

TAX-FREE

Tuition Assistance ^{up to}

\$5,250 ^{annually}

with Core 127

A benefit for only the best employees

The most valuable team members on a company's roster are always looking for ways to up their contribution to its success. That's why they are the ones most likely to join or remain with a company that provides a Section 127 Educational Assistance Program (EAP) for employees.

How it works

An EAP is a straight-forward employee benefit that pays tuition and related expenses for employees. Other than the requirement of the employer to have a written plan in place, all of the rules are left up to the employer.

Amount

The maximum benefit amount an employee can receive tax-free is \$5,250 per year.

At the employer's option, an annual limit can be set lower or higher than the allowable tax-free amount. When set higher, the amount over \$5,250 will be taxable to the employee.

Eligibility

Each plan sets its own eligibility rules by creating eligible and ineligible employee groups. Popular groups are full-time, part-time, or employees completing a year's employment.

An EAP may not be set up in a way that discriminates in favor of highly-compensated employees.

Covered expenses

The plan can pay for tuition, books, fees, and equipment necessary to complete the course of study.

However, anything an employee keeps after the course is finished may not be reimbursed. (books, equipment, etc.).

To keep it simple, an employer may limit payments to tuition and fees; or, for the most help to these employees, the plan can cover all eligible expenses while making provision for items that might be retained or sold at a loss by the employee.

Many employers also set a rule that the plan will only reimburse employees for courses completed with a certain grade or higher.

Course of study

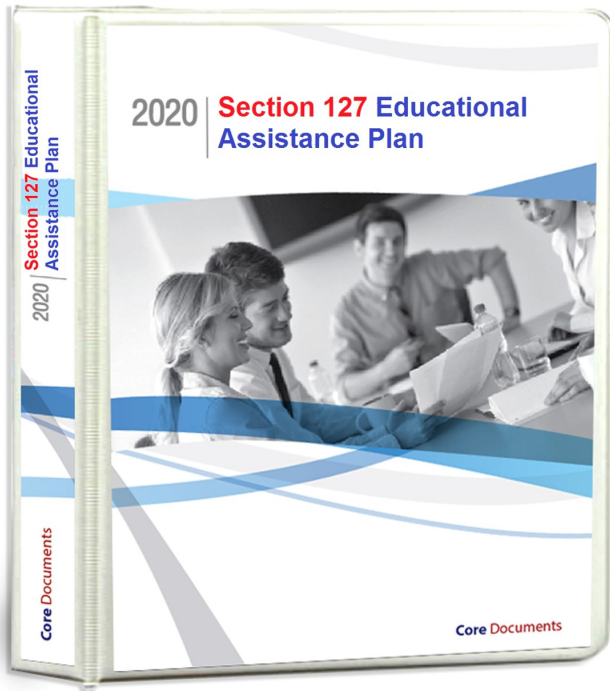
Generally, EAPs can pay for courses on any topic that is not a sport, hobby, or game.

Each plan can make other requirements, such as the course being relevant to the employee's current job or, more generally, in a field that holds value to the company in any future position the employee may attain.

Separation repayment rules

An employer may require that an employee repay any EAP funds received within a certain period of time before he or she voluntarily separates from the employer.

The most common period for a separation repayment rule is one year, and some employers pro-rate the amount quarterly.



FAQs

The Core 127 Educational Assistance Program plan document package includes everything an employer needs to establish an EAP, and it all comes to you for a one-time fee of \$99.

Here are some common questions employers ask before ordering:

How many employees are required for a company to have an EAP?

There is no minimum number of employees necessary for an employer to provide an EAP. A company with as few as one can offer a plan as a way to enhance the value of its benefits package.

This includes corporations, LLCs, partnerships and sole proprietorships.

However, owners and more than 5% stockholders may not receive EAP benefits.

Can an employee receiving other student aid also receive EAP payments from an employer?

Employees receiving other financial aid that does not have to be repaid (grants and scholarships, for example) may not receive EAP assistance to cover the same expenses paid by that student aid.

Employees using student loans to help fund their education may receive EAP funds to pay or repay those expenses.

Can an EAP make advance payments to employees?

Yes. While it is more common for a company to set up an EAP to only reimburse employees upon successful completion of a course, some employers provide an advance to employees in need of it.

Does a new EAP have to start on January 1?

No. The first year can start any time with a short plan year.

If you want to start a calendar year plan on July 1, the first plan year is "short," beginning July 1-and ending December 31. All other plan years will be January 1-December 31.

This technique is available for non-calendar plan years, too.

Do I need a separate account to fund an EAP?

No. The account does not have to be funded in advance or apart from the employer's general fund.

Visit us online today

Order your Core 127 plan document package today at www.coredocuments.com.

Set up a Section 127 EAP in 3 easy steps

Design your plan:

- Choose your plan year according to the calendar (Jan-Dec) or your tax year (Jul-Jun, for example) -- a short plan year is available for the first year.
- Determine the rules and limits for your plan -- our order form takes you through it step-by-step.

Order your plan:

- Place your order for the Core 127 plan document package.
- Your personalized plan document package arrives at your inbox, usually* the same day.

Start your plan:

- Print, review, and sign the plan document where indicated;
- Give a copy of the participant packet to each eligible employee; and then,
- Keep the Core 127 plan document on file with other personnel paperwork -- there is no requirement to file the plan document with any agency.

*Most orders placed by 3 PM will be emailed out the same day, Monday through Friday. Orders placed on weekends are emailed out Monday morning.

Ordering Information Worksheet

This form is provided for your convenience while gathering information for the Core 127 document package. It is a fillable PDF form. Click on the line next to "First Name" to begin and then tab from field to field.

Purchaser Information (Person buying document for Employer listed below, i.e. Agent, CPA, payroll co., etc.; "N/A" in "First Name" if not applicable.)

First Name _____ Last Name _____
Company _____
Address _____
City _____ State _____ Zip Code _____
Phone _____ Mobile _____ Fax _____
Email _____ Web site _____
Ship Plan Document package to: Purchaser Employer

Employer Information for Plan Documents

(Owner/controller, document signer; exactly as it should appear in the plan document.)

First Name _____ Last Name _____
Company _____
Address _____
City _____ State _____ Zip Code _____
Phone _____ Mobile _____ Fax _____
Email _____ Web site _____

Legal Name(s) of **Affiliated Company(ies)** that will be covered by the Plan (if any):

- 1) _____
- 2) _____
- 3) _____

Plan Design Notes

Please use the area below to tell us more about your Section 127 EAP plan:

Effective Date for Plan: _____

Do you want your Core 127 EAP plan document package in the Deluxe Binder Version or the Basic PDF Option?



\$149 Deluxe Binder Version

Email PDF version processed ASAP, AND printed in 3-ring binder with five-section tabbed index, shipped via Priority Mail.



\$99 Basic PDF Option

PDF document only, processed quickly and sent via e-mail.

Employer: _____

If paying by check, please complete the following:

Your order can be processed with a copy of the original check attached to the order made out to Core Documents with amount to be charged, **OR** simply provide the following information and authorization.

Name as it appears on check: _____

Bank Name: _____

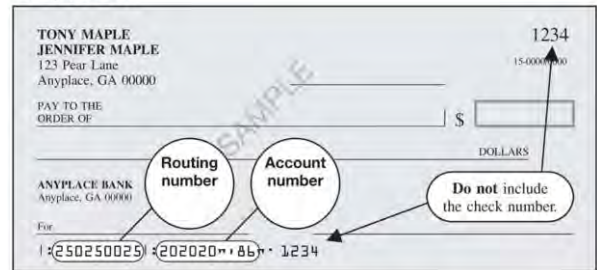
Bank Routing Number: _____

Bank Account Number: _____

Total amount to be charged: \$ _____

Signature _____

Sample Check



The routing and account numbers may be in different places on your check.

Date: _____



If paying by credit card, please complete the following:

Card Type: Discover VISA MasterCard American Express

Card Number: _____

Expiration Date: ____ / ____

3 Digit Security Code on back: _____
(4 digit on American Express front)

Total amount to be charged: \$ _____

Name as it appears on card: _____

Signature _____

Security Code



Date: _____

Refund Policy: Purchaser understands that goods and services provided by Core Documents, Inc. are non-refundable. Orders cancelled prior to sending/shipping are subject to cancellation fees applied to the cost of goods and services provided during the review, draft, and preparation of your order.

Please sign and fax completed form to (941)795-4802. Attach additional pages of plan design information if needed.

Mail: Core Documents, Inc. P.O. Box 14538, Bradenton, FL 34280

Scan and Email: CoreService@CoreDocuments.com

Toll Free Voice: 888-755-3373 Fax: 941-795-4802