

MPC Educational Reimbursement Plan Questions and Answers

**An Employee Guide to Address
Frequently Asked Questions (FAQs) About the
Marathon Petroleum Educational Reimbursement Plan**

January 1, 2020

As with all Company benefit plans, the Company reserves the right to amend, modify, terminate or change the Marathon Petroleum Educational Reimbursement Plan, in whole or in part. In addition, the Company intends to comply with the tax code requirements required for this Plan. In order to comply with these requirements, the Company may amend, modify, terminate or change this Plan as needed.



Educational Reimbursement Plan FAQs

1. What benefits does the Educational Reimbursement Plan include?

The MPC Educational Reimbursement Plan (the Plan) provides financial assistance for two types of education-related expenses: 1) Tuition Assistance for Courses under an approved Degree Program or single courses outside a degree and 2) Certification and Licensing (C&L) Assistance for an approved professional licensing or certification program.

Throughout this document, “reimbursement of expenses related to a course” and “reimbursement of tuition-related expenses” refers to requests for Tuition Assistance; these terms are interchangeable.

2. If I want to pursue a degree at a college or university, what do I do first?

Before beginning a Degree Program, you must get approval from your current Manager/Supervisor and HRC. You should request approval before beginning the program to ensure it qualifies for financial assistance under the Educational Reimbursement Plan.

To apply for a Degree Program, complete a Degree Program Application and Tuition Repayment Agreement and forward to your Manager/Supervisor or HRC (as indicated on the form) for approval.

On the Application, you are required to provide a written statement about how the degree relates to your current position and how it may help further your career and/or qualify for reasonably attainable positions in the future, as well as how MPC will directly benefit from you obtaining the degree.

Additional documentation that describes the program and the costs associated with the degree is required. (See question #3 below.)

You should also submit a Tuition Assistance Repayment Agreement with your application.

Note: If you are pursuing a Degree that is outside your current organization (i.e., currently working in Accounting, but pursuing a degree in HR), you must also obtain approval from the Human Resources Consultant (HRC) or HR Manager of the other organization before you begin the program.

Once your Manager/Supervisor approves your request, forward the signed application and supporting documentation to your local HRC, as applicable.

3. What information do I need to provide for my Program Description when I submit a Degree Program Application?

A **Degree Program Description** should be something from the school which, at a minimum, includes the following:

- An overview of the program, including the objective and/or goals;
- The required curriculum, including a list of the courses required to obtain the degree; and
- The number of credit hours and cost per credit hour for each of the courses listed in the curriculum.

Printed copies from the Institution’s web page and/or Programs Catalog or Brochures that clearly identify the institution and provide the above information are acceptable.

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4. When can I begin taking courses towards my degree?

Once you receive notification that your Degree Program request has been approved, you may enroll for the next available semester or quarter.

5. Is there a waiting period for new employees?

There is no waiting period for the Educational Reimbursement Plan. However, it is up to your Manager/Supervisor to decide whether or not you have been in your position a reasonable amount of time to allow pursuit of further education without adversely affecting your job performance. Your Manager/Supervisor can approve or deny your request.

6. What if I want to go to college, but I am unsure what degree to pursue?

If you are unsure of the type of degree to pursue, you should discuss the options with your HRC before seeking approval from your Manager/Supervisor. Your HRC can provide general guidance on degrees that may fit for your career within MPC or may be applicable to a position that is “reasonably attainable” within the organization.

Note: Once you determine the Degree Program you wish to pursue, you must obtain approval from you Manager/Supervisor before you enroll, as outlined in question #2 above.

7. When can I request reimbursement for expenses related to a course?

You can request reimbursement of eligible expenses related to a course under the Educational Reimbursement Plan after the course has been successfully completed and you have received a final grade.

You are not eligible for reimbursement until after the course is complete because you must receive a grade of “C” or better or “Pass” if the course is Pass/Fail in order to be eligible for reimbursement under the Plan.

If required, you must pay upfront for your course and request reimbursement later. Some colleges may offer the option to defer payment until the course is complete. However, if you take advantage of that option, any charges associated with the deferment are NOT eligible for reimbursement under the Plan.

8. Once my course is complete, how do I request reimbursement? What documentation is required to be submitted with my request?

Upon completion of a course, a request for reimbursement of eligible expenses related to the course should be submitted through SAP Online Services. The following instructions apply to the process in SAP Online.

Note: Your final grade and total cost are part of the request. **Please do not enter your request until you have the final billed amount.** Once your request has been processed, the amount cannot be updated and a correction requires manual intervention.

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Once your online request has been entered, you should submit documentation that supports the amount being requested to your HRC. The following items are required as part of your request for reimbursement:

- Official grade report; can be an online printout as long as it clearly identifies the institution and the student name.
- Institution's itemized statement of tuition and fees charged, less any payments made; can be an invoice from the school as long as it includes the required details.
- Receipts for textbooks, supplies, and equipment purchased for the course. **Note: A course syllabus may be required if there is a discrepancy in the documentation you submitted and the amount being requested.**
- Statement of Financial Aid or assistance (if applicable).

Your request will not be processed until you do both steps — add the course record under your degree in SAP Online and send the supporting documentation to your HRC.

9. Do I have to receive a certain grade to be eligible for reimbursement of a course?

Yes. As mentioned above in question #7, in order to be eligible to receive reimbursement for a course you have taken, you must receive a grade of "C" or better in the course. If the course is graded "Pass/Fail," you must receive a Passing score in order to be eligible for reimbursement for that course.

10. What expenses can I be reimbursed for under Tuition Assistance?

Tuition and fees associated with textbooks or supplies required for a course are eligible for reimbursement consideration, up to the plan limits. Also eligible are "required" fees, or charges that are assessed by the school to all students as a part of enrolling in and/or completing an approved degree program. "Required" means the fees/charges are mandatory and are not refundable after completion of a course of study.

The following are examples of required charges (supplies and fees) that **are** eligible for reimbursement consideration:

- Tuition fees.
- Registration fees.
- Student ID card fees.
- Required lab fees.
- Required textbooks, including those ordered online.
- Required supplies or equipment.*
- Required student fees or charges assessed to all students (only if unable to opt out).
- First time enrollment/application fees.
- Printed course material and/or electronic media, in lieu of textbooks (subscriptions, online articles, etc.).
- Non-resident fees.
- Matriculation fees.

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- Exam fees (includes GRE & GMAT**).
- Building-use fees.
- Proficiency exams.
- Library fees.
- Student activity fees.
- Technology fees.

* *The cost of materials, instruments, or equipment are not reimbursable unless they are an indistinguishable part of the total cost of the course.*

** *Although fees related to the GRE and GMAT exam are eligible for reimbursement, any fees for a prep course or similar fees related to studying or preparing for these exams are **NOT** eligible. In addition, fees related to the GRE/GMAT are considered pre-admission testing and, therefore, must be submitted with the first eligible course. They are not eligible to be reimbursed separately or on a stand-alone basis. (See question #11 below.)*

Note: This list is not all-inclusive. As a general rule, if the fee is mandatory and applied to all students attending that school, it is eligible for reimbursement under the plan. Please contact your local HRC if you have questions.

11. How do I submit charges for the GMAT to request reimbursement under the Tuition Assistance portion of the Educational Reimbursement Plan?

If you take the GMAT to obtain entry to an institution prior to beginning a Degree Program, the fees associated with the GMAT can be submitted **after you have completed your first college course and should be submitted with the course.** (Fees for the GMAT should NOT be entered as a stand-alone request.)

Once you complete the first course after being admitted to a Degree Program, you may request reimbursement of fees related to the GMAT as part of the total cost for the initial course. The cost of the GMAT exam should be added together with all other eligible expenses (including tuition, books, and other required fees) and submitted as one total cost for that course.

Please remember that fees associated with a prep course to prepare and/or study for the GMAT are NOT eligible expenses under the Plan. In addition, any mileage expenses related to taking the GRE/GMAT are not eligible expenses under the Tuition Assistance portion of the plan.

For a description of the treatment of expenses related to the GMAT when taken to waive the threshold for the CPA Exam, see question #30 on page 9.

12. What expenses are NOT eligible for reimbursement under Tuition Assistance?

Fees that are optional/not required for all students are generally not eligible for reimbursement under the Educational Reimbursement Plan. The following are examples of fees that are not eligible for reimbursement.

- Parking fees.
- Fines, late fees, or service charges.

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- Meals, room and board, or lodging.
- Travel, transportation fees, or mileage.
- Health care related expenses.
- Fees for dropped or added courses.
- Fees to repeat a course.
- Fees to replace equipment or supplies.
- Class ring fees.
- Deferred payment charges.
- Interest charges.
- Credit transfer fees (includes transcript fees).
- Fees for credit granted for work or life experience.
- Living costs.
- Tutoring fees.
- Expenses for auditing or testing out of a college level course.
- Field trips.
- Recreation facility fees, unless charged to all students.
- Deposit fees.
- Graduation fees, including fees for cap and gown.
- Legal and/or insurance fees, when able to opt out.
- Green fees, when able to opt out.
- Shipping charges/fees associated with the return of required textbooks or materials.
- Fees related to prep courses for the GMAT or GRE.

Note: Schools may vary in the type of required fees that are charged to all students. If any of the above fees are proven to be mandatory or required fees, they may be eligible for reimbursement consideration.

13. Where do I enter the cost of my books when requesting reimbursement of a course in SAP Online Services?

When you are entering expenses for a course, you should add the amount of the books and other required material in the "Course Cost" field. Please remember that the documentation you provide to the HRC must match exactly the amount you enter in this field.

Once you enter the amount and click "Submit," you are no longer able to edit the course cost information. If you forgot to include the cost of your books, please contact your HRC to decide how to proceed to add the cost into your request.

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14. How long do I have to submit a request for reimbursement after I complete a course?

You must submit all requests for Tuition Assistance and/or Certification & Licensing Assistance and the supporting documentation within six (6) months following completion of the course or program.

Note: If you do submit a request more than six months after you complete the course or program.

15. Is there a limit to how much I can get reimbursed for the tuition I paid for an approved course?

The Plan does not include a per course limit. Eligible fees and expenses (as described above) will be reimbursed 100% up to the annual maximum benefit amount, as provided below.

16. Is there an annual maximum for how much Tuition Assistance I can receive?

The MPC Plan includes an annual limit of \$5,250 for an undergraduate degree program and an annual limit of \$9,000 for a graduate program. Reimbursements in excess of \$5,250 in a calendar year may be subject to certain tax restrictions as set forth by the IRS. *(See question #17 below.)*

17. If I receive Educational Reimbursement Benefits, will I be taxed?

The parameters for how educational reimbursement benefits are taxed are set forth in the Internal Revenue Code. The following rules apply as of January 1, 2020, subject to change based on IRS guidelines:

- Reimbursements up to \$5,250 per calendar year per employee are considered nontaxable income.
- Reimbursements in excess of \$5,250 per calendar year per employee are generally taxable and subject to tax withholding. Taxable reimbursements will be included as gross income on the employee's W-2 form.
- Reimbursement for travel expenses is taxable unless it qualifies as a business expense deduction. Non-taxable travel expenses do not count toward the \$5,250 annual exclusion limitation.

18. How do I know if a school is an eligible institution under the Educational Reimbursement Plan?

If the institution is accredited by a local or regional accrediting agency, the school should be considered an eligible school under the Educational Reimbursement Plan. You can verify the accreditation of a specific institution at the US Department of Education web site:

<http://ope.ed.gov/accreditation/>.

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19. If I transfer colleges, do I have to complete a new Degree Program Application?

No, a new Degree Program application is only required if you change your degree. As long as you are still within the degree that was initially approved, you do not have to complete a new Degree Program Application just because you have changed schools.

However, your HRC may require that you submit a new course curriculum once you transfer schools. It is recommended you automatically provide this information with your initial request following a transfer of schools.

20. Does MPC limit the number of degrees one person is able to obtain under the Education Reimbursement Plan?

While there is not a limit to the number of degrees one person is able to obtain, each degree must be determined to be in line with your current position and must be within the scope of the Company's operations.

Note: If a PhD is desired, a high level of scrutiny will be required, as we generally do not have a need for a PhD in most positions within MPC.

21. Do I have to pay back reimbursements I received if I leave the Company?

Possibly. The MPC Educational Reimbursement Plan includes a Repayment Provision for Tuition Expenses, which requires repayment of reimbursements received if you leave the organization less than two (2) years after receiving a reimbursement, as allowed by law.

See the Educational Reimbursement Plan for the repayment schedule that summarizes how much you are required to repay based on when you leave the Company.

22. Once I have obtained a degree, how do I update my profile to include the degree information?

Once you have successfully obtained a degree, forward your final transcripts that designate "Degree Obtained" and/or a copy of your diploma to your HRC, who will follow up with HR Data to get your profile updated accordingly.

Note: It may take a couple weeks for your profile to be updated once this documentation has been received.

23. If I want to pursue a professional license or certification, what do I do first?

Before beginning a professional Licensing or Certification Program, you must obtain approval from your current Manager/Supervisor and HRC.

You should request approval prior to beginning the program to ensure it qualifies for financial assistance under the Educational Reimbursement Plan.

To obtain approval, you should submit the documentation outlined below in question #24 from the agency that issues or sponsors the license or certification you would like to pursue.

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24. What information should I provide to obtain approval for a certification or licensing program?

At a minimum, the following information should be provided to your Manager/Supervisor and HRC for review:

- An overview of the program, including a description of the license or certification, including the objective and/or goals;
- The required curriculum, including a list of courses required to obtain the certification or license and the date of the examination, if required;
- The total cost of the program; and
- The duration and estimated completion date.

Once your Manager/Supervisor approves your request, forward a copy of the above documentation to your local HRC for review and approval.

25. Are all certification programs eligible under C&L Assistance?

The C&L Assistance portion of the Educational Reimbursement Plan is intended to reimburse employees for expenses related to a professional license or certification that is obtained as a result of passing a uniform examination, such as a CPA, PHR, or PE.

General certificate or training programs are not eligible and may be considered under the organization's business expense process. Employees should consult with their Manager/Supervisor or HRC with questions.

The license or certification must be new (versus one you are renewing or maintaining) and must be related to a career that is reasonably attainable within the Company and one from which the Company is likely to benefit.

26. What expenses can I be reimbursed for under C&L Assistance?

Eligible expenses under C&L Assistance include fees associated with obtaining the license or certification, such as:

- Exam Fees;
- Fees required as part of taking an exam (i.e., sitting fees, background checks, application fees, etc.);
- Travel and lodging expenses (limits apply).

One Review or Certification Course and the related study material (i.e., books, study guides, etc.) is also eligible for reimbursement.

Note: C&L reimbursement requests can only be submitted AFTER you have taken the exam (if applicable) or completed the program.

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27. What expenses are NOT eligible for reimbursement under C&L Assistance?

The following expenses incurred as part of a licensing or certification program are not eligible for reimbursement:

- Charges associated with license renewal;
- Charges required to maintain the license or certification;
- Annual dues for membership in professional affiliations;
- Charges for general certifications or training programs.

Note: These charges may be eligible outside this plan as a business expense; see your Manager/Supervisor to discuss.

28. Does MPC limit the number of certifications or licenses one person is able to obtain under the Education Reimbursement Plan?

While there is not a limit to the number of certifications or licenses one person is able to obtain, each one must be determined to be in line with your current position and must be within the scope of the Company's operations. You should obtain approval (following the process in question #20 above) prior to pursuing any certification or license to ensure it qualifies for reimbursement.

29. Is there a limit to reimbursements for C&L Assistance?

Under the MPC Educational Reimbursement Plan, eligible expenses related to obtaining a professional license or certification (as described above) will be reimbursed 100% up to a maximum of \$5,250 per calendar year, subject to certain tax restrictions as set forth by the IRS as stated in question #31 below.

30. If I take the GMAT as part of a C&L Program (i.e., as part of obtaining my CPA), is this considered an eligible expense? Is mileage associated with taking the GMAT eligible for reimbursement under C&L?

Yes, if you take the GMAT as part of obtaining your CPA, it would be considered an eligible expense under the C&L Assistance portion of the Educational Reimbursement Plan; mileage associated with the GMAT would also be considered an eligible expense.

After you take the exam, the charges related for the GMAT (including mileage) should be included as part of the total expenses you submit with your request for reimbursement. **Please remember that fees associated with a prep course to help you prepare and/or study for the GMAT are NOT eligible expenses under the plan.**

For a description of the treatment of expenses related to the GMAT when taken to obtain entry to an Institution prior to beginning a Degree Program, see question #11 on page 4.

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31. If I receive reimbursement for a certification or licensing program, will I be taxed?

The IRS sets the parameters for how reimbursements for certification or licensing programs are taxed. The following rules apply as of January 1, 2019, subject to change upon IRS guidelines:

- a) Obtaining certification and licensing: Educational reimbursements up to \$5,250 per calendar year per employee are non-taxable. Reimbursements in excess of \$5,250 per calendar year per employee are taxable and subject to withholding.
- b) Travel expenses are taxable unless they qualify as a business expense deduction. Non-taxable travel expenses do not count toward the \$5,250 annual exclusion limitation.

Please refer to the current Educational Reimbursement Plan document to confirm the current amounts.

32. How are reimbursements under the Educational Reimbursement Plan processed once they are approved?

Reimbursements for eligible expenses under the Educational Reimbursement Plan are processed through SAP Online Services.

Once your request has been processed, it is paid through payroll so the total amount reimbursed per year can be tracked and taxed, as applicable.

You will generally see the approved amount in your paycheck within two (2) weeks of receiving notification that the course was approved by HR. Taxable reimbursements will also be included as gross income on your W-2.

33. Where can I look for assistance with applying for Educational Reimbursement benefits?

For more information, see the Educational Reimbursement Plan, which can be found online at www.myMPCbenefits.com.

Contact the Benefits Service Center at 1-888-421-2199 with questions regarding Educational Reimbursement benefits and/or for assistance with the online process.

34. Where can I find instructions for how to submit requests for approval in SAP Online Services?

The [SAP Online Instructions](#) guide at www.myMPCbenefits.com provides a link to step-by-step instructions for each type of request. You can also contact the Benefits Service Center for assistance.