

**RULES  
OF  
TENNESSEE STUDENT ASSISTANCE CORPORATION**

**CHAPTER 1640-1-18  
TENNESSEE STUDENT EMPLOYMENT INCENTIVE PROGRAM**

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**1640-1-18-.01 INTRODUCTION.**

- (1) These rules implement the Tennessee Student Employment Incentive Program authorized by the Tennessee Student Employment Incentive Act, T.C.A. Section 49-7-2801 et. seq., hereinafter, referred to as the Act. The Act provided for a student employment incentive program designed to stimulate business and corporate involvement in student financial aid by provisions of partial subsidization of students in career-related work-study positions.
- (2) The Tennessee Student Assistance Corporation (TSAC) is assigned to administer the program under regulations and criteria developed by the TSAC Board of Directors with the program plan being approved by the Business Tax Study Committee of the General Assembly.

**Authority:** T.C.A. §§49-4-204 and 49-7-2801 et. seq. **Administrative History:** Original rule filed June 15, 1999; October 28, 1999.

**1640-1-18-.02 GENERAL.**

- (1) Definitions
  - (a) “Eligible higher education institutions” are institutions that are certified to participate in the Tennessee Student Assistance Award (TSAA) Program.
  - (b) “Private sector employers” are employers in the private, for-profit and non-profit areas without limit to scope of the business.
  - (c) “Tennessee resident” is defined by regulations promulgated by the board of regents for the state university and community college system.
  - (d) “Academic term” is a period of instructional time at an eligible higher education institution usually expressed as a semester or quarter.
  - (e) “Satisfactory academic progress” and “good standing” are standards of progress toward completion of the pursued plan of study during which the student completes or attempts a required number of hours and maintains a prescribed grade point average as defined by the eligible higher education institution.
  - (f) “The Act” is T.C.A. Section 49-7-2801 et. seq.
  - (g) “Half-time” is a minimum number of credit hours as defined by the eligible higher education institution for financial aid purposes.

(Rule 1640-1-18-.02, continued)

- (2) Funds received from this program are considered non-need-based earnings. Non-need-based earnings are not counted as financial aid resources because they will be included as taxable income in a subsequent award year.
- (3) All applications received or approved shall be subject to the availability of funds.
- (4) Applications must be submitted on TSAC-approved forms by the published deadline, which immediately proceeds the academic year for which the student is applying. The TSAC Executive Director may extend the published deadline date should it be determined necessary for utilizing all available funds.

**Authority:** T.C.A. §§49-4-204 and 49-7-2801 et. seq. **Administrative History:** Original rule filed June 15, 1999; October 28, 1999.

#### **1640-1-18-.03 ELIGIBILITY.**

- (1) Student applicants must:
  - (a) be Tennessee residents, undergraduate or graduate, enrolled at least half-time in good standing at an eligible Tennessee higher education institution.
  - (b) be making satisfactory academic progress as certified by the eligible higher education institution.
  - (c) not currently be in default on a student loan or owe a repayment of a grant at a previous institution.
- (2) The eligible higher education institution shall certify to TSAC each term the student's eligibility to participate.

**Authority:** T.C.A. §§49-4-204 and 49-7-2801 et. seq. **Administrative History:** Original rule filed June 15, 1999; October 28, 1999.

#### **1640-1-18-.04 METHOD OF SELECTION.**

- (1) Applicants must submit applications to TSAC by the published deadline.
- (2) TSAC will provide a list of applicants and the date their applications were received to eligible higher education institutions. Eligible higher education institutions will select students based on available career-related positions.
- (3) Selected students will be required to work in a career-related position for the selected employer.
- (4) Selected students may work during summer terms if funds are available and the student continues to be enrolled at the eligible higher education institution.
- (5) The eligible higher education institution is responsible for employer recruitment. TSAC will assist eligible higher education institutions in a cooperative effort to develop employer liaisons.

**Authority:** T.C.A. §§49-4-204 and 49-7-2801 et. seq. **Administrative History:** Original rule filed June 15, 1999; October 28, 1999.

(Rule 1640-1-18-.05, continued)

#### **1640-1-18-.05 EMPLOYER REQUIREMENTS.**

- (1) Employers must:
  - (a) have a signed contract with TSAC to provide part-time career-related employment. Such contract will conform to the requirements of the State of Tennessee.
  - (b) provide work experiences that will enrich and enhance the classroom experiences of students. These work experiences must not include “religious or political” activities.
  - (c) provide a safe, drug-free workplace and a well-designed and supervised work experience for students.
  - (d) provide for all personnel, payroll, and supervisory functions or services provided for its regular part-time employees.
  - (e) provide assurance that participation in the program will not result in the replacement or displacement of its regular employees.
  - (f) provide timely reports, requests for reimbursement, and responses to TSAC staff in the monitoring, evaluating, and auditing of the program’s operations.

**Authority:** T.C.A. §§49-4-204 and 49-7-2801 et. seq. **Administrative History:** Original rule filed June 15, 1999; October 28, 1999.

#### **1640-1-18-.06 PAYMENT AND REIMBURSEMENT PROCEDURES.**

- (1) The employer will provide student wages and payroll taxes in the same manner as for its regular employees. Students will complete all payroll and withholding documents with the employer.
- (2) Prior to the end of each academic term, the employer will certify that the student’s work attendance, performance, and behavior meet the standards of the company.
- (3) After requests for reimbursement are made, TSAC will reimburse the employer in a timely manner for up to 35% of the student’s wages. The rate of reimbursement shall be established annually by the TSAC Board of Directors.
- (4) Students must continue enrollment on at least a half-time basis for the academic term of employment.

**Authority:** T.C.A. §§49-4-204 and 49-7-2801 et. seq. **Administrative History:** Original rule filed June 15, 1999; October 28, 1999.

#### **1640-1-18-.07 APPEALS PROCEDURES.**

- (1) Generally, the rulings of the program administrator shall apply.
- (2) An individual who believes that the ruling was not in accordance with the published regulations and the Act may appeal to the TSAC Executive Director.
- (3) If the Executive Director does not rule in favor of the complainant, the complainant may request a hearing before the agency’s Appeals Committee. The ruling of the Appeals Committee shall be the last administrative remedy.

**Authority:** T.C.A. §§49-4-204 and 49-7-2801 et. seq. **Administrative History:** Original rule filed June 15, 1999; October 28, 1999.

**1640-1-18-.08 PRECEDENCE OF THE ACT.**

- (1) These regulations are subordinate to the Act and are intended to facilitate its implementation. Any portion of these regulations, which are adjudicated as contrary to law, is to be considered null and void. All other portions of these rules shall be severed therefrom and considered in full force.

**Authority:** T.C.A. §§49-4-204 and 49-7-2801 et. seq. **Administrative History:** Original rule filed June 15, 1999; October 28, 1999.