

# Educational Assistance Program: Policy No. 3-06

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**Policy** To assist employees in their career development by encouraging academic studies that contribute to their job and career-related education and training.

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**Eligible Employees** Active, regular full-time employees and part-time employees who work 20 hours or more each week in the U.S. or who are on expatriate assignment and paid through U.S. payroll are eligible to participate in this program.

Employees are not eligible if, at the time of their enrollment, they are in the Written Corrective Action or Final Written Corrective Action stages of the Corrective Action Program.

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**Courses Eligible for Reimbursement** Employees have a variety of education options available to them.

In order to be eligible for reimbursement, the course must be:

1. “Covered Course” under this Program
  - part of a two-year associates, undergraduate, graduate, or post-graduate degree program, including Executive Masters of Business Administration (EMBA);
  - taken for credit; and
  - offered by an accredited institution. (*See Appendix 1.*) An employee should consult with EdAssist, the company’s Educational Assistance administrator, if he or she has questions concerning whether an institution is appropriately accredited
  - certain certification programs and related courses and exams to the extent that they meet the Program’s enrollment eligibility requirements.

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**Courses Eligible for Reimbursement (continued)** 2. “job required” or “job relevant”

Definition of Job Required - a course or program required by Boston Scientific to maintain a present job or career at Boston Scientific.

Definition of Job Relevant - a course or program that:

- maintains or improves skills needed in the employee’s present job and/or;
- enhances employee’s performance or career at Boston Scientific and/or;
- helps the employee secure a future position or pursue a future career at Boston Scientific.

For more information on determining whether a course is job relevant, *see* Appendix 2.

3. approved by the employee’s manager before the course start date

Additionally, preparation courses, books and examination fees incurred while attaining an appropriate professional designation are eligible for reimbursement. For more information about ineligible courses and fees, please refer to Appendix 3.

**Enrollment, Approval & Reimbursement Process**

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## Before Beginning a Course

1. *Complete Application for Course Approval via the EdAssist tool which is accessible through BenefitsConnect*

- Complete and submit an application that contains all of your courses for that term. To be eligible for reimbursement, the employee must log into the EdAssist tool to enter the details of the course **before** the course begins.
- Agree to terms of Policy and Agreement to Reimburse. Employees must affirm that they have read and understood the Educational Assistance Program Policy and that they agree to the terms of the Agreement to Reimburse.

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## Enrollment, Approval & Reimbursement Process (continued)

After an employee has submitted an Application for Course Approval, the employee's manager will receive an e-mail informing him or her that the employee is seeking approval for a course. The manager must either approve or deny the course through the EdAssist tool **before** the course start date. EdAssist will deny reimbursement for a course if the manager has not approved it before the course begins. Managers are responsible for reviewing this policy and ensuring that the course meets eligibility criteria before they approve it.

**NOTE:** If your manager is out of the office and unable to approve a course before the course start date, it is the responsibility of the employee to obtain approval from their Level 2 manager before the start date of the course.

Since the Level 2 manager will not have access within the EdAssist tool to approve the course, the Level 2 manager will need to send an e-mail to [bsc@edassist.com](mailto:bsc@edassist.com) with their approval and EdAssist will process the request.

### After Completing a Course

#### *Submit Reimbursement Request*

In order to be eligible for reimbursement the employee must appropriately request reimbursement. Reimbursement requests must be completed and submitted within 90 days from the course end date.

To be eligible for reimbursement, employees must receive a grade of "C" or better (or a "pass" or "satisfactory" grade if no letter grade is issued) for undergraduate courses. For graduate courses, employees must receive a grade of "B" or better (or a "pass" or "satisfactory" grade if no letter grade is issued).

Employees must submit requests for reimbursement by returning to your existing application for the term needing reimbursement and submitting your grade and receipt, within 90 days of the course end date.

- Log onto the EdAssist tool which is accessible through BenefitsConnect
- Scan and upload your documents or use the fax bar code provided on the EdAssist site

Program reimbursements may be requested through EdAssist *only*. Seeking reimbursement for Educational Assistance costs by any other means is not allowed.

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**Reimbursement** If all of the eligibility requirements are met, the Program will reimburse employees for expenses related to tuition, course-required books, reading materials or book substitutes, examinations for “testing out” of a required course, lab/computer usage fees, on-line learning fees and graduation fees for approved courses up to a calendar year maximum of \$8,000.

Employees may be required to show that a charge or cost is required by a particular course in order to receive reimbursement.

Costs for allowable expenses will be reimbursed at 100%, not to exceed a total of \$8,000 per calendar year. The start date of the course will determine to which calendar allotment the reimbursement is applied.

Any approved reimbursement may be reduced by any non-Program assistance for which the employee is eligible to cover the course, e.g., Pell Grants, Veterans’ benefits, scholarship, and/or reimbursements from a former employer. The employee must provide accurate and complete information about such assistance when requesting Program reimbursement.

Employees will not be eligible for reimbursement in these situations:

- Failure to have the manager’s preapproval entered into the EdAssist tool for a course entered before the date the course begins;
- Voluntary termination from Boston Scientific before completing an approved course or before requesting reimbursement after completing a course; or
- Involuntary termination from Boston Scientific for a serious violation of policy before completing a course or before requesting reimbursement after completing a course. Boston Scientific alone determines whether or not a policy violation is “serious.”

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### Repayment

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If, within 365 days of completing a course for which he or she receives reimbursement, an employee:

- resigns or is deemed to have resigned from Boston Scientific, or
- is terminated due to a serious violation of a company policy as determined by the company, then the employee must repay all course reimbursements within 31 calendar days of the last day worked.

If an employee receives an overpayment of Educational Assistance Reimbursement, the employee must reimburse the company promptly for the amount of overpayment.

If Boston Scientific does not receive full repayment of the overpayment within 31 calendar days, the company may start collection proceedings. Payments not made within this 31 calendar days timeframe will be subject to interest charges at the Federal rate (*see* Internal Revenue Code 1274(d)). The employee is responsible for reimbursing the company for any collection expenses, including, but not limited to, legal costs and fees.

### Special Reimbursement Situations

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- Employees generally will be eligible for reimbursement if they lose their job as a result of a reduction in the workforce covered by the Boston Scientific Severance Pay and Layoff Notification Plan before completing a course or before requesting reimbursement after completing a course. In this case, employees should contact EdAssist for assistance with reimbursement processing.
  - Employees generally will be eligible for reimbursement if they begin a leave of absence during a course for which they received Educational Assistance if they were enrolled in the course when the leave of absence began and the leave was unexpected.
  - Reimbursement eligibility will be addressed on a case by case basis in situations where an employee failed to properly complete an approved course due to unexpected Boston Scientific work-related obligations or at Boston Scientific's request.

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## Additional Guidance

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### Annual Registration and Reimbursement Limit

Employees may be reimbursed for up to \$8,000 in a calendar year through the Educational Assistance program. Further, employees may register for courses that do not exceed \$8,000 in a calendar year.

Although there is no set limit to the number of courses employees may take at one time, employees should limit their classroom commitments so that their job performance does not suffer.

### When Employees May Attend Class

Employees may not attend class or take time off related to attending class during their regularly scheduled workday unless the time is preapproved by a manager. Boston Scientific's business interests, including ensuring that employees are satisfactorily managing their workloads, will dictate approval or continued approval for time off and schedule adjustments. Approvals to take courses or to attend related functions during regular work hours can be withdrawn at any time.

### New Hires Taking a Course That They Started Before Joining Boston Scientific

Hiring managers may conditionally approve eligibility for reimbursement of these courses in an employee's written offer letter. Then, the following steps must be completed within 31 calendar days of the date of hire:

- The employee must log into the EdAssist tool to create an application and enter the details of the course/s
- Agree to terms of Policy and Agreement to Reimburse
- The manager must enter their approval of the course/s in the EdAssist tool

Please note that the date of hire counts as Day 1 of the 31 calendar-day period to complete the actions shown above. A final determination of eligibility for reimbursement will be made based on the information supplied.

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## Summary of Tax Implications

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### Summary of Tax Status of Reimbursements

The tax withholding from Educational Assistance reimbursement is evaluated on an individual, course-by-course basis. Taxable reimbursements paid to employees will be treated as taxable income for the year in which they are paid, and federal, state, and social security tax will be withheld at the time of reimbursement.

### Taxable Reimbursements

The cost of any non-job related graduate and undergraduate level courses in excess of \$5,250 in a calendar year.

### Non-Taxable Reimbursements

All job related graduate and undergraduate level courses (up to \$8,000 in a calendar year). The cost of any non-job related graduate and undergraduate level courses up to \$5,250 in a calendar year.

Please refer to Appendix 4 for additional information.

**NOTE:** Do not confuse “job related” as defined by the IRS for tax purposes and “job required” and “job relevant” as defined by Boston Scientific for course enrollment and reimbursement purposes.

### Employees Are Advised To Obtain Independent Tax Advice

Internal Revenue Service guidelines control the taxability of Educational Assistance reimbursement provided under this Program. Some of the concepts that determine taxability are provided below for informational purposes only. As tax laws can change at any time and can be subject to varying interpretations, employees should consult with their tax advisors to determine applicability of the rules to their individual situation.

### Carefully Review Forms

The employee’s manager must reasonably substantiate whether or not a particular course is job related as defined by the IRS. Failing to do so could result in penalties and other tax consequences both for Boston Scientific and for the employee. If in doubt, an employee should seek independent tax advice as discussed above.

## Terms and Conditions of Employment

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An employee’s participation in the Educational Assistance Program does not alter the “at will” nature of the employment relationship, nor does it require that Boston Scientific change the employee’s compensation or work assignment, retain the employee, or transfer or promote him or her to a different job.

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<b>Budgeting</b>	Monies for this Program are budgeted annually as part of the site fringe expense for Educational Assistance. The maximum amount available for reimbursement is subject to change.
<b>Program Modifications</b>	Like other Boston Scientific policies and programs, this Program may be amended or revoked by Boston Scientific at any time. Employees are strongly encouraged to review this Policy <i>every time</i> they enroll in a course, particularly employees taking multiple courses over an extended period of time.
<b>Questions?</b>	Employees should consult with their immediate managers, the HR Service Center or EdAssist (call center 1-877-410-6922 or email <a href="mailto:bsc@edassist.com">bsc@edassist.com</a> ) with any questions they may have.

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## APPENDIX

1. Institutions are “accredited” in connection with this policy if they are accredited by one of the following national and regional organizations recognized by the U.S. Department of Education:
  - Middle States Association of Colleges and Schools
  - New England Association of Schools and Colleges
  - North Central Association of Colleges and Schools
  - Northwest Association of Schools and Colleges
  - Southern Association of Schools and Colleges
  - Western Association of Schools and Colleges
  - The Accrediting Council for Independent Colleges and Schools (ACICS)
  - The Accrediting Commission of Career Schools and Colleges of Technology (ACCSCT)

2. Whether a course is “job relevant” may depend on whether it is part of a degree program that an employee intends to pursue fully.

### Pursuing Full Degree Programs

When an employee intends to pursue a degree, courses within the degree program are covered, whether the courses themselves are or are not job relevant, as long as the degree program itself is job relevant. Whenever practicable, however, employees should choose job relevant elective courses over those that are not job relevant.

Example: A history course, perhaps itself not directly job relevant for work at Boston Scientific, would be eligible for reimbursement if it were a required part of a job relevant degree program that the employee intends to pursue fully. If the employee does not intend to obtain the degree, the history course would not be covered.

### Not Pursuing Full Degree Programs

For employees who are not taking a course in connection with a full associates, bachelors, graduate, or post-graduate degrees, each course taken, including courses within a certification program, must be job relevant to be covered under this Program.

Example: An employee continues his/her education by taking an occasional course or pursuing a certification that combines college or university level courses from one or more degree programs. In this case, the courses must all be job relevant to be covered.

3. Examples of courses and costs that are not covered/reimbursed include, but are not limited to, any of the following:
  - “non-credit” courses, meaning those not offered for credit toward an undergraduate, graduate, or post-graduate degree
  - course auditing

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- education involving sports, games, or hobbies unless required as part of an approved job relevant or job related degree program that the employee is fully pursuing
- seminars and workshops
- most other fees or costs, including, but not limited to, parking fees, transportation, miscellaneous supplies, field trips, childcare, health care, student union services, portfolio fees, meals, lodging, degree planning fees, finance charges, mailing and shipping fees, registration fees, late registration fees, graduate and other entrance exams and preparatory courses

**NOTE:** An institution may call a reimbursable item or course a “fee.” For example, course-required reading materials (which are reimbursable) may be invoiced under a “materials fee.” Similarly, a required introductory or prerequisite course, an orientation program or other required courses or programs may be referred to as a “fee.” The company will cover these costs as provided by this Policy. To assist us in determining whether a “fee” is reimbursable, employees should explain on an invoice for “fees” why they are reimbursable.

#### 4. Additional Tax Implications

Example: A history course may be eligible for reimbursement by Boston Scientific if it is a required course in an engineer’s Master of Science degree program, for example. That same course reimbursement is taxable, however, because the history course is not itself job related according to IRS regulations.

An important factor in determining if a course reimbursement is taxable is whether the course is “job related” according to current IRS regulations.

According to IRS definitions, a course is considered job related if it:

- is required by the employee’s employer to keep the employee’s present salary, status, or job; or
- maintains or improves skills needed in the employee’s *present* work.

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However, even if the course meets one of the requirements above, it is *not* job related if it:

- meets only the *minimum* educational requirements of the employee's current position. (**NOTE:** Laws and regulations, standards of the employee's profession, trade, or business, and the employer's requirements determine the minimum education necessary.)
- is part of a program of study that could qualify the employee for a new trade or business, even if the employee has no plans to enter that trade or business. (**NOTE:** A change in duties is not a new trade or business if the new duties involve the same general work the employee did in his or her former position.)