



Welcome to

Using the Segal AmeriCorps Education Award



Dial: **888.483.1644**

Passcode: **2113264**

Where Are You Serving?



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Today's Presenters



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Training Specialist
AmeriCorps VISTA



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Program Associate
AmeriCorps VISTA

Today's Agenda

- Benefits and limitations of the Education Award
- Requesting a payment
- Eligible uses of the Education Award
- Breaking down your tax burden
- Questions and resources



Benefits

- During service:

National Service
Forbearance

- After completed service:

Interest Accrual
Payment

\$5,815 Segal AmeriCorps
Education Award

Limitations

- Available for 7 calendar years from the last day in service.
- Not eligible during extensions
- Not transferable to dependents
- Lifetime limit of 2 full Education Awards
- Counted as taxable income



Education Award Trivia



I can use my Education Award to purchase dinner.

Yes

No

Q: I can use my Education Award to purchase dinner.

No! You cannot use your Education award to purchase dinner. However, you can use the award to pay for your meal plan at a qualified institution.

I can use the Education Award to pay my private student loans.

Yes

No

Q: I can use my Education Award to pay my private student loans.

No! You cannot use your Education award to pay for private student loans. Only federally backed student loans may be paid.

I can use the Education Award to go to cosmetology school.

Yes

No

Q: I can use my Education Award to go to cosmetology school.

Yes! You can use the Education Award to attend beauty or cosmetology school as long as the institution is able to receive federal funds.

I can use the Education Award to travel to Europe.

Yes

No

Q: I can use the Education Award to travel to Europe.

Yes and No – The education award can only be used through schools that accept federal funds. Semester's abroad that are billed through your school would be payable via Education Award.

What can you use the Education Award for?

- 1. *Qualifying*** student loans payments
- 2. *Eligible*** educational expenses

Using the Education Award to pay *Qualifying Student Loans*



Poll Question

Which type of loans can I pay with the Education Award?

- All student loans
- Federal Student Loans
- Private Student Loans
- Parent Plus Loans
- Not sure



■ Federal Student Loans

Requesting a payment

HOME

My AmeriCorps

- Applicant Home
- My Tax Statements
- My Education Award
 - Create Forbearance Request
 - Create Interest Payment Request
 - Create Education Award Payment Request
- My Service Letter
- Contact My AmeriCorps

AmeriCorps Service Date: 08/24/2009
Available Balance: \$322.29
*** Payment Type:** ?
*** Amount Authorized:** ?

Institution Information (Search for Institutions) ?

Please select an institution to send this request to by clicking the "Search Institutions" link above.

Certify and Submit ?

- Payments cannot be automated

Student Loans Example



Calvin Landrum

Training Coordinator
AmeriCorps VISTA

CNCS

- Served 2 terms with AmeriCorps NCCC immediately after college
- \$34,000 in student loan debt between ACS and FedLoan
- Earned \$11,195 in education awards
- Earned about \$2,900 in interest payments

What I did

During ■ Put BOTH loans into forbearance both years

Right After ■ Made interest payments at end of both terms

 ■ Used Ed Award to pay off one of two loans

How to explore further:

Watch “Managing Student Loans”
on the VISTA Campus!

Benefits of Forbearance



- No monthly payments during forbearance
- Interest accrued during forbearance can be paid by CNE
 - You must submit a request after your service
 - It is in addition to the Education Award
 - It is taxable income

Dial: Passcode:

Resources mentioned in this webinar

- Federal Student Loan Consolidation
- Private Student Loan Consolidation
- Income Driven Repayment Plans
- VITA Volunteer Tax Assistance
- IRS Free File Tax Options
- Public Service Loan Forgiveness
- Perkins Loans Resources

[Download a PDF of this presentation.](#)

<http://www.vistacampus.gov/resources/managing-student-loans>

Using the Education Award to pay *Qualifying Student Loans*

The screenshot shows a user interface for a Q&A session. At the top, there are three menu items: 'Participants (2)', 'Chat', and 'Q&A'. The 'Q&A' item is circled in red. Below these menus is a section labeled 'All (0)'. At the bottom of the interface, there is a dropdown menu labeled 'Ask:' with 'All Panelists' selected, also circled in red. Below the dropdown is a text input field and a 'Send' button.

Using the Education Award to pay *Education Expenses*



Poll Question

Which are **eligible** education expenses?

- For-credit class at a university
- Non-credit class at a community college
- Sailing class in Mexico
- GRE test prep course
- Class supplies

■ ALL! IF they are through a Title IV institution...



Eligible Education Expenses Are...

- Paid through *Title IV Institutions*
- What are Title IV Institutions?
 - Institutions that can receive federal student aid
 - Over 30,000



<https://ifap.ed.gov/ifap/fedSchoolCodeList.jsp>



Example: Education abroad



- National Outdoor Leadership School
- Eligible through partnership with a Title IV school

Tuition Matching

- Scholarship example:
 - Carnegie Mellon University: Heinz College
 - \$10,000 per semester
- Match example:
 - Emory University: School of Public Health
 - \$5,000 match

And many more:

[http://www.nationalservice.gov/programs/american-corps-education-award/matching-institutions](http://www.nationalservice.gov/programs/americorps/segal-american-corps-education-award/matching-institutions)

Expenses Beyond Tuition

- Supplies
 - Books
 - Equipment
- Cost of Living
 - Room/Board
 - Transportation



Non-tuition expenses must be directly attributable to a class

When to request a payment

Start the process early!

- Research tuition payment deadlines
 - Payments may take 4-5 weeks to process
- Talk to the financial aid office first



Using the Education Award to pay *Education Expenses*

The screenshot shows a user interface for a Q&A session. At the top, there are three menu items: 'Participants (2)', 'Chat', and 'Q&A'. The 'Q&A' item is circled in red. Below these is a tab labeled 'All (0)'. The main area is empty. At the bottom, there is a section for asking questions. The 'Ask:' dropdown menu is set to 'All Panelists' and is also circled in red. Below the dropdown is a text input field and a 'Send' button.

How will the Education Award impact my taxes?



Poll questions



Will you owe taxes on the Education Award?



Yes, ANY year you use your award

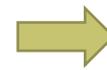
Will you owe taxes on the Interest Accrual Payment?



Yes, JUST the year you finish your service

Tax Liability Is Dependent On:

- + 1. Your Annual Income During The Year Of Use
- + 2. Education Award Amount Used
- 3. Your Eligible Personal Tax Credits/Deductions



- Single or married?
- Exemptions?
- In school?
- Veteran status?

= Taxable Income

Taxed @

- 4. Federal Tax Rate
- 5. State Tax Rate

Scenario: Right After Service

Factor	2016 Tax Year	2016 Tax Year
1. Annual Income During The Year Of Use	\$10,000	\$10,000
2. Education Award Amount Used	\$500	\$5815
3. Personal Credits and Deductions	-\$8000	-\$8000
<i>Taxable Income</i>	\$2,500	\$7815
<i>Federal Tax Rate</i>	10%	10%

- Increased taxable income

Scenario: 5 Years After Service

Factor	2019 Tax Year
1. Annual Income During The Year Of Use	\$40,000
2. Education Award Amount Used	\$5815
3. Personal Credits and Deductions	-\$8000
<i>Taxable Income</i>	\$37,815
<i>Federal Tax Rate</i>	15%

- Increased tax rate

How to explore further:

- Download a 1040 Form and estimate your liability

Form 1040	Department of the Treasury—Internal Revenue Service (99)	2016
U.S. Individual Income Tax Return		
For the year Jan. 1–Dec. 31, 2016, or other tax year beginning		, 2016, ending
Your first name and initial	Last name	
If a joint return, spouse's first name and initial	Last name	

<https://www.irs.gov/pub/irs-pdf/f1040.pdf>

Free Tax Resources



- In person tax prep for incomes <\$53,000

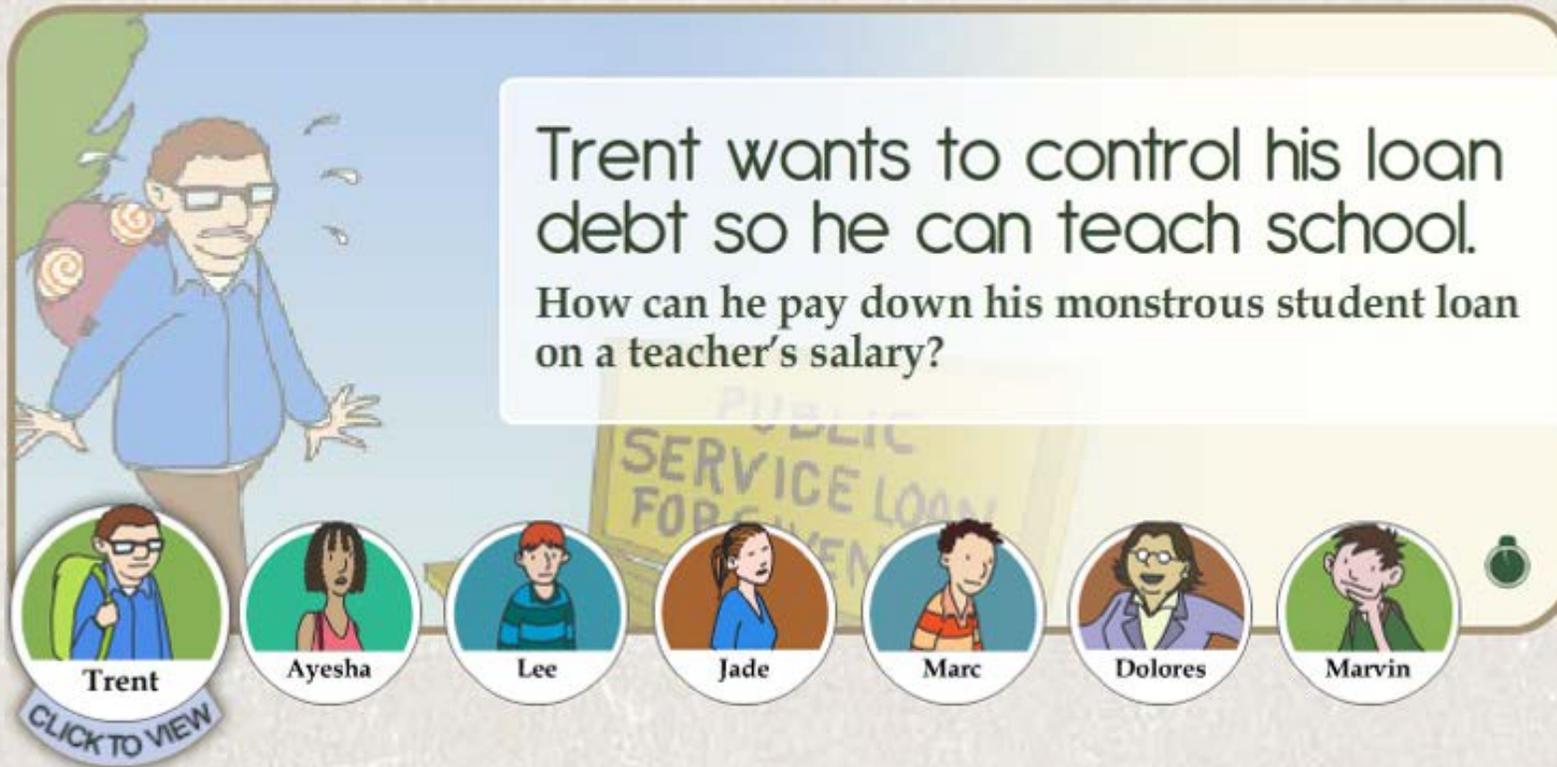


- Online tax prep for incomes <\$60,000



- Best place to ask questions

stories to learn by



Trent wants to control his loan debt so he can teach school.
How can he pay down his monstrous student loan on a teacher's salary?

Trent Ayesha Lee Jade Marc Dolores Marvin

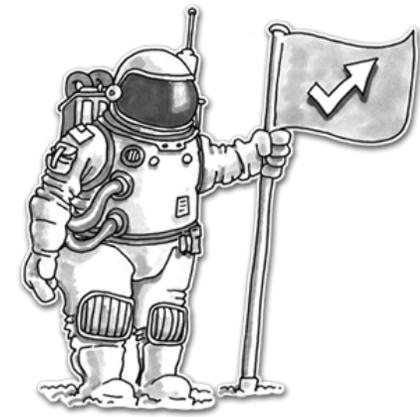
CLICK TO VIEW

www.nationalserviceresources.gov/edaward

Review

1. *Qualifying Student Loans* are Federal Student Loans.
2. *Eligible education expenses* are made through Title IV institutions.
3. *Education Award Payments* cannot be automated.
4. *The Education Award is taxed* in the year it was used, on the amount that was used.

Next Steps



1. Explore the Education Award website
2. Explore the list of Title IV institutions
3. Explore schools and programs that match the education award

Ready to use your Award? You might want to:

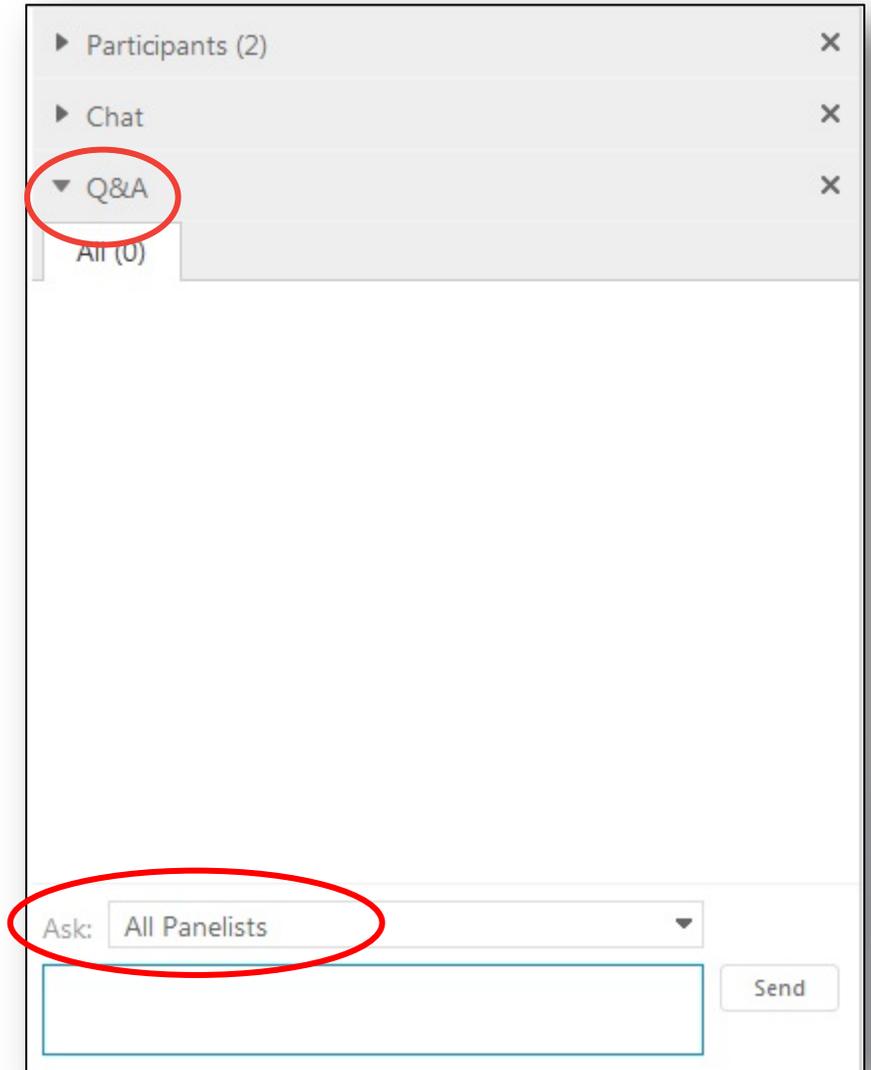
- ✓ Speak with a financial aid counselor
- ✓ Download a 1040 form and estimate your tax burden

Evaluation

- Please take a few moments to share your feedback through the quick poll on the right side of the screen.
- How can we improve these sessions? What topics should we include in future webinars?
- Thank you very much for your time and participation!

Questions ?

- To ask a question verbally, call in using the number on this slide and press *1
- To ask a question electronically, use the Q&A feature located in the bottom right corner of the screen. Please ask “All Panelists”



Thank You for Your Participation!

If you have further questions or for more information, contact us: VISTAwebinars@cns.gov

**Our next webinar:
Building a Digital Ad Campaign**

June 27, 2017
2:00pm Eastern

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