



Country(ies): <b>U.S.</b>	Policy Title:  <b>EDUCATIONAL ASSISTANCE</b>	Effective Date: <b>01/01/2000</b>
Policy Number: <b>2062</b>		Revision Date: <b>10/01/2020</b>

## **PURPOSE**

This Policy provides the guidelines incident to the Company's provision of financial assistance to Covered Employees for certain pre-approved educational expenses that support their (i) continuing growth in current assignments, or (ii) career development plans.

## **SCOPE AND ELIGIBILITY**

This Policy is generally the exclusive mechanism to reimburse Covered Employees for approved Eligible Expenses. This Policy does not apply to executive development programs, accelerated/weekend executive programs, or programs covered under the Executive MBA and Ph.D Policy (Policy 2101). This Policy is also not intended to apply to individual courses offered by Honeywell or individual seminars offered by external organizations, unless such courses are part of an overall degree program.

## **POLICY**

### **1. ELIGIBILITY**

#### **1.1 General Statement of Intent**

Eligibility for educational assistance under this Policy is a privilege, not a right. Requests for educational assistance under this Policy must be reasonable and consistent with the Covered Employee's past academic record and work performance. Approvals will be granted based upon individual performance and other relevant criteria.

#### **1.2 Basic Eligibility Criteria**

Only those Covered Employees with at least one (1) year of continuous Honeywell service and a Honeywell Performance Development ("HPD") 9-block rating of 1, 2, 4 or 5 at the time of the request for educational assistance are eligible for benefits under this Policy. Covered Employees who do not satisfy the foregoing criteria (e.g., new hires or rehires without an HPD rating or without a full year of continuing service at the time of the application) at the time of the request for educational assistance are ineligible for benefits under this Policy until such time as such criteria are met.

## **2. APPROVAL AND APPROVAL PROCESS**

### **2.1 Advance Approval Required**

A Covered Employee must enter the applicable course information into the Tuition Reimbursement system and gain on-line approval from his/her supervisor/manager. Applications must be submitted no earlier than ninety (90) days before the course begins and no later than sixty (60) days after the start of the course. (Note, even if you submit an application within these timelines, there is no guarantee that the course will be approved if you have not received the approval prior to the start of the course. Thus, it is recommended that Covered Employees submit their application well in advance of the course commencement date if the Covered Employee wants assurance that the course will be approved and the costs therefore will be reimbursed.) Any approvals hereunder are on a course-by-course basis. That is, an approval hereunder is not a commitment by the Company to fund additional courses, including a full degree program, even if the Covered Employee continues to satisfy the prerequisite criteria described in Section 1.2 of this Policy. Please refer to your Human Resources representative for details about how to apply for approval under this Policy.

### **2.2 Approval Criteria**

Approvals will generally only be granted for courses that are scheduled during non-working hours and must satisfy the following criteria: (i) only those Covered Employees who satisfy the eligibility criteria set forth in Section 1.2 above shall be considered; (ii) only applications to take coursework that qualifies for credit towards an approved college or post-graduate degree in an Approved Program of Study will be considered; (iii) the coursework sought must enable the Covered Employee to either maintain or improve the skills necessary for his or her current job; and (iv) the coursework sought must support the Covered Employee's career development plan, together with the strategic business objectives of the Covered Employee's business unit. Any exception to the Approved Programs of Study requirements must be approved by the Covered Employee's SBG President or Functional Leader, with the Covered Employee's immediate manager submitting, through his or her HR generalist, a written explanation why the exception is requested. The HR generalist will process the request through the chain of command for the SBG (including Corporate) or function, and, if approved, the HR generalist will send the exception approval to HR Help (including the back up for the approval). Exception requests will be reviewed on a case by case basis.

### **2.3 Matriculation Required**

Courses taken on a non-matriculating basis (i.e., not working toward an Associates, Bachelors or Masters degree), even if in an Approved Program of Study, will not be eligible for reimbursement under this Policy.

### **2.4 Prerequisite Coursework**

Non-business related elective and prerequisite courses necessary to fulfill the degree requirements in an Approved Program of Study are generally eligible for reimbursement under this Policy.

## **3. REIMBURSEMENT RULES**

### **3.1 Amount**

The annual (i.e., calendar year) maximum educational assistance reimbursement amount under this Policy is \$5250 for undergraduate courses and \$7500 for graduate courses (reimbursements will be applied toward the annual maximum for the calendar year in which the course commenced). Employees who are approved to take both undergraduate and graduate classes in one calendar year are limited to a maximum tuition reimbursement of \$7500. Part-Time Employees are eligible for 50% of the maximum annual benefit.

### **3.2 9-Block Requirement**

In order to be eligible for reimbursement under Section 3.1, Covered Employees must have an HPD 9-block rating of 1, 2, 4 or 5 and be an employee in good standing at the time the reimbursement request is made.

### **3.3 Grade Requirement**

In order to be eligible for reimbursement under Section 3.1, Covered Employees must have successfully completed the course with a grade of “B” or better. There is no reimbursement for a course if a grade of “C” or below is received. For any graduate or undergraduate course where grading is only satisfactory/unsatisfactory, pass/fail or some similar designation, Covered Employees will be reimbursed in the case of the more satisfactory designation (i.e., no amount will be reimbursed for the more unsatisfactory designation).

### **3.4 Reimbursement Timing**

Reimbursement requests will not be processed until the completion of the course and proof of the grade for the course has been provided. Requests for reimbursement must be submitted within 60 days of course completion. Please refer to your Human Resources representative for details about how to apply for reimbursements under this Policy.

## **4. REIMBURSABLE EXPENSES**

Only Eligible Expenses shall be reimbursable under this Policy. To the extent a Covered Employee receives financial assistance from other non-Honeywell sources (including scholarships, grants, fellowships, veteran’s assistance, etc.), these non-Honeywell financial resources will be applied first and Honeywell educational assistance will apply to the remainder of the fees. In no case will a Covered Employee be reimbursed for more than 100% of the Eligible Expenses incurred, when considering all sources of financial assistance received.

## **5. TAXATION ISSUES**

Federal tax law provides that up to \$5,250 of eligible educational assistance reimbursements may be excluded from an employee’s gross income. This \$5,250 annual exclusion applies to eligible expenses for both undergraduate and graduate courses. This annual exclusion *does not apply* to Covered Employees in Puerto Rico.

Qualifying reimbursements for Covered Employees (i) in Puerto Rico, or (ii) that exceed the \$5,250

annual exclusion, may also be excluded from an employee's gross income if the reimbursements are for courses related to the employee's current job. A course is considered related to an employee's current job if (i) the course maintains or improves the skills or knowledge necessary for the employee's current job, or (ii) the course is required by the employer or applicable law to keep the employee's current salary, status or job and the employee had previously satisfied the minimum educational requirements for his or her current position. However, reimbursement for a course that is part of a program of study that can qualify the employee for a line of work that is different from the employee's current job is not considered job-related and is taxable to the employee.

Reimbursements (i) for non-job related courses for Covered Employees in Puerto Rico, or (ii) that exceed the \$5,250 annual exclusion must be reported by Honeywell as taxable income to the Covered Employee. These taxable reimbursements are subject to applicable income tax withholding and employment taxes (including FICA).

If Eligible Expense reimbursements exceed \$5,250 per year, the Covered Employee's supervisor will ultimately be responsible for determining whether a course is job-related. Failure to properly classify educational reimbursements as taxable income can result in the imposition of IRS penalties and fines for underpayment of tax.

**THESE RULES ARE GENERAL GUIDELINES ONLY. THEY ARE NOT MEANT TO CONSTITUTE TAX ADVICE. COVERED EMPLOYEES SHOULD CONSULT THEIR OWN TAX ADVISORS ABOUT THE PROPER TREATMENT OF ANY REIMBURSEMENTS UNDER THIS POLICY.**

## **6. PAYBACK PROVISION**

If a Covered Employee voluntarily leaves Honeywell or is discharged for "cause" (as determined under the Covered Employee's applicable severance pay plan) within two (2) years following a reimbursement under this Policy, such Covered Employee will be required to repay 100% of the reimbursements received within the 24-month period immediately preceding the Covered Employee's last day of active employment. Reimbursements must be paid in full within five (5) days of termination. If the Covered Employee does not repay Honeywell the reimbursement amount when due, such Covered Employee, by accepting benefits under this Policy, shall be deemed to have authorized Honeywell to deduct the repayment owed from his or her final paycheck or from any other monies payable to the Covered Employee by Honeywell.

## **7. IMPACT ON OTHER HONEYWELL BENEFIT PLANS**

Reimbursements under this Policy are not considered "earnings" or "compensation" for any Honeywell – sponsored benefit plan. For example, educational reimbursements are not considered pensionable pay for purposes of Honeywell's pension plans.

## **8. SPECIAL SITUATIONS AND EXCEPTIONS**

### **8.1 Intervening Events**

Covered Employees who are affected by internal career advancement opportunities, shift changes, military service or similar intervening and unexpected events that adversely impacts the Covered

Employees' ability to successfully complete a course(s) will nevertheless be reimbursed their Eligible Expenses upon the submission of documentary proof of payment and a written statement from their immediate supervisor summarizing the intervening circumstances.

## **8.2 Special Rule for Reductions in Force**

Covered Employees impacted by a reduction in force will be eligible for reimbursement under this Policy even if their coursework is not completed until after their termination date.

## **8.3 Deemed Grades**

Reimbursements due pursuant to this Section 8 shall be made under the assumption that the Covered Employee received a B or satisfactory grade.

## **DEFINITIONS**

*Approved Program of Study.* For purposes of this Policy, Approved Program of Study means Company approved curriculums (typically engineering, technology, and business curriculums) at educational institutions accredited by a member organization of the Council of Regional Accrediting Commissions ([www.c-rac.org](http://www.c-rac.org)) ("Approved Institutions").

As a general rule, on-line curriculums at Approved Institutions shall be treated as Approved Programs of Study. However, predominantly on-line educational institutions (e.g., Phoenix University, Walden University, Southern New Hampshire, Capella University and Laureate International) are *not* Approved Institutions and therefore on-line curriculums at such institutions shall *not* be treated as Approved Programs of Study. Covered Employees who are unsure about whether an on-line program is an Approved Program of Study should contact their Human Resources representative for a determination hereunder.

*Covered Employee.* For purposes of this Policy, Covered Employee generally means any employee of Honeywell who works in the United States. However, Covered Employee does not include:

- Employees covered by a collective bargaining agreement, except to the extent such collective bargaining agreement specifically adopts the provisions of this Policy;
- Individuals classified by the Company as co-op, intern, temporary, contract, contingent or leased workers;
- Any newly hired employee who was enrolled in classes prior to his or her hire date;
- Employees who work at sites that have not adopted this Policy;
- Employees employed directly by Honeywell Federal Manufacturing & Technologies, LLC, National Technology and Engineering Solutions of Sandia, LLC., or any similar Honeywell affiliate with whom the U.S. Government has contracted to manage and operate a Federal government operation, except to the extent such affiliate expressly adopts this Policy;
- Individuals classified by the Company as consultants or independent contractors;
- Employees who normally work less than 20 hours a week for the Company;
- Employees on a leave of absence (whether paid or unpaid);

- Individuals who are not on the Company's payroll or who are not classified by the Company as common law employees, even if a court or a federal, state or local administrative authority later rules that the individuals should be considered employees for any purpose; and
- Employees whose employment is brief or non-recurrent and that cannot reasonably be expected to continue indefinitely or for a significant period.

*Eligible Expenses.* For purposes of this Policy, Eligible Expenses include (i) tuition, (ii) registration fees, (iii) required text books, (iv) required lab fees, (v) College Learning Examination Program or Defense Activity for Non-Traditional Education Support fees, and (vi) correspondence and on-line (electronic) course fees from nationally accredited institutions (but only to the extent the course is otherwise eligible for reimbursement under this Policy).

*Honeywell or Company.* For purposes of this Policy, Honeywell or Company shall mean Honeywell International Inc., its subsidiaries and affiliates, and their respective predecessors and successors.

*Law.* For purposes of this Policy, Law means all applicable federal, state and local laws and regulations.

*Part-Time Employee.* For purposes of this Policy, Part-Time Employee means a Covered Employee who works at least 20 hours per week but less than a full-time schedule.

## **RESPONSIBILITY FOR THE POLICY**

This Policy is administered by Honeywell Human Resources, in consultation with the Honeywell Law Department.

## **RELATED POLICIES, INFORMATION AND RESOURCES**

Executive MBA and Ph.D Policy (Policy 2101)

## **REPORTING CONCERNS AND SEEKING GUIDANCE**

Additional guidance can be sought by contacting a Human Resources representative.

## **REVISION HISTORY**

This Policy was originally adopted effective March 1, 1987. It was amended and restated effective August 1, 2009, July 15, 2013, October 1, 2017 and July 1, 2019.

## **MANAGEMENT'S RIGHTS**

The Company, in its sole discretion, reserves the exclusive right to interpret, administer and apply this Policy, to make any exceptions to it, and to change this Policy at any time and for any reason.

*This Policy is not intended to create contractual obligations. Employment with the Company in the U.S. (other than Puerto Rico) is at will, which means that either the Company or the employee may terminate the employment relationship at any time and for any reason, without notice. The Company reserves the right to modify, amend, or terminate this Policy at any time. This Policy supersedes any prior policies of Honeywell, whether written or oral, on the topics covered in this Policy.*

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