

**COUNTY OF RIVERSIDE
EDUCATION REIMBURSEMENT PLAN**

(November 2006)

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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 of 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 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 Education Reimbursement Plan, effective as of August 29, 2006.

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 and advances for the payment of Eligible Expenses, 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) “Advances” means amounts advanced by the County for the payment of Eligible Expenses prior to the commencement of the educational course of study. Advances will be made, if at all, subject to the terms and conditions of Section 4.2 below.

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

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

(e) “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.

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

(g) “Eligible Expenses” means expenses for Education, including but not limited to, tuition, fees, and payments for books, supplies, and equipment but excluding Excluded Expenses, reasonably and necessarily incurred by an Employee and for which an Employee incurred loans to pay these amounts.

(h) “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.

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

(j) “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.

(k) “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.

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

ARTICLE III

ELIGIBILITY

Section 3.1 Eligibility. Employees of the County are eligible to receive Reimbursements (or Advances) 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 as a Certified Nursing Assistant or in any nursing classification in any County Department who work a minimum of 520 hours in any fiscal year;

(b) The employee receives or received at least a grade of “C” or its equivalent 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 Reimbursement, the employee has received a degree from an accredited college or university.

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.

ARTICLE IV

REQUIREMENTS FOR BENEFITS

Section 4.1 Application for Reimbursement. An Employee who has met the eligibility requirements set forth in Section 3.1 may apply for Reimbursement 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, official transcripts, including grades, of the course of study pursued by the Employee, evidence of the degree received, if any, 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 Reimbursement 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 Advances. An Employee who has met the eligibility requirements set forth in Section 3.1 may apply for Advances 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 syllabus or other official description for the course(s) proposed to be taken, evidence of the Employee's financial need, 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 Advances will be granted solely within the absolute discretion of the Plan Administrator.

Section 4.3 Determination. Within 30 days 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 Reimbursement or Advances are Eligible Expenses and/or Eligible Loans. Such determination shall be made in a uniform and non-discriminatory manner, provided that all such determinations shall be within the sole and absolute discretion of the Plan Administrator and his 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 reimbursement for Eligible Expenses or Eligible Loans (or Advances), up to the annual maximum permitted from time to time under section 127 of the Code. 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 (or Advances) under this Plan. In such cases, the Reimbursements (or Advances) provided under this Plan will be considered the secondary pay source, and the Employee will only be eligible for Reimbursement (or Advance) for the difference between the amount received from the other funding source and the actual Eligible Expense or Eligible Loan amount.

Section 5.3 Payments of Reimbursement. Payment for Eligible Loan reimbursement will be made biweekly on the Employee's regular paycheck, up to the annual maximum allowable Reimbursement. Reimbursement for Eligible Expenses will be made as a one-time payment upon the Employee's submission of all required documentation.

Section 5.4 Payments of Advances. Payment of Advances will be made at the time required by the Accredited Educational Institution to enable the Employee to pursue the course of study.

Section 5.5 Termination of Benefits. No Eligible Employee shall have a vested right to Reimbursements or Advances 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 Reimbursements or Advances under this Plan shall immediately cease.

Section 5.6 Repayment to County. The County may seek to recoup all amounts previously paid using whatever legal means it deems appropriate in either of the following circumstances:

(a) If the Plan Administrator determines that an Employee who has received Reimbursements was not an Eligible Employee, that the expenses for which he or she has received Reimbursements were not Eligible Expenses or that the loans for which he or she received Reimbursements were not Eligible Loans; or

(b) If the County has made Advances on behalf of an Employee and the Employee ceases to be an Eligible Employee or ceases to pursue the course of study for which the Advances were made.

ARTICLE VI

MISCELLANEOUS

Section 6.1 Qualification. This Plan is intended to constitute a qualified educational assistance plan under section 127 of the Code

Section 6.2 Excess Benefits. Tuition Reimbursement (or Advances) payable under this Plan is considered a non-taxable benefit up to a dollar limit specified under in section 127 of the Code for a given calendar year (for example, \$5,250 in calendar year 2006). Since 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 entitled 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 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 thereunder.

IN WITNESS WHEREOF, the undersigned has caused this document to be executed by its duly authorized officer on this _____ day of November, 2006, effective as of August 29, 2006.

COUNTY OF RIVERSIDE

By: _____

Ronald W. Komers
Assistant CEO/Human Resources Director
County of Riverside, California