

Using the Segal AmeriCorps Education Award

Minnesota Literacy Council AmeriCorps VISTA



Find more information at: http://www.americorps.gov/for_individuals/benefits/benefits_ed_award.asp

Details and Stipulations

Shortly after the completion of your term of service, you will be notified that you have been awarded your Segal AmeriCorps Education Award in the amount of \$5,500 (year-long Literacy VISTA) or \$1,170 (Summer Reads VISTA). This does **NOT** mean that your award will be credited to you automatically. To use your award, you will have to create an "Education Award Payment Request" on the My AmeriCorps portal (more below). The following are mandated stipulations for using your award:

- You **MUST** use your Education Award within 7 years of completing your service.
- You **MUST** pay taxes on the award for the year that you use it, if totaling more than \$600 for the year (in the form of a 1099-MISC). Be sure to keep this in mind when you are deciding when to use the award.

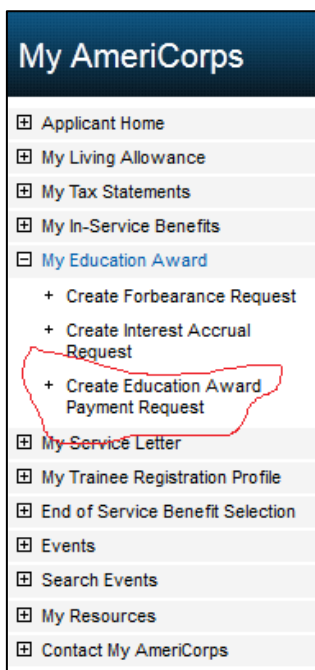
Ways You Can Use Your Award

- ❖ Use your Award to repay qualified student loans.
 - National service legislation defines *qualified student loan* as a loan backed by the federal government under Title IV of the Higher Education Act (except PLUS Loans to parents of students) or under Titles VII or VIII of the Public Health Service Act.
 - You can also use your Award to repay a student loan made to you by a state agency, including state institutions of higher education.
 - You can also use your Award to repay defaulted student loans as long as the loans meet the definition of *qualified student loan* as explained above.
 - You **CANNOT** use your Award to repay any other type of loan, even if obtained for educational purposes.
- ❖ Use your Award to pay current educational expenses at a qualified school.
 - *Qualified schools* are: higher educational institutions that currently participate in the Department of Education's Title IV student aid programs (referred to as Title IV schools). This category includes most post-secondary universities, colleges, and technical schools
 - You can also use your Award for programs of education, apprenticeship, or on-the-job training programs that have been approved for educational benefits under the Montgomery G.I. Bill and the Post 9/11 G.I. Bill. For all information on G.I. Bill approved programs visit: http://www.americorps.gov/for_individuals/benefits/benefits_ed_award_use.asp
 - *Current educational expenses* include:
 - The "Cost of Attendance" (COA) for a degree- or certificate-granting program of study at a Title IV school. COA may include tuition, books, supplies, transportation, room, board, and other expenses.
 - Educational expenses for non-degree courses, such as continuing education courses or workshops offered by Title IV schools. Educational expenses that can be paid normally include tuition and fees, books, and supplies, as determined by the school's administrative office.
 - Courses or training programs authorized under the Montgomery G.I. Bill and the Post 9/11 G.I. Bill.
 - Current educational expenses do **NOT** include educational expenses that pre-date your AmeriCorps service. You **CANNOT** use your Award to repay an old non-loan debt to a school, such as for an outstanding tuition bill that you incurred before you entered AmeriCorps.
- ❖ Use your Award to both repay qualified student loans and pay for current education expenses
- ❖ Use your entire Award or part of it until the total amount has been used or the award expires

How to Use Your Award

1. Log into the My AmeriCorps Portal at <https://my.americorps.gov/mp/login.do>.
2. Under “My Education Award” (on the left) select “Create Education Award Payment Request.”
3. Fill out the form, paying particular attention to the “Payment Type” and “Amount Authorized” fields.
4. Select the institution to be paid by using the “Search for Institutions” link. If your school or loan company has not registered in My AmeriCorps, they will not be on the list of institutions in the system. In this case:
 - a. After you complete a search and your institution does not appear, click the “Not Found” link.
 - b. Enter as much information as you can about your institution or loan company into the fields.
 - c. Submit the form. These requests may be processed manually and may take several weeks.
5. Once you click “Submit” a notice will be sent electronically to your institution or loan company. A record of your request will appear in your account home page. The institution or loan company will complete their portion of the form and return it electronically to the Corporation for National and Community Service.
6. If you encounter any problems, call the national service hotline at 1-800-942-2677.

What This Process Will Look Like on My AmeriCorps



The image shows the 'Create Education Award Payment Request' form. The form includes fields for Mailing Address, Home Phone Number, Work or Other Phone Number, AmeriCorps Service Date, Available Balance, Payment Type, and Amount Authorized. The 'Payment Type' dropdown menu is open, showing options: Education Expenses and Loan Payment. The 'Amount Authorized' field is also visible. Below the form are sections for 'Institution Information' and 'Certify and Submit' with checkboxes for authorization and certification.

Taxation on Your Award

If you received a post-service education award, such as tuition reimbursements or student loan payments, from the federal government in 2011 for service in the AmeriCorps program, you can subtract the amount you included in your federal taxable income. Use Minnesota [Form M1](#) (Individual Income Tax) and [Schedule M1M](#) (Income Additions and Subtractions) to subtract this amount from your taxable income.

If, however, your education award was used to pay for a student loan, and you deducted the student loan interest on line 33 of [Form 1040](#) or line 18 of [Form 1040A](#), you must reduce your subtraction by the interest attributable to the award. (All information taken directly from the Minnesota Department of Revenue)

Find more information about the Education Award and taxes at: <http://www.revenue.state.mn.us/Pages/default.aspx>