



## **Starbucks Tuition Reimbursement Program**

**Revised August 1, 2006**

**Tuition reimbursement rewards you for your contributions, adds to a great work environment and promotes the shared responsibility between Starbucks and you for individual and company success. This benefit helps to cover a portion of the cost of tuition, books and other expenses as you advance your professional development.**

### **Eligibility**

#### **Plan Eligibility**

To participate in the tuition reimbursement program, you must:

1. Be a partner on the U.S. payroll, or a U.S. expatriate partner working for Starbucks in another country but remaining on the U.S. payroll, and
2. Have a minimum of one continuous year of service from your most recent date of hire, and
3. Be considered eligible for Starbucks Benefits programs (what Starbucks refers to as “benefits eligible” for medical, dental, vision, etc.) on your term start date. If you have questions regarding your benefits eligibility, you may speak with a Starbucks Benefits Center representative at (877) SBUXBEN.

To learn more about benefits eligibility, refer to the *Benefits Plan Description*, Eligibility and Enrollment chapter. A *Benefits Plan Description* is mailed to partners when they enroll in a Starbucks benefits plan, is available online at the *Your Benefits Resources*<sup>™</sup> site (link from <http://LifeAt.sbx.com>) and is located in the Partner Resources manual at each store and work location.

#### **Benefits Eligible Status**

As discussed above, you must be benefits eligible on your term start date. If you lose benefits eligibility after your term has begun, your loss of eligibility will not affect your eligibility for reimbursement of your approved course. However, you must become re-eligible for benefits before any additional courses will be approved.

## Tuition Reimbursement Benefit

The maximum reimbursement is based on your position and length of continuous service at the beginning of each calendar year as shown below:

Partner position	Continuous length of service as of January 1 each year	Maximum calendar year reimbursement
Below director level	less than 36 months	\$500
	36 but less than 60 months	\$750
	60 months or more	\$1,000
*Director and higher	All lengths of service	\$500

\*Maximum calendar year reimbursement for directors and higher is restricted by IRS nondiscrimination rules.

### Director Level or Above

To provide a non-taxable benefit, IRS regulations require that tuition reimbursement programs may not favor employees who are considered by the IRS to be “highly compensated.” By applying a maximum benefit of \$500 to partners in positions of director or above, Starbucks improves its ability to pass required discrimination testing.

If a partner is promoted to director during the year, the reimbursement benefit determined at the beginning of that calendar year will remain in effect for the rest of the year. The calendar year maximum benefit then becomes \$500 starting on January 1 of the year following the promotion to director.

### Reimbursement Amount

Your maximum reimbursement amount is determined annually. On the first day of each January, your length of service is calculated, establishing your benefit amount for the calendar year. Benefits eligible partners who have less than one year of continuous service on January 1<sup>st</sup> do not become eligible for the tuition reimbursement benefit until their one-year anniversary date later in the calendar year.

Here are a couple of examples:

- Jim was hired April 3, 2006. He will become eligible for a tuition reimbursement benefit on April 3, 2007, provided he remains employed the entire time and is eligible for benefits. On April 3, 2007, Jim’s potential benefit would be \$500 because he has less than 36 months of service.
- Pat’s hire date was June 28, 2002, and she completed 30 months of service on January 1, 2005. This would qualify Pat for a \$500 maximum benefit during the 2005 calendar year. On January 1, 2006, Pat will have completed 42 months of service, qualifying her for a \$750 maximum benefit during calendar year 2006.

### When You Receive a Reimbursement

The calendar year maximum benefit is reduced by the amount of the tuition reimbursement benefits paid to the partner for courses that conclude in that calendar year – regardless of the date the course was approved or commenced. For example, a course approved in December 2006 for a class that concludes in March 2007 will be applied against the 2007 calendar year maximum.

## **Benefit Taxation**

The current reimbursement benefit is not subject to federal income tax. In some states, Starbucks tuition reimbursement benefit is subject to state income tax when the course is not job related. If this applies, Starbucks will withhold state income tax from your tuition reimbursement benefit.

## **Other Educational Assistance**

The tuition reimbursement program is designed to provide financial support to help you reach your educational goals. You are encouraged to seek additional sources of financial aid to supplement Starbucks program.

Partners who receive grants, scholarships and/or Veteran's Administration benefits should fully utilize these sources of assistance prior to using Starbucks Tuition Reimbursement program. All financial aid must be disclosed on the tuition reimbursement application.

## **Expenses Eligible for Reimbursement**

The cost of tuition, books, class-required supplies and required fees, such as exam or lab fees, charged to students for the approved course are eligible expenses.

Expenses not listed above are not covered. These would include, but are not limited to, parking, late registration fees, purchase of a personal computer, and general school supplies. Expenses related to professional meetings, workshops, conventions, licensures, insurance costs, and preparation for tests are also not covered.

## **Eligible Educational Programs**

Degree and certification programs must directly prepare you for a job at Starbucks and be provided by an approved educational provider. Individual courses that do not prepare you for a job at Starbucks will qualify when that course is required in the pursuit of a qualifying degree.

A few examples of the many eligible degrees include finance, food science, agronomy, law and music theory.

### **Eligible educational programs include:**

- Associate's, Bachelor's, Master's and Doctoral degree programs; eligible courses include all coursework required to complete an approved degree.
- Adult Basic Education (ABE), General Educational Development (GED) and English as a Second Language (ESL) programs.
- Professional Certification Programs (programs must have a measurable course completion requirement beyond attendance and participation).

**Examples of study programs not covered include, but are limited to:**

- Degrees or courses of study in areas that are not related to Starbucks business
- Individual courses for Continuing Education units
- Individual courses for sports, recreation or hobbies, unless part of an approved degree program
- Seminars and workshops

To review the list of approved degrees and certifications:

- Visit <http://LifeAt.sbox.com>
- Refer to the Resources page on the tuition reimbursement website

If your educational institution, degree and/or certification is not on this list, contact a Starbucks Tuition Reimbursement representative at (888) 860-2235 for more information.

**Updating Approved Programs and Educational Institutions**

All requests to modify the current approved degree, certification and educational institution lists will be reviewed by Starbucks Benefits Department. If appropriate, modifications to the approved lists will be made quarterly.

**Eligible Educational Providers****Degree programs and individual courses**

Degree programs and individual courses must be provided by a nationally or regionally accredited educational provider that results in college credit.

Accreditation is a status granted to educational institutions found to either meet or exceed academic quality standards established by an accrediting agency through an assessment process. Accreditation assures the partners and Starbucks that the course and/or educational institution meets academic quality standards, including academic core values of performance, integrity and quality assurance.

**Certification programs**

Certification programs must be provided by an agency that has met the standards of the credentialing organization and is authorized to grant certification.

**Applying for Course or Certification Pre-Approval**

You may complete your course study in class, by video, via the Internet or by self-study.

## **Three ways to apply**

CAEL is our program administrator. There are three ways to submit an application to CAEL for pre-approval: online, by fax or by mail.

- Online. Link to the tuition reimbursement website from <http://LifeAt.sbox.com>.
- Fax or mail. A printable application form with instructions is available at <http://LifeAt.sbox.com>. For partners without Internet access, an application form can be requested from Starbucks Tuition Reimbursement Center at (888) 860-2235.

Additional information when a paper application is submitted:

- Separate applications are required for courses at different schools.
- Separate application forms are required for different course dates.
- Complete additional application forms when more than 4 courses are being submitted for pre-approval.
- Incomplete applications will not be processed and will be denied, in which case a new complete application will need to be submitted.

## **Application Deadline**

Your application must be received by Starbucks Tuition Reimbursement Center within a 51-day timeframe that begins 30 days before the first day of the term and ends 21 days after the start of the term. Applications received outside of this timeframe (i.e. too early or too late) will be denied.

## **Application Approval**

Once your application has been successfully completed and submitted to Starbucks Tuition Reimbursement Center, it will be reviewed for eligibility. If submitted via the Website, your application will be reviewed within five business days. If you fax or mail your application, it will be reviewed within ten business days of receipt. If additional information is needed, the review process may take longer. Notification of the approval or denial of the application will be sent to you via email (if provided) or home address.

The status of a partner's application can be reviewed online by linking to the Starbucks Tuition Reimbursement home page from <http://LifeAt.sbox.com> or by calling (888) 860-2235 and using the automated phone response system.

## **Falsified documents or application**

It is your responsibility to submit copies of original, unaltered documents and fully disclose all required information (e.g. receipt of scholarship money) as required during the application and/or reimbursement processes. Falsification and/or purposeful omission of required information may result in corrective action up to and including suspension or termination of employment.

Upon application approval, you pay the tuition and applicable course fees directly to the school or certification program administrator and purchase your textbooks. Upon successful course completion, submit within 60 days of the term end date a Request for Reimbursement form with grades, itemized receipts and proof of payment.

## **Dropped Courses**

If you drop a course, that course no longer qualifies for reimbursement. Notify Starbucks Tuition Reimbursement Center in writing via fax to (888) 860-2235 if you drop a class.

## **Filing a Request for Reimbursement**

To be eligible for reimbursement, submit the following via fax to (888) 860-2235 **within 60 days from the last day of the term:**

- A copy of your Course Approval Notification sent from the Starbucks Tuition Reimbursement Program Administrator or a completed Reimbursement Request Form. Reimbursement Request Forms can be printed from the Resources page of the Starbucks Tuition Reimbursement website (link from <http://LifeAt.sbox.com>) or call (888) 860-2235
- The original document of a passing grade report of C- or better, or a “pass” for a pass/fail course, or a certificate or documentation indicating achievement of professional certification for a certification program
- Itemized invoice of tuition and fees
- Itemized receipt for textbook purchases
- Proof of payment

If a receipt clearly indicates you received a grant/scholarship, the grant/scholarship amount will be deducted from the tuition benefit amount.

Documentation that is not legible or is altered in any way will not be accepted.

## **Itemized Receipts**

Receipts should identify the partner, partner number and the educational institution attended. The receipts must also:

- Provide an itemized breakdown of tuition, books and fees. (If the school does not itemize, then the receipt must have documentation from the school explaining this each time you submit for reimbursement.)
- Show covered expenses have been paid in full

## **Payment**

Once approved, you will be reimbursed on a regular paycheck, typically within two paychecks following the approval. You must be an active partner at the time of payment of your reimbursement benefit to be eligible for reimbursement.

## **Overpayment**

You are expected to reimburse Starbucks the full amount of any reimbursement overpayment, regardless of the reason for the overpayment.

## **Separation and Rehire**

If your employment ends before the successful completion of a course and payment of the reimbursement benefit, you are not eligible for reimbursement for that course, even if you are rehired prior to course completion.

Rehired partners must re-satisfy the one year of continuous service requirement upon return to Starbucks to be eligible for future tuition reimbursement. Prior periods of service do not count for establishing eligibility or the amount of available benefit.

## **Request for Review of Denial**

If you believe an application for course approval or request for reimbursement was denied inappropriately, you may request a review for reconsideration. The request must:

- Be submitted in writing via fax at (888) 860-2235 or mail
- Include appropriate supporting documentation
- Be submitted within 60 days of the original denial

## **Initial Review**

An initial review will be conducted by the program administrator, CAEL, and communicated to you within 30 days.

## **Second Level Review**

If the application or request denial is upheld, you have 30 days from the date of the second denial to submit new information. You send the second request for review and the new information via fax to (888) 860-2235. The request must be submitted by the 15<sup>th</sup> of the month to be reviewed in that month. A final decision will be mailed to your home address, generally within 60 days of receipt of the second request for review. All decisions are final and not subject to further review.

## **Approved Leave of Absence**

If you take an approved leave of absence, you will remain eligible to participate in the tuition reimbursement plan provided you meet the benefits eligibility and service requirements.

## **Termination of Employment**

If your employment with Starbucks ends for any reason, including death, before you have received reimbursement, your reimbursement request will not be processed. To receive reimbursement, you must remain employed with Starbucks through the date your reimbursement is processed by Starbucks Payroll Department.

## **For More Information**

Questions about the tuition reimbursement program should be directed to Starbucks Tuition Reimbursement Center at (888) 860-2235. Information is also available online by linking to the Tuition

Reimbursement site from <http://LifeAt.sbox.com> and viewing the FAQs page for frequently asked questions.