



Educational assistance

Updated: January 1, 2004

To encourage your professional development, BP helps pay for certain outside educational opportunities through the Educational Assistance Program. The program reimburses eligible employees for up to 90% of the eligible expenses for educational and vocational courses taken at an approved educational institution. To receive reimbursement, you must obtain approval before registering for the course, and you must complete it with a passing grade.

The Educational Assistance Program is designed to assist employees in taking advantage of educational opportunities that will benefit both the employee and the Company. Although the Company may provide benefits for continuing education, it makes no commitment for promotions, transfers, or salary increases by doing so.

1. [Eligibility](#)
2. [Qualification](#)
 - ▶ [Accredited educational institutions](#)
 - ▶ [Approved courses](#)
 - ▶ [Correspondence classes and self-study programs](#)
 - ▶ [Review courses](#)
 - ▶ [Proficiency examinations](#)
 - ▶ [License and certification testing](#)
3. [Submitting initial application](#)
 - ▶ [Courses that exceed one quarter or semester](#)
4. [Benefits](#)
 - ▶ [Deferred payment plans](#)
 - ▶ [Courses that exceed one year](#)
 - ▶ [Maximum benefit](#)
5. [Expenses](#)
 - ▶ [Non-reimbursable items](#)
6. [How payment is made](#)
 - ▶ [Taxability of payments](#)
 - ▶ [Timely submission of documentation](#)
7. [Tuition advance](#)
8. [Repayment](#)

1 Eligibility

Full-time employees covered by the core benefit programs and who are actively at work are eligible to use this program. An eligible employee is eligible to participate in the program immediately upon hire. The employee should discuss any desire to pursue educational assistance with the supervisor or the Business Unit's designated representative in a timely manner so that budget considerations may be made.

Employees on leaves of absence, and part-time, term contract, temporary and occasional employees are **not** eligible to participate.

[> back to contents](#)

2 Qualification

An employee can qualify for benefits if he/she takes approved courses and exams on his/her own time from an accredited educational institution, receives a satisfactory grade and follows the applicable guidelines of the Educational Assistance Program.

Accredited educational institutions

Accredited educational institutions include schools, colleges, universities, trade schools, associations, vocational schools, and professional societies – all of whom offer coursework at a post high school level.

If application is made for approval of courses offered by an educational institution not readily recognized as accredited, the employee may be required to provide information concerning the institution. The Company reserves the right, at its sole discretion, to make a final and binding determination of whether an educational institution is approved and accredited for purposes of the Educational Assistance Program.

Approved courses

Courses and exams may be approved if:

- ▶ they add to your effectiveness on your present job assignment;
- ▶ they contribute to your overall development in a way that is beneficial to both you and the Company; or
- ▶ they are required for you to obtain a degree – provided the degree satisfies either of the first two requirements above;

and

- ▶ the cost of such courses is within your Business Unit's budget; and
- ▶ they have been approved by your supervisor or the Business Unit's designated representative.

Correspondence classes and self-study programs

Correspondence courses, including web-based courses that would otherwise qualify as approved courses from accredited educational institutions, may be approved.

Review courses

One review course of each type described here may be approved for reimbursement under this program.

Review courses may be approved when taken for the purpose of passing an examination to be licensed or certified, for example, to be admitted to the practice of law or to qualify as a certified public accountant (CPA) or a Fellow of the American Actuarial Society.

Another type of review course that may be approved is one taken for the purpose of achieving improved scores on enrollment tests, for example, the Graduate Management Admission Test (GMAT), the Graduate Record Examination (GRE) or the Law Student Admission Test (LSAT).

Proficiency examinations

Proficiency examinations such as the College Level Examination Program (CLEP) are covered expenses under the program. The employee must pass an examination and receive credit for a course not taken.

License and certification testing

The program will reimburse the cost of a license or certification test – for example, to qualify as a certified public accountant (CPA) or to be licensed to practice law, if the employee successfully completes the test.

[> back to contents](#)

3 Submitting initial application

Before an employee starts a course, an application should be submitted to the supervisor or the Business Unit's designated representative for approval. The supervisor or the Business Unit's designated representative will review the applicability of the coursework to the employee's job and/or career with the Company, and will review the availability of funds within the budget. The supervisor or the Business Unit's designated representative may deny benefits for expenses that would otherwise qualify under this program due to budget or other work-related constraints. An application may be approved for a course that began prior to the employee's hire date with the Company as long as the course work meets the requirements of the program and the individual is actively at work at the time the course is completed.

Courses that exceed one quarter or semester

When a course requires more than one semester or one quarter for completion, the application will cover the first year or any lesser period in which a definite part of the course will be completed. A separate application must be submitted for each subsequent part of the course. The estimated completion date for the part of the course to be covered by the application must be shown on the application.

[> back to contents](#)

4 Benefits

An employee will be reimbursed 90 percent of the cost of tuition, books and certain other fees as long as:

- ▶ the participant is an employee of the Company and actively at work at the time an approved course is completed, or the employee is terminated in conjunction with a Company action while participating in an approved course;
- ▶ the course is completed with a passing grade as proven by a transcript or grade report;
- ▶ itemized receipts for all reimbursable items are submitted;
- ▶ the application for refund – with supporting documentation – is made within 60 days after completion of the course;
- ▶ funds are not duplicated through a federal or state government program or educational institution such as scholarships, fellowships, incentive awards, grants, benefits under the G.I. Bill of Rights, etc.; and
- ▶ the applicable procedures and approval processes of the Educational Assistance Program have been followed.

Deferred payment plans

If a deferred payment plan is made available by the institution and the employee is required to pay the deferred expenses upon completion of the course, the employee may submit an itemized statement of expense in lieu of a paid receipt so that he/she may receive reimbursement from the Company that can be used toward paying the deferred expenses. Fees associated with using the deferred payment plan are not reimbursable.

Courses that exceed one year

In the case of a course that requires more than one year to complete, a receipt of the cost and statement of grades or verification of satisfactory progress must be provided during each calendar year to obtain reimbursement. Reimbursement will be calculated by proration of the total cost of the course.

Maximum benefit

There is no maximum benefit payable under this program.

[> back to contents](#)

5 Expenses

The following expenses are considered eligible for reimbursement through the program:

- ▶ tuition;
- ▶ required books;
- ▶ required software;
- ▶ printed course materials in lieu of textbooks;
- ▶ registration, laboratory and other fees which the institution requires the student to pay, such as cap and gown, unless otherwise excluded below;
- ▶ nonresident fees;
- ▶ matriculation fees;
- ▶ examination and certification fees (as defined in the program); and
- ▶ late examination fees.

If any of these fees are not required by the institution and the employee elects to pay for them, they will not be reimbursed. An employee will not be reimbursed for expenses which may be waived or for which he/she is not responsible.

Non-reimbursable Items

Expenses for which reimbursement will not be made include:

- ▶ equipment such as radio parts, drafting equipment and special laboratory equipment;
- ▶ application for entrance into college;
- ▶ class ring or pin;
- ▶ deferred payment or installment charges, including cash discount forfeited by late payment;
- ▶ interest charged on loans from banks or credit associations to pay tuition;
- ▶ late registration fees;
- ▶ parking permit or parking fees;
- ▶ travel-related expenses including those related to course work taken abroad;
- ▶ program changes at the employee's request;
- ▶ room and board;
- ▶ transfer of credits from one institution to another;
- ▶ transcript of credits; and
- ▶ fees associated with course work credit that does not require a proficiency examination, such as credit given for work experience.

[> back to contents](#)

6 How payment is made

Upon completion of the course and submission of the required documentation within 60 days, reimbursement for eligible expenses will be processed and included in the next paycheck that is administratively possible.

Taxability of payments

Reimbursements are considered taxable income unless otherwise exempted by the Internal Revenue Service (IRS). Effective January 1, 2002, undergraduate and graduate course work initiated on or after January 1, 2002, is considered tax-exempt up to an annual maximum of \$5,250. Coursework initiated prior to January 1, 2002 will be processed in accordance with IRS regulations in effect at that time.

Timely submission of documentation

If an employee fails to submit required documentation within 60 days after completion of a course, the initial application may be treated as though the course was not completed. Any amounts paid in advance under this program will be automatically reimbursed to the Company through payroll deduction. If a delay in providing the required documentation cannot be avoided, the employee must notify his/her supervisor or the Business Unit's designated representative as soon as possible.

An employee will be reimbursed for any out-of-pocket eligible expenses if the employee withdraws from or fails to complete the course successfully, or is unable to complete the course while an employee of the Company, as the result of:

- ▶ incurring a documentable illness or injury;
- ▶ induction into military service;
- ▶ a company action such as relocation;
- ▶ the employee's supervisor or the Business Unit's designated representative's request to drop due to a work schedule conflict, or
- ▶ termination associated with a reduction in force.

[> back to contents](#)

7 Tuition advance

Some Business Units may allow an employee to request advance payment for eligible expenses. If the course and tuition advance are approved, the program benefit will be paid prior to course completion. Such approval will be effective for a period of one semester or quarter (or the equivalent if the educational institution is not using semesters or quarters), after which time the employee must apply for a new advance for the next semester or quarter.

Advance payment procedures and requirements are as follows:

- ▶ request for a tuition advance must be submitted for approval before the course is started;
- ▶ within 20 days following submission of the advance request, evidence of registration and a receipt stating specific courses and amounts paid must be provided to the supervisor or the Business Unit's designated representative; and
- ▶ by receiving the program benefit prior to course completion, the employee agrees to submit the final grade report within 20 days upon receipt of the grade report.

An employee may have no more than two open advances at any time.

[> back to contents](#)

8 Repayment

The employee agrees to repay any advance to the Company if the employee fails to complete the course with a passing grade during his/her employment with the Company. If the final grade report is not submitted within the required 20 days, it will be assumed that the course was not completed as required, and the full advance will be deducted from the employee's paycheck(s).

If the employee withdraws from a course at any time, the employee must notify his/her supervisor or the Business Unit's designated representative within 20 days and make arrangements to repay any advance.

If the employee leaves the Company before completion of the course, he/she is required to repay the full amount of any advance. The Company reserves the right to deduct from the employee's final check, or any future checks, any amounts owed the Company.

The employee will also be required to repay any amounts duplicated by a federal, state or institutional program. If the employee fails to inform the Company of financial aid normally used to offset the benefits payable under this program, the course will be considered ineligible for reimbursement under this program and the employee may be subject to disciplinary action up to and including termination of employment.

The Business Unit, at its sole discretion, may require an employee to repay all or any portion of the funds an employee receives through this program if the employee voluntarily resigns within a set period of time (e.g., one year, two years) as determined by the Business Unit.

An employee will not be required to reimburse the Company if the employee withdraws from or fails to complete the course successfully as the result of:

- ▶ incurring a documentable illness or injury;
- ▶ induction into military service;
- ▶ a company action such as relocation;
- ▶ the employee's supervisor or the Business Unit's designated representative's request to drop due to a work schedule conflict, or
- ▶ termination associated with a reduction in force.

Related information

Educational assistance form

Educational assistance fax cover sheet/ mailing instructions