



**Educational Assistance Plan**  
**CHURCHNAME Church of the Nazarene**

**1. PLAN** On \_\_\_\_\_, 20\_\_, the CHURCHNAME Church of the Nazarene (“CHURCHNAME”) established an Educational Assistance Plan (“the Plan”) to provide educational benefits under Section 127 of the Internal Revenue Code to all full-time and part-time credentialed pastoral employees of CHURCHNAME. Credentialed means ordained or district-licensed minister within the Church of the Nazarene, or recognized by the Church of the Nazarene to be congruent to these credential levels. This document sets forth the Plan.

**2. EMPLOYMENT STATUS** CHURCHNAME currently does not employ any qualifying ministers on an hourly basis, so no definition of qualification is made for this type of employee. Salaried employees must have an hourly requirement of 10 hrs/wk or more and be employed from Jan 1st through Dec 31st to qualify for this reimbursement. One year of qualification entitles the employee to one year of reimbursement in the following calendar year. Employees may take courses of instruction during active employment, during an approved leave of absence, or after termination of employment. Employees who do not use the benefits within twelve (12) months of earning the benefits, or within twelve (12) months of termination of service, shall forfeit their entitlement to any benefits. Upon adoption of the Plan, qualifying employee from the previous year shall be entitled to benefits in the current calendar year.

**3. PLAN BENEFITS** CHURCHNAME will reimburse the employee no more than \$5,250 a year for qualified educational programs or qualified student loan payments. Under Section 127 of the Internal Revenue Code, the employee receives the reimbursements under this Plan as tax-free fringe benefits.

**4. PLAN TERMINATION** CHURCHNAME reserves the right to change or terminate the Plan without prior notice. If CHURCHNAME does end the Plan, CHURCHNAME will reimburse all courses in process prior to termination or for which registration costs are non-refundable at the time of termination. It will not reimburse any classes that begin or payments made after Plan termination and notification.

**5. FUNDING** CHURCHNAME will pay educational benefits out of its Main Account. CHURCHNAME does not maintain a special fund to cover these benefits. Further, CHURCHNAME does not require participants to make contributions as a condition of receiving benefits. The Plan will be automatically deemed inactive and discontinued if the amount of available liquid unrestricted and undesignated funds drops below \$20,000. This will remain in effect until such time as that amount can be raised over \$25,000, whereby it will be deemed restored and active. *(continued next pg.)*



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If the employee is participating in the COMPASS Initiative of the Church of the Nazarene, CHURCHNAME will reimburse the employee for qualified student loan payments out of its Ministerial Excellence Fund for COMPASS Initiative Grants.

**6. PROHIBITED CHOICES** This Plan prohibits CHURCHNAME from offering eligible employees a choice between educational assistance and other compensation.

**7. COVERED EDUCATIONAL EXPENSES** This Plan reimburses cost for tuition, fees, and books for college and university classes. The CARES Act and the CAA of 2021 extend this benefit to payments of student loans made after March 27, 2020 and before January 1, 2026. IRS Publication 970 (rev. 2020) also says: "Education generally includes any form of instruction or training that improves or develops your capabilities. The payments don't have to be... part of a degree program" (67). As such, the Plan also covers registration costs for webinars, continuing education courses, and conferences that "improves or develops [the employee's] capabilities." If the employee has any questions as to whether costs will be reimbursed, the employee should enquire of CHURCHNAME as to eligibility with enough time (at least 48 hours minimum) so as to make proper inquiry. CHURCHNAME reserves the right to seek appropriate tax and/or legal counsel in determining eligibility of reimbursement. The Plan does not reimburse costs for any education that involves sports, games, or hobbies, unless they have a reasonable relationship to ministry at CHURCHNAME.

**8. NOTIFICATION TO EMPLOYER** Employees who plan to take advantage of the Educational Assistance Plan shall notify CHURCHNAME in writing of such plan, course of study, student loan payments, registration costs, with reimbursement amounts and dates no later than 30 days after the educational activity begins (earlier is better in this case).

**9. REIMBURSEMENTS** Upon completion of courses, the participant must provide an official transcript of grades and original receipts for all items for which the employee seeks reimbursement. Further, CHURCHNAME will not reimburse any amounts already reimbursed by any financial assistance, scholarship, or any other financial benefit derived from public or private programs. Further, it is required that the participant must also attain a grade of "C" or better to qualify for benefits under the Plan.

After making a qualifying student loan payment, the participant must provide proof of payment to CHURCHNAME. Upon registration for a qualifying webinar, continuing education course, or conference/seminar, proof of payment must be submitted to CHURCHNAME. *(continued next pg.)*



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If a church credit card is used to pay, the receipt submitted must be clearly marked “Educational Assistance Plan” in order to qualify for the Plan. Otherwise, the cost will be deducted out of the employee’s professional expense or operating budget.

CHURCHNAME shall reimburse the participant within 30 days of request and proper submission of all required supporting documents.

CHURCHNAME has explained this Plan to me, an eligible employee, and I have read this Plan document. With this signature, I verify that I have read this Plan document and understand the Plan.

Employee:  
Printed Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

On behalf of CHURCHNAME, I explained this Plan to the employee above. Further, I furnished the employee with a copy of the Plan and observed as he/she read the Plan. I hereby affix my signature in verification of these facts.

For the employer:  
Printed Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

**DISCLAIMER** This template is provided solely as an optional framework. The Church of the Nazarene, Inc. does not provide tax or legal advice, and we recommend that the local church consult with a qualified legal/financial advisor for guidance on the plan that will be most advantageous for the church and the minister.



**CHURCHNAME Church of the Nazarene  
Educational Assistance Program Request**

Name \_\_\_\_\_

Ministry Position/Title \_\_\_\_\_

Typical Hours/Week Worked \_\_\_\_\_

Today's Date \_\_\_\_\_ Date of Hire \_\_\_\_\_

**COVERED EDUCATIONAL EXPENSES**

<b>Educational Program</b>	<b>Title</b>	<b>Date/Start Date</b>	<b>Reimbursable Amount</b>
<b>College/University Course</b> (tuition, fees, books)			
<b>Webinar</b>			
<b>Continuing Ed Class</b>			
<b>Conference</b>			
<b>Student Loan Pymt</b>			
<b>Other:</b>			
<b>Total Requested Reimbursement:</b>			<b>\$</b>

Minister's Signature \_\_\_\_\_

Date Receipts Received \_\_\_\_\_

Treasurer's Signature \_\_\_\_\_