



**EDUCATION ASSISTANCE POLICY**

**This Policy supersedes all others that came before it and makes them null and void. Previous versions should be pulled from any repository of policies, removed from all training materials, and replaced with this current revision no later than 5 days after said effective date.**

<b>Policy Number:</b>	<p style="text-align: center;"><b>POLICY STATEMENT</b></p> <p>CarDon and Associates, Inc., Heart of CarDon, LLC (“CarDon”), and the member Communities are committed to hiring, developing, and retaining a diverse, knowledgeable, and skilled workforce that is dedicated to our Mission of providing inspired living and compassionate care to those we serve. CarDon has established a policy and procedure to offer educational assistance loans to eligible associates.</p> <p><b><u>Eligible associates:</u></b> Any full-time (at least 30 hours per week) associate with 90 days of continuous service and who is in good standing (a good attendance record and no discipline on file in last 12 months).</p> <p><b><u>Employment-at-will:</u></b> This policy should not be considered as a promise of continued employment. Either the associate or CarDon may terminate employment at-will, regardless of the status of any educational assistance loan.</p> <p><b><u>Exceptions to policy:</u></b> Any exceptions to the provisions of this policy must be pre-approved by the Executive Director of Human Resources.</p> <p style="text-align: center;"><b>POLICY AND PROCEDURE INTERPRETATION AND IMPLEMENTATION:</b></p>
HR-20-0006	
<b>Original Policy Date:</b>	
September 1, 2017	
<b>Revision Effective Dates:</b>	
October 16, 2020	
<b>Reviewed Dates:</b>	
<b>Regulatory Authority:</b>	
<b>Department/Responsibility:</b>	
Human Resources	

## SUMMARY OF POLICY

1. Loan assistance is limited to tuition, registration fees, book fees, lab fees, or any other fees required by the course. All other expenses associated with course attendance are the associate’s responsibility, including transportation. **Loans are interest free.**

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2. Payments from CarDon are made directly to the school or agency offering the course. If an agreement cannot be made with the school or agency and the associate has to make payment at the beginning of the semester, we will reimburse the associate, but they must first submit an itemized invoice as well as their passing grades once the course is completed.
3. CarDon will not be obligated in writing (sign any contract) for the entire cost of a course of study encompassing multiple terms or semesters. **All loan documents must be completed for each term, semester, or module(s) of courses** in which the student is currently enrolled.
4. The loan assistance max amounts are as followed:
  1. Up to \$300 per credit hour
  2. Up to 12 credits per semester
  3. Up to \$3600 per semester
  4. Up to \$7200 per year
  5. A lifetime max loan assistance of \$20,000
5. Requests are processed on a first-come, first-served basis unless current or projected staffing needs take precedence.
6. CarDon expects repayment of the education costs by one of the methods described in this policy, unless otherwise prohibited by law.

## **POLICY IMPLEMENTATION**

### **1. Timely Application: Approval**

Application to the school or agency must be made well in advance of the course registration date. Completion of the CarDon loan documentation must also be completed well in advance of the registration date to allow sufficient time to approve the loan and process payment to the school or agency. Last minute loan requests or reimbursement after registration date will not be approved.

Approval of a Request for Loan Assistance must occur at each of the organizational levels in the sequence below. Approval at all levels is not guaranteed.

1. Department Head
2. Administrator of Community
3. CarDon corporate support team member
4. CarDon corporate Human Resources

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## **2. Loan Documents**

The associate signs the first three documents listed below and provides a letter of intent along with Department Head approval. The Administrator completes the fourth document (letter to school). All four documents are submitted to the Executive Director of Human Resources at the same time for review with a copy of the current student account statement for the school or agency.

**a. REQUEST FOR EDUCATIONAL LOAN BENEFITS:** This form requires the associate to describe the nature of the course, its **estimated total cost**, and the **actual cost for the first (or upcoming) term/semester** (including applicable fees). This form must be submitted with a letter of intent and Department Head approval. *At the time of request*, the associate must also complete and sign:

i. **The FAFSA Form online:** <https://studentaid.gov/h/apply-for-aid/fafsa>

ii. **LOAN AGREEMENT** (Explains the terms of the loan).

iii. **ASSIGNMENT OF WAGES CONSENT** (Authorizes the facility to deduct the payments(s) from the associate's paycheck when this applies.) *Completion of this form at the same time as the Loan Agreement is a condition of this policy. All associates, no matter what service option is being requested, are required to complete an Assignment of Wages consent form.*

**b. LETTER TO SCHOOL REGISTRAR/FINANCIAL OFFICE:** This letter may be given to the associate prior to registration if time permits or faxed directly to the school or agency by either the Community or CarDon corporate Human Resources office. It informs the school or agency of the amount of financial assistance CarDon will provide (i.e. the amount of the loan for that course or semester) and instructs the school to invoice/bill CarDon for the amount. It also stipulates the associate's responsibility for any remaining balances due the school if the associate fails to complete the course or terminates employment with CarDon.

## **3. Payback Options**

In both options the loan remains interest free *so long as employment continues*.

- **Service Option:** The associate may pay back the loan through continued service. In this option, the balance of the loan is reduced with each month of continued service after the completion of the entire degree. *The option to repay the loan through continued service is not a facility promise of continued employment.*

The associate who remains in full-time employment (at least 30 hours per week) will receive \$300 per month credit toward the balance of the loan.

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**Note:** If the associate's employment is terminated or status changes from full-time to part-time or PRN, the unsatisfied balance of the loan will be deducted from the next paycheck and any remaining balance will be invoiced to the associate.

- **Voluntary Payroll Deduction Option:** The associate may elect to pay back the loan through weekly payroll deduction. There are 3 option amounts to choose from:
  - \$50/pay period
  - \$100/pay period
  - \$150/pay period
  - \$200/pay period
  - \$300/pay period

*The two options above may not be applied to the balance simultaneously – only one may be chosen.*

#### 4. **Documentation of Course Completed and Passing Grade**

Once a course is completed, the Company must receive a certified copy of the transcript and/or other verification of the course completion and receiving at least a C+ grade.

#### 5. **Record of Employee Payments or Service Credits**

When the loan has been approved, the Community HR Business Partner will begin tracking the associate's progress in his or her course of study. All information regarding the associate's course of study, grades, financial aid, and testing must be submitted to [EdAssist@cardon.us](mailto:EdAssist@cardon.us) in a timely manner. Failure to do so may result in a full deduction of the loan from the next paycheck.

When the balance is paid in full, a copy of this record will be given to the associate within 10 business days of a request.

#### 6. **.Payroll Deductions due to Non-Compliance with the Loan Agreement**

*Satisfactory completion of the course is one of the terms of the Loan Agreement.*

- If a loan recipient fails to complete the course satisfactorily per the Agreement, deductions to repay the loan become effective immediately if employment continues.
- If a loan recipient fails to pass a final test required to obtain the licensure, certification, etc. related to the course of study, deductions to repay the loan become effective immediately.

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*The associate's signature on the Assignment of Wages form completed at the time of initial application for education assistance authorizes CarDon to implement these deductions.*

#### **7. Separation of Employment, Interest Charges, and Payment(s)**

**If either voluntary or involuntary termination of employment occurs before the loan is repaid in full through service or payroll deduction, the balance becomes due immediately. Termination of employment may include, but is not limited to, the following circumstances:**

- Separation occurs before the end of the successful completion of the course of study that was funded, in whole or in part, by an education assistance loan from CarDon.
- Separation occurs while *CarDon was making payments for that term/semester to the school or agency*. In this case the associate must pay the school any remaining balance and repay the *CarDon* for payments made on associate's behalf.
- Separation occurs after completion of the course, but *before the total amount of the loan has been repaid through service or payroll deduction*.

**In all cases above, a deduction will be made from the final paycheck toward the loan balance and any remaining balance after this payment is due according to the Loan Agreement and Assignment of Wages Consent forms.**

*The employee's signature on the Assignment of Wages form completed at the time of initial request for the education assistance benefit authorizes CarDon to implement the deduction from the final paycheck and determine the amount of this deduction as well as remaining balance.*

**Should payments on a remaining balance become delinquent, CarDon may take legal action to recover the balance. Any related fees, including legal fees, will be added to the balance.**

#### **Related documents:**

**HR-20-0006A: Request for Education Assistance**

**HR-20-0006B: Education Assistance Loan Agreement**

**HR-20-0006C: Education Assistance Loan Wage Assignment**