely for Eligible Expenses.

Section 4.2 Application for Reimbursements. An employee who has met the eligibility requirements set forth in Section 3.1 may apply for Reimbursements hereunder by submitting to the Plan Administrator a completed application, using a form provided by the Plan Administrator. Such application shall include, among other items, details of the proposed course of study, including a list of courses required to complete the degree or certification, syllabus or other official description for the course(s) proposed to be taken, estimated tuition costs, estimated graduation date, and a certification by the Employee that the expenses are to be incurred solely for Eligible Expenses. The Plan Administrator may require that the applicant for Reimbursement submit letters of reference, appear for an interview and submit other substantiation that the expenses will be incurred solely for Eligible Expenses. It shall be the policy of the County that

Reimbursements will be granted solely within the absolute discretion of the Plan Administrator.

Section 4.3 Determination. Within a reasonable amount of time after an Employee submits a completed application as required by Section 4.1 or 4.2, the Plan Administrator shall make a determination of whether the Employee is an Eligible Employee and whether the amounts for which he or she is seeking Loan Repayment or Reimbursement are Eligible Expenses and/or Eligible Loans. Such determinations shall be within the sole and absolute discretion of the Plan Administrator and his/her determinations shall be final and binding.

ARTICLE V

PAYMENT OF ELIGIBLE EXPENSES OR LOANS

Section 5.1 Annual Maximum Allowable. An Eligible Employee may receive Loan Repayment for Eligible Expenses up to the annual maximum permitted from time to time under section 127 of the Code. An Eligible Employee may receive Reimbursement for Eligible Expenses up to an annual maximum equal to the annual registration fees published by the University of California, Riverside, for their degree or certification coursework for each academic year, in accordance with the provisions of this program. Any reimbursements which exceed the section 127 limits will be taxable income to the employee. Any reimbursement amount that is provided education received prior to employment will be treated as taxable income. All tuition reimbursement paid to an Employee by any department of the County shall reduce any amounts payable under this Plan.

Section 5.2 Alternative Sources of Payment. An Employee eligible for reimbursement from another source (such as scholarships, grants, or certain other types of funding from Employer) may seek Reimbursement under this Plan. In such cases, the Reimbursements provided under this Plan will be considered the secondary pay source, and the Employee will only be eligible for Reimbursement for the difference between the amount received from the other funding sources and the actual Eligible Expense.

Section 5.3 Payments of Loan Repayment and Reimbursement. Payment for Eligible Loan Repayment will be made either biweekly or in one annual payment on the Employee's regular paycheck, up to the annual maximum allowable Loan Repayment amount. Reimbursement for Eligible Expenses will be made as a one-time payment upon the Employee's submission of all required documentation at the completion of each academic term, in accordance with an approved career development plan.

Section 5.4 Termination of Benefits. No Eligible Employee shall have a vested right to Loan Repayments or Reimbursements under this Plan; and if an Employee

ceases at any time to be an Eligible Employee or if this Plan is terminated by the County, all Loan Repayments or Reimbursements under this Plan shall immediately cease.

Section 5.5 Repayment to County. The County may seek to recoup all amounts previously paid using whatever legal means it deems appropriate in the event that the Plan Administrator determines that:

(a) An Employee who has received Loan Repayment or Reimbursements was not an Eligible Employee;

(b) The expenses for which an Employee has received Reimbursements were not Eligible Expenses; or

(c) The loans for which an Employee received Reimbursements were not Eligible Expenses or Eligible Loans.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Qualification. This plan is intended to constitute a qualified educational assistance plan under section 127 of the Code. If the Loan Repayment or Reimbursement paid to an Eligible Employee does not meet the requirements set forth under section 127 of the Code, the County shall treat such payments as taxable income to the Employee.

Section 6.2 Excess Benefits. Reimbursement payable under this Plan is considered a non-taxable benefit up to a dollar limit specified under section 127 of the Code for a given calendar year (for example, \$5,250 in calendar year 2010). Because an Employee might receive Reimbursements in a given calendar year for courses in that year and for the prior year, if the combination of Reimbursements exceeds the non-taxable allowance under the Code, the County shall treat any reimbursements above that dollar limit as taxable income to the Employee.

Section 6.3 Amendment or Termination. The County reserves the right to amend or terminate this Plan at any time and to any extent that it may deem advisable or appropriate. No amendment shall be effective unless such amendment is made in compliance with all applicable Federal, state or local laws, statutes or regulations.

Section 6.4 Governing Law. This Plan shall be construed, administered, and governed in all respects under California and Federal tax law.

Section 6.5 Enforceability. If any provision of this Plan shall be held illegal or violate section 127 of the Code for any reason, such determination shall not affect the

remaining provisions, and such provisions shall be construed so as to effectuate the purpose of this Plan.

Section 6.6 Administration of the Plan. The operation of the Plan shall be under the supervision of the Plan Administrator. It shall be a principal duty of the Plan Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees eligible to participate in the Plan. The Plan Administrator shall have full power to administer the Plan in all of its details, subject, however, to the pertinent provisions of the Code. The Plan Administrator's powers shall include, but shall not be limited to the following authority, in addition to all other powers provided by this Plan:

(a) To make and enforce such rules and regulations as the Plan Administrator deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the Plan, the Plan Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits by operation of the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided by operation of the Plan;

(d) To avoid discrimination under the Plan by providing benefits to Eligible Employees in accordance with Treas. Reg. §1.127-2(e);

(e) To provide Eligible Employees with a reasonable notification of their benefits available under the Plan;

(f) To approve reimbursement requests and to authorize payment; and

(g) To appoint such agents, counsel, accountants, consultants, and actuaries as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of section 127 of the Code and the Treasury regulations there under.

IN WITNESS WHEREOF, the undersigned has caused this document to be executed by its duly authorized officer on this 14th day of December 2010, effective as of December 14, 2010.

COUNTY OF RIVERSIDE

By: _____

Barbara A. Olivier

Assistant CEO/Human Resources Director

County of Riverside, California