



Segal AmeriCorps Education Award Frequently Asked Questions

What can the Segal AmeriCorps Education Award be used for?

You can use your Segal AmeriCorps Education Award in the following ways, or a combination of them:

- to repay qualified existing or future student loans;
- to pay all or part of the current education expenses to attend a qualified institution of higher education (including certain vocational programs); or
- to pay expenses while participating in an approved school-to-work program.

How much are Segal AmeriCorps Education Awards worth?

- 300 hour Jumpstart AmeriCorps members will receive a \$1,175 Segal AmeriCorps Education Award upon successful completion of their term of service.

Which colleges and universities are "qualified institutions"?

You can use your Segal AmeriCorps Education Award at most institutions of higher education (including graduate and professional programs), as well as some vocational schools. An institution is considered qualified for the Segal AmeriCorps Education Award if it is a Title IV school, which means it has an agreement with the U.S. Department of Education making its students eligible for at least one of the federally backed forms of financial assistance (such as Pell Grants, Perkins Loans, Stafford Loans, National Direct Loans, and Federal Consolidated Loans). To make sure the institution you want to attend is qualified, check with the financial aid office to make sure the school is a "Title IV" institution.

Some colleges and universities match the Segal AmeriCorps Education Award

You may view a list of colleges and universities that match the Segal AmeriCorps Education Award by visiting this link: http://www.americorps.gov/for_individuals/benefits/ed_award_match.asp

What types of loans can the Segal AmeriCorps Education Award repay?

Most postsecondary loans that are backed by the federal government are qualified for repayment with the Segal AmeriCorps Education Award. Also, loans that are made by state agencies, including state colleges and universities are now qualified. Your lender should be able to tell you if your loan is qualified. Qualified loans include:

- Stafford Loans
- Perkins Loans
- William D. Ford Direct Loans
- Federal Consolidated Loans
- Supplemental Loans for Students
- Primary Care Loans
- Nursing Student Loans
- Health Education Assistance Loans
- Loans issued to AmeriCorps members by the Alaska Commission on Postsecondary Education

What are "current educational expenses"?

Current educational expenses are expenses that were incurred after you became an AmeriCorps member. Current educational expenses are based on:

- The "Cost of Attendance" for a degree or certificate-granting program at a qualified school and
- Educational expenses for non-degree courses, such as continuing education courses offered by qualified schools.

For credit or degree courses, the cost of attendance may include tuition, books and supplies, transportation, room and board, and other expenses. Each school's financial aid office determines a student's cost of attendance based upon standard U.S. Department of Education guidance.

When can you use your Segal AmeriCorps Education Award?

You can use your Segal AmeriCorps Education Award up to seven years after the date you successfully complete your term of service. You can apply for an extension if:

- you are unable to use the Segal AmeriCorps Education Award for some reason during that time; or
- you perform another term of service in an approved program.

To be considered for an extension, you must apply before the end of the seven year period.

Is the Segal AmeriCorps Education Award taxable?

Yes. You will be taxed on your Segal AmeriCorps Education Award in the year you use it. For example, if you use all or part of your award for college in the fall of 2012, when you file your 2012 taxes, you must pay taxes on the portion of the award you used.

However, you may be able to take advantage of the Hope Scholarship Credit or the Lifelong Learning Credit. Those credits may provide you with significant tax relief. Both the Department of Education and the Internal Revenue Service have information on these tax provisions.

The Corporation for National and Community Service (CNCS), the federal agency that administers the Segal AmeriCorps Education Award, does not withhold taxes from the award. By the end of January in the year you use your award, CNCS will send a 1099 Form to all AmeriCorps members who have made payments from their education awards and for whom interest payments have been made during the previous year. The 1099 Form does not need to be included in your tax return, but it reflects the amount that CNCS reports to the IRS as taxable miscellaneous income.

What about paying student loans during your term of service?

You may be eligible for forbearance for your qualified student loans from your loan holder. During a period of forbearance, you do not have to make payments, although interest continues to accumulate on your loans. If you qualified for loan forbearance and completed the appropriate form at the beginning of your term of service and receive a Segal AmeriCorps Education Award, AmeriCorps will pay all or a portion of the interest that accrued on your qualified student loan during your service. This amount is in addition to your education award.

Looking for your W-2?

Jumpstart Corps members will receive a W-2 from the university financial aid office at which they served (if they received Federal Work Study). If you were a volunteer Corps member, and thus did not earn a work study award during your term of service, you do not need and will not receive a W-2 form. If you received a stipend from Jumpstart, you will receive your W-2 from Jumpstart.

Trust Office Information

Please contact the National Service Trust within CNCS with any questions at **1-800-942-2677**. The Trust is staffed by live operators from 8:00-6:00 EST.

Financial Aid Information

The Segal AmeriCorps Education Award, the interest CNCS paid on your deferred qualified student loans, and a stipend you may have received can affect your eligibility for other student financial aid in the following ways:

- Under certain circumstances, your Segal AmeriCorps Education Award, stipend, and CNCS payments on accrued student loans can be excluded from calculations determining your eligibility for student aid based on financial need. This could increase the amount of "need-based" aid for which you are eligible.
- Under different circumstances, using the Segal AmeriCorps Education Award can reduce the amount of other need-based student aid for which you are eligible.
- Institutions of higher education may offer special benefits to AmeriCorps alumni, thereby increasing the benefit of the education award.

Under certain circumstances, you may be able to exclude from the calculation of financial need the amount of the Segal AmeriCorps Education Award you used, the stipend you earned, and CNCS payments on qualified student loans that were made in a given year. Excluding these amounts from the calculation used to determine your financial need could increase the amount of need-based aid you can receive. This is a unique benefit to AmeriCorps alumni. Note, for example, that your stipend, while subject to income taxes, is not considered as income in this calculation. Below, we tell you where this information should appear on the Free Application for Federal Student Aid (FAFSA).

Financial aid offices must consider the Segal AmeriCorps Education Award as a resource, or funds that you have available toward your cost of attendance, when considering your eligibility for campus-based aid. This includes the Federal Supplemental Educational Opportunity Grant (SEOG), the Federal Work-Study Program, and Perkins Loans. (See 34 C.F.R. § 673.5(c).) **Campus-based aid is distributed to schools in limited amounts, and is not considered an entitlement. A school will assist individuals to the extent resources are available. When you use your Segal AmeriCorps Education Award as a resource, it may reduce your eligibility for campus-based aid.**

Be sure to consider all of your options early in your enrollment process.

It is very important that you complete the FAFSA correctly, and complete it early. The FAFSA is used to apply for federal student financial aid, including grants, loans, and work-study. In addition, it is used by most states and schools to award non-federal student financial aid" (OMB# 1845-0001). It can be accessed online at www.fafsa.ed.gov. The FAFSA comes with detailed instructions. In the income exclusion portion of FAFSA, you are asked to include the amounts of any AmeriCorps education awards, AmeriCorps living allowances, and AmeriCorps interest accrual payments that were reported to the IRS as part of your adjusted gross income. In the 2012-2013 FAFSA, this information is requested on question 43d as follows: 'How much taxable grant or scholarship aid did you receive?' and on question 91d as follows: 'How much taxable grant or scholarship aid did your parents receive?' That means you need to report on this form if you've used an award in the past. If you have not used it yet, you do not need to report in on the FAFSA form. **Double check all questions with your Financial Aid Adviser.**