



Welcome to

Using the Segal AmeriCorps Education Award



Dial: **800.988.9610**

Passcode: **9549867**

Today's Presenters



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Today's Agenda

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



Quick Background

- The National Service Trust
- Deciding between the Education Award vs. Cash Stipend?
 - You can switch to the cash stipend until the 10th month
 - You cannot switch to the Education Award

What are the benefits and limitations of the Education Award?



Education Award: Benefits

- During service:

National Service
Forbearance

- After completed service:

Interest Accrual
Payment

\$5775 for eligible for
education expenses

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



\$0 Value Education Award

- \$0 Education Award amount, but...
 - National Service Forbearance
 - Accrued interest payed off

Is it worth it? Yes, if your loans accrue more than \$1,500 in interest per year.



What can the Education Award be used for?

1. Repay **Qualified** Student Loans
2. Pay **Eligible** Education Expenses

Qualified Student Loans

- Federal Student Loans
 - Stafford
 - Parent Plus
 - Perkins



- Private Student Loans



Managing Student Loans

Detailed webinar “Managing Student Loans” available on the VISTA Campus!

Benefits of Forbearance



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

Dial: 888.469.1672 Passcode: 3870403

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>

Poll Question

Which are **eligible** education expenses?



Eligible Education Expenses

- Cost of attendance
 - Tuition & Fees
 - Supplies
 - Living Expenses

@

Title IV
Institutions



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

Education Award 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/americorps/segal-american-education-award/matching-institutions>

Get Creative!

As long as it's through a Title IV institution.....



Enrichment Classes



Trade Schools



Study Abroad

National Outdoor Leadership School



VISTA alum Rob Cox

- Enrolled via a Title IV institution
- <http://www.nols.edu/financialaid/americansteps.shtml>

National Outdoor Leadership School



Rob used his Education Award for a 21 Day Baja Coastal Sailing Course

Beyond Tuition

- Supplies
 - Books
 - Equipment

- Cost of Living
 - Rent
 - Food
 - Transportation



Any expense you would like to use the education award for must be directly attributable to a class you are taking.



Hypothetical: Buying Equipment

1. Talk to your financial aid office and get your expense approved

Laptop \$1000

Expense approved

2. Use your Education Award to pay the financial aid office the amount of the expense

\$-1000 from Ed Award to school

3. Receive the expense funds in addition to your financial aid disbursement

Financial aid + \$1000 from school

Hypothetical: Buying Equipment

Expenses	Amount
Tuition & Fees	\$5,500
Books	\$500
Laptop	\$1000
Total	\$7,000

Your Financial Aid Package	\$5,000
Education Award Payment	\$2,000



\$1000 remaining term costs +
\$1000 laptop overpayment



How do I make a payment?

Making 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 ?

- Payment usually within 48 hours
- Payment cannot be automated

Poll questions

- How knowledgeable are you about taxes?
- Which of the following (if any) are taxable?



How will the Education Award impact my taxes?



Tax Liability

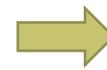
- The Education Award is subject to income tax:
 - *For the amount that was used, in the year it is used*

1 Rents	OMB No. 1545-0115	Miscellaneous Income
\$	2014	
2 Royalties	Form 1099-MISC	Copy 1 For State Tax Department
\$		
3 Other income	4 Federal income tax withheld	
\$	\$	
5 Fishing boat proceeds	6 Medical and health care payments	
\$	\$	
7 Miscellaneous compensation	8 Substitute payments in lieu of	

- Report any amount used as income
- Using \$600 or more generates a 1099-MISC form

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	2015 Tax Year	2015 Tax Year
1. Annual Income During The Year Of Use	\$10,000	\$10,000
2. Education Award Amount Used	\$500	\$5775
3. Personal Credits and Deductions	-\$8000	-\$8000
<i>Taxable Income</i>	\$2,500	\$7775
<i>Federal Tax Rate</i>	10%	10%

- Increased taxable income

Scenario: 5 Years After Service

Factor	2020 Tax Year
1. Annual Income During The Year Of Use	\$40,000
2. Education Award Amount Used	\$5775
3. Personal Credits and Deductions	-\$8000
<i>Taxable Income</i>	\$37,775
<i>Federal Tax Rate</i>	15%

- Increased tax bracket

Estimating Your Tax Liability

- Each year you use it consider:
 - How much will the Education Award increase my taxable income?
 - Will that taxable income increase my tax bracket?
- Activity:
 - Download a 1040 Form and estimate your liability

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2014**
U.S. Individual Income Tax Return

For the year Jan. 1–Dec. 31, 2014, or other tax year beginning _____, 2014, ending _____

Your first name and initial	Last name
If a joint return, spouse's first name and initial	Last name

Federal Education Tax Credits

- Hope Scholarship Tax Credit
- Lifetime Learning Tax Credit
- American Opportunity Tax Credit



Free Tax Resources



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



- Online tax prep for incomes <\$62,000



- 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

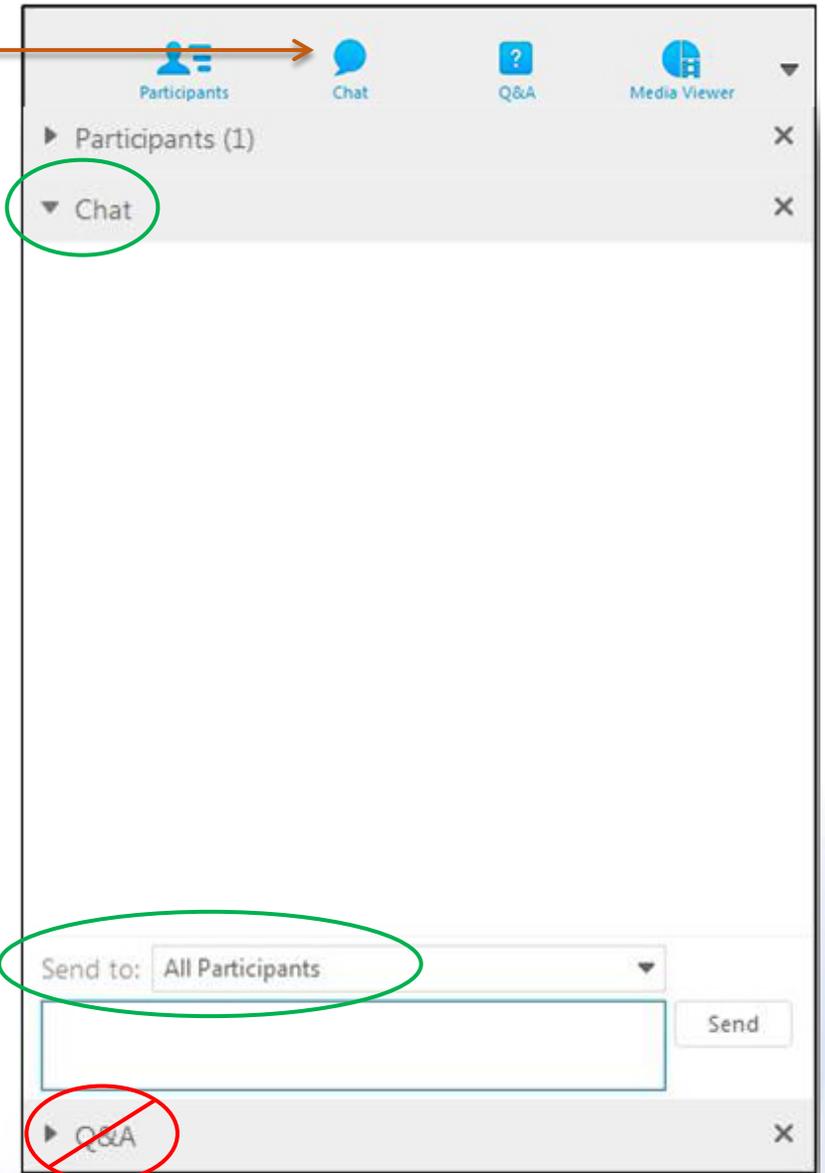
www.nationalservicerresources.gov/edaward

Chat Question

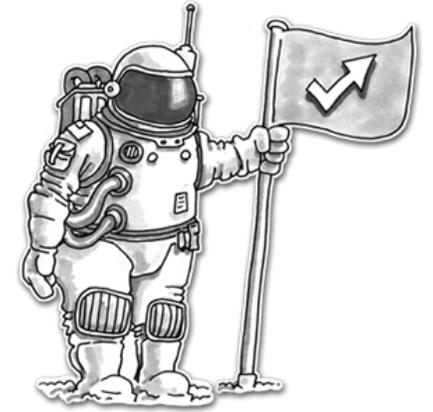
Did you find any new ways to use the Education Award?

Did you change your mind about how you plan to use it?

Click this button if you don't see the chat panel.



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:

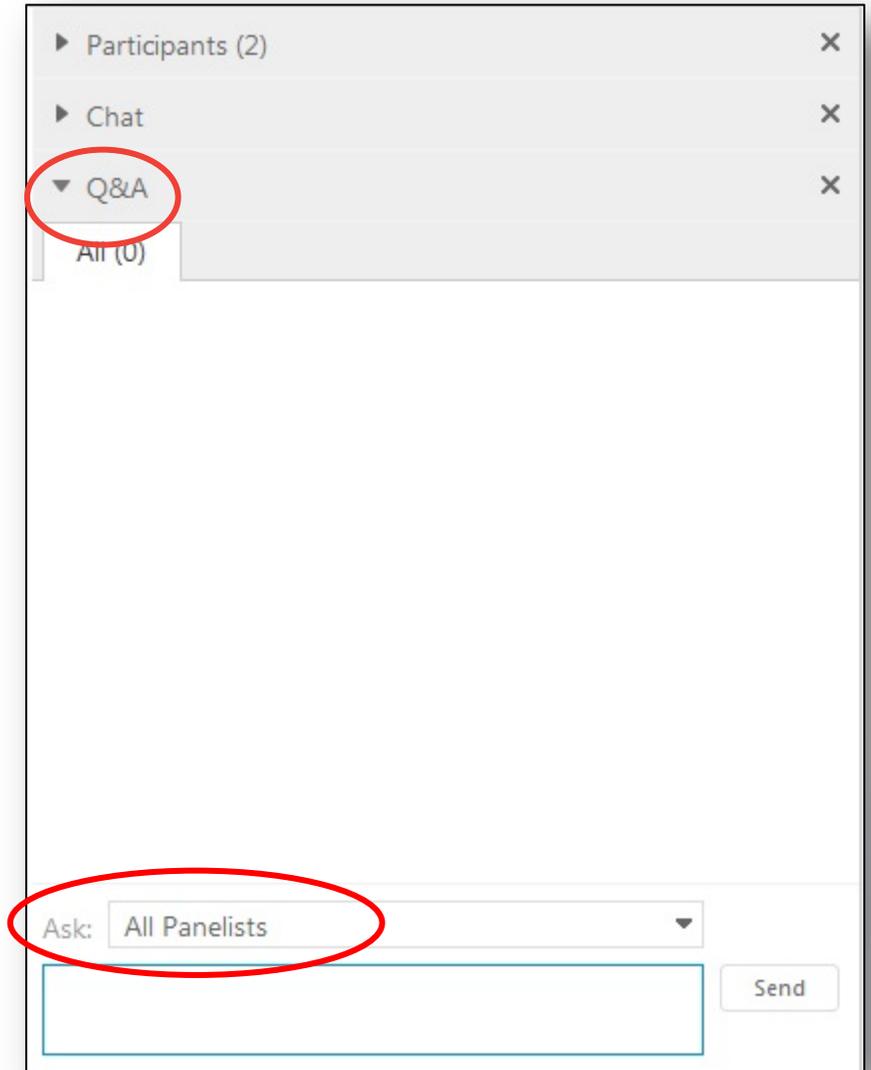
- ✓ Speak with a financial aid counselor
- ✓ Download a 1040 form and estimate your tax burden

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:
Behavioral Economics and Financial Decision Making

January 27, 2016
2:00pm Eastern

Visit the Webinars for VISTAs page on the VISTA Campus for a complete schedule of VISTA webinars