

How to Use Your Education Award Resource Sheet

Key Facts About the Award

You have up to 7 years to use it from the date you were exited.

- o You can be granted an extension, but you have to meet certain conditions.

Exit in 2023 ----- Use it or lose it by 2030

You can use it in several different ways:

<p>Repay qualified student loans</p> <ul style="list-style-type: none"> • Loans backed by the federal government under Title IV of the Higher Education Act (except PLUS Loans to parents of students) • Loans under Titles VII or VIII of the Public Service Health Act • Loans made by a state agency, including state institutions of higher education 	<p>Pay current educational expenses at a qualified school</p> <ul style="list-style-type: none"> • May include tuition, fees, books, transportation, or other educational necessities • Eligible schools are higher educational institutions, both domestic and foreign, that currently participate in the Department of Education's Title IV student aid programs, referred to as "Title IV schools."
<p>Both loans and educational expenses</p>	<p>Transfer the award (if you are 55 years of age and older) May transfer to ONE child or grandchild per award</p>

It is taxable!

- The tax year in which you use your award it counts as taxable income.
- Report the income as "educational benefit" income rather than self employment income to avoid a higher tax rate

- Are you a dependent on someone else's taxes? Share this info with them so that they report it correctly.
- You will receive a 1099 MISC income form from the IRS for any amount over \$600 that you used from your education award in that tax year.
- You can access tax forms in MyAmeriCorps.gov

Lesser Known, but Possibly More Important Facts:

1) Neither the education award nor the living allowance you have received as an AmeriCorps member count towards a member's expected family contribution (EFC) on the FAFSA.

- ❖ Make sure to report this correctly on the FAFSA so that you do not accidentally miss out on Federal Financial Aid on question 43D



2) Your Education Award will be paid in two installments.

FIRST Payment



Beginning of Enrollment

The financial aid counselor enters this date when they accept your award. Usually the beginning of the semester your applying it to.

SECOND payment



Midpoint Date

The financial aid counselor determines this date when they accept your award.

Here's the official explanation from CNCS:

By law, education award payments for current educational expenses must be made "in 2 or more installments", none of which exceeds 50% of the amount of the payment. The interval between installments may not be less than one half of the period of enrollment, except as necessary to permit the second installment to be paid at the beginning of the semester, quarter, or similar period of enrollment.

CNCS makes two installments, one at the beginning of the enrollment period upon which the amount is based and the second at the middle of the enrollment period. When the school approves the payment request, it indicates both the beginning date of

the enrollment period and the midpoint date. If the midpoint date has already passed when the Trust receives the approved payment request, the entire amount requested/approved is paid. Payments are generally sent out by the U.S. Treasury every Friday.

3) Some schools offer [matching funds or scholarships](#) for AmeriCorps Alumni



4) If you withdraw from a school where you have used the education award, the school may be required to refund the Trust. If any refund is owed, it is credited back to your education award account, and is subject to the award's original expiration date (seven years from the date the award was earned).

You can't get cash back. Don't try.

5) You cannot receive more than the aggregate of 2 full time education awards even if you serve in different streams of National Service and even if you serve more than 2 terms of AmeriCorps. However, you can receive a cash stipend from VISTA even if you have already received the value of two full-time education awards.

Hot Tips:

- Use Internet Explorer to access MyAmeriCorps.Gov
- The best way to resolve issues with your Education Award is to call the hotline at 1-800-942-2677. The Hotline is staffed by customer service representatives from 9:00 a.m. – 7:00 p.m. EST, Monday through Thursday. During high volume months---January, May, June, July, August, and September--the Hotline will be staffed on Fridays.
 - Take notes on who you spoke to and when.

Basically go back to the 1990's communication style, phone calls and steno pads

- Call the institution who is receiving the award. Get to know the person at the school's financial aid office or at your loan servicer. Learn their name, take detailed notes every time you speak to them. They can make a big difference in how easily and successfully you are able to use your education award for the purpose you desire.



Reset your password now while you are thinking of it and use a password manager to keep track of the password. If you don't yet use a password manager, now is a great time to start. I recommend Last Pass.

Consider not using it all at once if you have \$5000 or more in Education Award. This completely depends on your overall financial situation and taxes, but it is important to note that it will be considered income on your taxes in the year in which you use it. This



is not as relevant if you have a smaller education award as it will be less likely to make a difference on your taxes.

Consider spreading it out over tax years Just an example...	
Fall 2021 \$3097.50	Spring 2022 \$3097.50

Resources:

The MyAmeriCorps portal: <https://my.americorps.gov/mp/login.do>

Step by step instructions by video that show you how to submit your request through MyAmeriCorps.Gov: <https://youtu.be/AeXPB2Cd69U>

- Thanks to Kimmy Ferry from KEYS AmeriCorps for this amazing resource. Note that in the screenshots you can see that you access your education award information on the left hand side (the Member Portal) rather than the right hand side (the Applicant Portal)

Official AmeriCorps guidance:

<https://www.nationalservice.gov/programs/amicorps/segal-amicorps-education-award/use-your-education-award>

Full list of questions and answers from the How I Used My Education Award workshop: <http://bit.ly/edawardqanda>

Register with Service Year to get Tax Assistance help: <https://serviceyear.org/>

The award can be used at any Title IV institution you can view a list here: <https://fsapartners.ed.gov/knowledge-center/library/resource-type/Federal%20School%20Code%20Lists>