

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, 2017

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 provides financial assistance for two types of education-related expenses: 1) Tuition Assistance of Courses under an approved Degree Program or single courses outside a degree and 2) Certification and Licensing (C&L) Assistance for an approved licensing or professional 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, employees must get approval from their current Manager/Supervisor. 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, you need to complete a Degree Program Application and forward it to your Manager/Supervisor for approval. On the Application, you will be required to provide a written statement about how the degree applies to your career and how MPC will directly benefit from you obtaining the degree.

You should provide a detailed explanation of how the degree relates to your current position and how it may help further your career and/or help you qualify for reasonably attainable positions in the future. Additional documentation that describes the program and the costs associated with the degree is required. (See question #3 below.)

You must also complete and 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, you will forward the signed application and supporting documentation to your local HRC.

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 minimum, includes all of the following information:

- 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.
- The number of credit hours and cost per credit hour for each of the courses listed in the curriculum.

Online print outs from the Institution’s web page and/or Program Catalogs 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 impacting your job performance. Your Manager/Supervisor can either 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 and/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. If required, you must pay for your course up-front and request reimbursement later.

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.

Note: Depending on the Institution, some colleges offer the option to defer payment until the course is complete. If you elect that option, any charges associated with the deferment are NOT eligible for reimbursement under the Plan.

8. Once my course is complete, what documentation is required to request reimbursement?

Upon completion of a course, you will enter a request for reimbursement of eligible expenses related to the course in SAP Online, under your existing degree program. 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 you enter the online request, you must also send supporting documentation of tuition-related expenses to your HRC. The following items are required as part of the request for reimbursement:

- Official grade report (can be an online print-out as long as it clearly identifies the institution and the student).
- Institution's itemized statement of tuition and fees charged, less payment. This 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).

Note: Your request will not be processed unless you do both steps — add the record under your degree in SAP AND send supporting documentation to your HRC.

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

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 fees or charges 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/material, 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 charges related to the GRE and GMAT exam are eligible for reimbursement, any prep courses or charges 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 charge 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**. However, 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 must be added together with all other eligible expenses (including tuition, books, and other required fees) and submitted as one total cost for that course, which will be subject to the maximum reimbursement amount per credit hour.

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. 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 pages 9 – 10 in the C&L Section below.

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

Fees that are optional and/or not required by all students are generally not eligible for reimbursement under the Educational Reimbursement Plan. The following are examples of charges 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 classes.
- 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 often vary in the type of required fees assessed to their students. If any of the above charges are proven to be mandatory or required fees, then they may be eligible for reimbursement consideration.

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

When you are entering expenses for a course, you should add the amount of the books or other required material into 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 online 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 6 months after you complete the course or program, your request will be denied.**

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

Under the MPC Educational Reimbursement Plan, eligible tuition and required fees (as described above) will be reimbursed 100% up to a specific dollar amount **per semester hour or per quarter hour**. Please refer to the current Educational Reimbursement Plan document for the current amount.

Please note: Schools vary on whether they offer classes on a semester or quarter basis and the cost per hour for tuition can vary significantly between schools. You will be reimbursed up to the maximum based on the class schedule and tuition fees for your institution.

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

While the MPC Plan does not include an annual limit, there are certain tax restrictions that are mandated by the IRS. (See question #17 below.) The MPC Plan will follow IRS guidelines and update the annual amounts as needed.

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

The IRS sets the parameters for how educational reimbursement benefits are taxed. The following rules apply as of January 1, 2017, but are subject to change upon IRS guidelines:

- a) **Undergraduate-level courses:** 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 tax withholding.
- b) **Graduate-level courses*:** 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 tax withholding.

*** A "graduate-level course" is defined as any course taken by an employee who has a bachelor's degree or is receiving credit toward a more advanced degree, if the particular course can be taken for credit by any individual in a program leading to a law, business, medical, or other advanced academic or professional degree.**

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

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 degrees. As long as you are still within the degree that was initially approved, you do not have to complete a new Application just because you have changed schools.

However, your HRC may require you to submit a new course curriculum once they determine you have transferred 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 we do not limit 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 have received if I leave the Company?

Possibly, depending on when you leave. The MPC Educational Reimbursement Plan includes a Repayment Provision for reimbursement of Tuition Expenses if you leave the organization less than two (2) years after receiving a benefit. See the Educational Reimbursement Plan for the repayment schedule that summarizes how much of the benefit you are required to repay based on when you leave the Company.

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

Once you have successfully obtained a degree, you can forward your final transcripts that designate "Degree Obtained" and/or a copy of your diploma to your HRC. The HRC will follow up with HR Data Help 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, employees must get approval from their current Manager/Supervisor. **You should request approval before beginning the program to ensure it qualifies for financial assistance under the Educational Reimbursement Plan.**

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

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To request approval for a licensing or certification program, discuss the program with your Manager/Supervisor and provide documentation, as needed, including a **description of the program** for the certification or license you wish to pursue and the **total cost and duration** of the program, and an estimated completion date. (See question #24 below.)

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

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

The C&L Assistance portion of the Educational Reimbursement Plan is intended for professional licenses and certifications that are obtained as a result of 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 if applicable.

25. What information do I need to provide to describe the certification or licensing program I wish to pursue?

You are required to submit documentation from the agency that issues or sponsors the license or certification program you are pursuing. It should include, at minimum, all of the following information:

- An overview of the program, including the objective and/or goals;
- The required curriculum, including a list of the courses required to obtain the Certification or License and the date of the examination, if required.

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

Eligible charges under C&L include any fees associated with obtaining the license or certification and include the following:

- One Review or Certification Course and related study material (includes books, study guides, etc.);
- Exam fees, including any fees required as part of the program or course (includes sitting fees, background checks, application fees, etc.);
- Travel and lodging expenses (limits apply).

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

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

The following expenses 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.

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Note: These charges may be eligible outside this benefit 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 we do not limit 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 always obtain approval (following the process in question #19 above) prior to pursuing any certification or license to ensure it qualifies for reimbursement.

29. 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 charge under the C&L Assistance portion of the Educational Reimbursement Plan and mileage associated with the GMAT would be considered an eligible expense. You would be able to request reimbursement of the expenses related to the GMAT **after** you have taken the exam.

After you take the exam, the charges related for the GMAT (including mileage) should be added in and included as part of the total expenses in 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 page 5 in the Tuition Assistance Section above.

30. 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, 2017, but are 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 for the current amounts.

31. 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 and paid through payroll, so the total amount reimbursed per year can be tracked and taxed, as applicable.

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

32. 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. You can also refer to the [Steps to Request Approval](#) for a summary of how to apply for benefits under the Plan.

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

33. 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.