

# TUITION REIMBURSEMENT POLICY

## 1. Purpose

Mohawk believes that employees should have the opportunity to further their education and improve their skills so that they can add greater value to the organization while enriching their personal lives.

## 2. Scope

This policy applies to all employees.

## 3. Employee Eligibility

3.1 An employee requesting tuition assistance for undergraduate or graduate courses must work full time and be in good standing with at least one year of service. “Good standing” is defined as being an active employee with no current corrective action warnings. Refer to the Corrective Action Policy for more information.

3.2 The employee will complete a tuition reimbursement form. The employee may seek input from his or her supervisor or department manager or Human Resources manager to determine if the desired course of study is covered by this policy. The employee will obtain his or her director’s signature on the form. The director’s signature on this form will confirm that the employee is in good standing, has departmental approval for tuition reimbursement, and funding is available within the director’s department for the reimbursement. A tuition reimbursement form will be completed at the time the employee initially seeks tuition reimbursement and will be reviewed for each subsequent academic term.

3.3 The Human Resources department will verify that the employee’s course of study is appropriate to his or her current or potential role within the organization and will authorize the tuition reimbursement by signing the tuition reimbursement form. This authorization will not be provided without the approval noted in 3.2.

3.4 In order to receive tuition reimbursement, an individual must be an active employee of Mohawk Industries on the date that the reimbursement is paid.

## 4. Filing Requirements

Applications for tuition reimbursement must be filed at the employee’s local Human Resources office before the start of each academic term of study for which tuition assistance is requested. If approved as noted in section 3 above, payment will be made to the employee after the academic term is completed once the employee submits his or her grades to Human Resources and those grades meet the academic requirements as outlined in section 5 below.

## 5. Costs Covered

5.1 Per section 3.2 above, Mohawk will offer reimbursement for tuition, and, where applicable, activity fees, text book expenses or other academically-related charges.

5.2 Employees must provide receipts at the time grades are presented after the end of the academic term in order to be reimbursed.

5.3 Per IRS regulations (Section 127), each employee will be taxed on any reimbursement greater than \$5,250 per fiscal year.

5.4 Employees applying for tuition reimbursement must submit federal and state financial aid forms to the college and show the results of this application to Human Resources. Granting of federal or state monies (including Pell Grants, HOPE grants, etc.) supersedes Mohawk assistance. Employees are encouraged to seek other outside assistance such as fellowships or scholarships for non-traditional students as these may help to offset costs in

excess of the amount that Mohawk reimburses.

## **6. Academic Requirements**

6.1 Undergraduate students must maintain a “C” average in all courses taken during a particular academic quarter or semester in order to receive reimbursement for that quarter or semester. (A “C” average will be defined as a GPA of 2.0 or higher on a 4.0 scale.)

6.2 Graduate students must maintain a “B” average in all courses taken during a particular academic quarter or semester in order to receive reimbursement for that quarter or semester. (A “B” average will be defined as a GPA of 3.0 or higher on a 4.0 scale.)

6.3 If an employee withdraws from a course or courses during an academic quarter or semester, the employee will not be reimbursed for the cost of those credit hours unless the withdrawal is specifically related to a Company-mandated reason (e.g., the employee is transferred to another state or has unplanned but necessary travel for several weeks).

6.4 For employees who are seeking degrees, Mohawk reserves the right to limit the number of years for which tuition reimbursement is provided to a reasonable and customary timeframe for a student working full-time.

## **7. Institutional Eligibility**

Tuition reimbursement is available for undergraduate or graduate courses at regionally accredited institutions. Employees may participate in on-campus classes, classes at Mohawk facilities where offered, low-residency or weekend classes or technology-based distance learning.

## **8. Undergraduate Program Eligibility**

The degree program that the employee wishes to pursue must be in an area that is applicable to business at Mohawk. The knowledge and skills gained through study may enhance the employee’s performance in his or her current position or may lead to another position at Mohawk. The employee must agree to repay the total cost of the academic expenses reimbursed by Mohawk, using the Contract form, if he or she does not remain a full-time Mohawk employee for at least one year after the completion of his or her coursework, whether or not it culminates with being awarded a degree.

## **9. Graduate Program Eligibility**

Employees seeking assistance for graduate coursework must obtain their business unit head’s signature on the tuition reimbursement form. The course of study must be of direct benefit to Mohawk, and the employee must agree to repay the total cost of the academic expenses reimbursed by Mohawk, using the Contract form, if he or she does not remain a full-time Mohawk employee for at least two years after the completion of his or her coursework, whether or not it culminates with being awarded a degree.

## **10. Continuing Education Courses, Seminars, Workshops & Certificate Programs (Outside Degree Programs)**

### **10.1 General Educational Development (GED) Program**

Financial support is also available for employees seeking assistance with GEDs. Repayment for the cost of the GED exam will be processed upon the presentation of test scores verifying that the employee has successfully passed the exam. As an incentive, Mohawk will provide employees who successfully pass the GED exam with their choice of a \$100 check (subject to taxes) or a class ring. Mohawk also offers on-site tutorials for GED exams in some locations and can refer interested employees to alternative tutorial programs. Contact the Human Resources department for additional information on GED programs. Employees must be employed for 90 days, and in good standing, to be eligible for this program.

## 10.2 Continuing Education Courses and Certificate Programs

Requests to participate in continuing education courses or certificate programs that will enhance current job skills will be approved on a case-by-case basis by department management with input from the Human Resources department to ensure consistency. Payment for the seminars and workshops may be made directly to the sponsoring institution rather than as a reimbursement. Participation in all such programs must be documented so that Mohawk can obtain all available training tax credits.

## 10.3 Seminars and Workshops

Employees who wish to participate in short-term seminars and workshops that are designed to train or provide information relevant to the employees' current role must seek departmental approval. These items should be charged to an appropriate general ledger account for the department, and managers should budget for these expenses in advance of the year in which they will occur. Managers with questions about the appropriateness of a seminar or workshop should contact the Human Resources department.

The Tuition Reimbursement and Educational Assistance Program also supports qualified employees who are seeking graduate degrees. If you are interested in pursuing graduate coursework, you should ask your manager to obtain the necessary senior leadership approval on your tuition reimbursement form. Your course of study must be of direct benefit to Mohawk. For more detailed information, please see your Human Resources representative.

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