

# YOUR AMERICORPS EDUCATION AWARD

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March 2022



# About me

- Background
- Service
- Work
- Family



# Desired Outcomes

By the end of the session, participants will be have:

- A better understanding of the AmeriCorps Education Award
- At least two strategies for maximizing the value of the Education Award; and
- An understanding the taxation of the Education Award.

# The Segal AmeriCorps Education Award

- Also called “AmeriCorps Education Award” and “Ed Award;”
- Awarded post-service to AmeriCorps and VISTA alums who successfully complete their service;
- Amount is variable, pegged with the Pell grant, currently the VISTA Summer Associate Award and 300 hr. AmeriCorps Ed Award is: \$1342. (The full Award is \$6495, etc.);
- <https://americorps.gov/members-volunteers/segal-americorps-education-award/find-out-more>
- Is a voucher, good for seven years after it is issued, held in trust by the federal government in your name;

# FY22 Segal AmeriCorps Education Award

Participation types	Minimum # of hours	Amounts
Full-time (FT)	1,700 (365 days for AmeriCorps VISTA)	\$6,495.00
Three-quarters-time (TQT)	1,200	\$4,546.50
Half-time (HT)	900	\$3,247.50
Reduced half-time (RHT)	675	\$2,474.27
Quarter-time (QT)	450	\$1,718.25
Minimal-time and Summer Associate (MT and SA)	300	\$1,374.60

# The Segal AmeriCorps Education Award

- Can be used for current costs of attendance at qualifying (i.e. Title IV funds) institutions;
- Can be used to pay back qualifying student loans, both monthly payments and loan principal, i.e.
  - **Loans backed by the federal government under Title IV of the Higher Education Act (except PLUS Loans to parents of students)** - Examples include: Stafford Loans, Perkins Loans, Wm. D. Ford Federal Direct Loans, Federal Consolidated Loans, Supplement Loans to Students, & Guaranteed Student Loans.
  - **Loans under Titles VII or VIII of the Public Service Health Act** - Examples include: HEAL, HPSL, Nursing Student Loans, Primary Care Loans, & Loans for Disadvantaged Students.
  - **Loans made by a state agency**, including state institutions of higher education
- Can be used for international study, continuing ed., non-credit courses;

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# Repayment Choices

When you make a lump sum payment on your federal student loan(s), there are two ways that payments can get applied to your account:



## Advancing Payment

*Paying ahead*

- Pay ahead as many loan payments as Ed award will cover
- Get a break from making student loan payments.

## Paying Down Principle

*Paying off early*

- Pay less over life of loan
- Lower monthly payment amount

# Student Loan Forbearance Interest Accrual Payments

- National Trust will pay the interest that accumulated on your student loan
  - Up to 100%, depending on type (full/part time) and length of service
- After you finish your term, go back to your “My AmeriCorps Portal” & click the Interest Accrual Request link.
- Fill in the name of the *lending school or institution, city, state, & zip*. Repeat for multiple loans.
- Within a few weeks, CNCS will send funds to your lender.

## \*NOTE\*

At the end of forbearance (once your service term is done) interest that accrued will be added to your outstanding principle.

If you wait to submit request to have the interest paid off, each month interest will be accrued on your new (larger) principle amount.

**Thus the sooner you submit the request, the better.**



# Some..... Limitations

- Available for 7 calendar years from the last day of service.
- Only transferable to if you are at least 55 years old before service (to a child, stepchild, grandchild, step-grandchild, or foster child)
- Lifetime limit of 2 full time Education Awards
- Is taxable when it's used



# How do I use it?

- Log into your My.AmeriCorps.gov portal and go into the Education Award interface;
- Select the college/university or loan holder you'd like to send funds to (if they're not listed, there is an add vendor feature);
- Add the amount of the payment you'd like to make;
- Confirm that you've selected the correct amount and recipient, and finalize.
- Confirm payment has arrived with the financial aid folks or loan holder whom you're sending the payment.

# What about taxes?

- Your Education Award, Living Allowance and Interest Accrual Payment all count as taxable income;
- Taxes are not withheld by the National Service Trust when you use your Education Award;
- It is your responsibility to predict what the tax implications will be in the year you use it and plan accordingly.

# Tax relief

- While you are responsible for taxes on your education award and other AmeriCorps benefits, you may be eligible for other tax relief through the Taxpayer Relief Act of 1997. For more information, contact a tax professional or the Internal Revenue Service.
- [IRS Publication 970, Tax Benefits for Education](#) explains tax benefits that may be available to taxpayers who are paying for higher educational costs or repaying student loans. AmeriCorps members who use the education award and have interest payments made on their behalf, may be eligible for such deductions.

That's a lot to think about.  
How are you doing?



# Taxes continued

- To learn about what the implications of using the Ed Award are on your tax burden, consult a tax table, a tax accountant, or other resource before using your Education Award;
- Before using your Education Award.
- We are not tax professionals. Anecdotally speaking a common practice to minimize tax burden seems to be spreading payments across multiple tax years, e.g. \$2000 in 2022, \$2000 more in 2023, etc.

# Other match strategies

- Check the [americorps.gov](https://americorps.gov/partner/partnerships/schools-national-service-search) website for “Schools of National Service.”  
<https://americorps.gov/partner/partnerships/schools-national-service-search>
- If the college or university you’re interested in attending is not on that list you should discuss a match and request that they consider it. Let the department you’re coming to, or the admissions office know you’re an AmeriCorps or VISTA alum and would like them to match your Ed Award.

## **Strategies:**

- Familiarize with another, similar institution’s match and let them know what the competition does, and that’s what you’d like them to do.
- Use terms like “tuition waiver” “discount” or “scholarship” to clarify the concept, if they’re not clear exactly what you’re asking for.

# Education Award resources

- AmeriCorps official
  - <https://americorps.gov/members-volunteers/segal-american-corps-education-award>
- VISTA campus has good information  
<https://www.vistacampus.gov/after-vista/education> ;
- Fafsa.ed.gov has a list of foreign institutions that accept Title IV funding;
- Others that you know of?

# Where do I go with my questions?

- americorps.gov has some excellent FAQs, tools and resources;

- The National Service Trust Hotline

Can answer many questions about AmeriCorps education benefits: Telephone 800-942-2677.

- Questions may also be submitted at the National Service Hotline's [Ask a Question](#) page:

# Other notes:

- Montana Campus Compact: Montana's affiliate of the national network, started matching Ed Awards in 2016

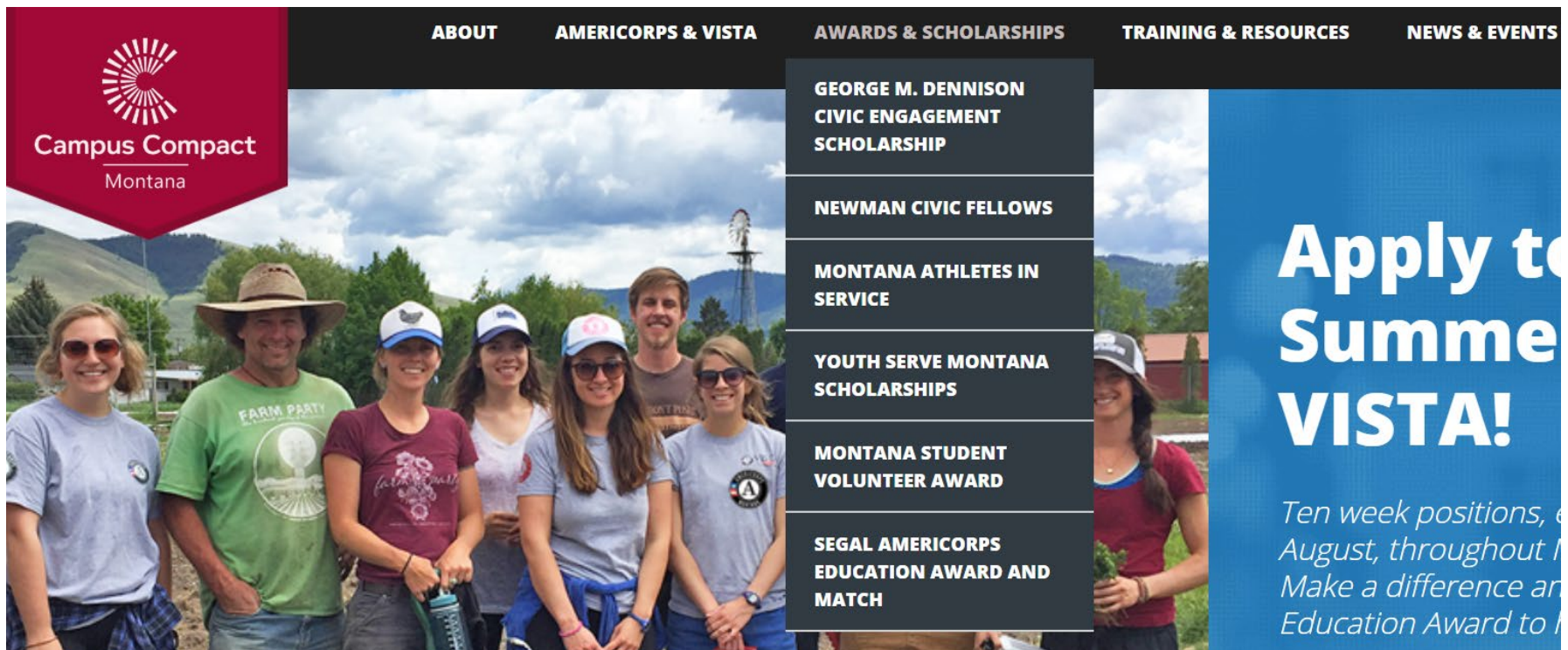


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# What Does That Mean?

- Right now, thirteen campuses, including public, private, tribal, two-year, four-year and graduate programs are officially registered offering a minimum of \$1000 in match.
- Listed at [mtcompact.org](http://mtcompact.org) under the “Awards and Scholarships” tab, “Segal AmeriCorps Education Award”



The screenshot shows the Campus Compact Montana website. The header includes navigation links: ABOUT, AMERICORPS & VISTA, AWARDS & SCHOLARSHIPS, TRAINING & RESOURCES, and NEWS & EVENTS. The main content area features a large photo of a group of seven young adults (students) standing outdoors in front of a mountain landscape. To the right of the photo is a vertical list of awards and scholarships:

- GEORGE M. DENNISON CIVIC ENGAGEMENT SCHOLARSHIP
- NEWMAN CIVIC FELLOWS
- MONTANA ATHLETES IN SERVICE
- YOUTH SERVE MONTANA SCHOLARSHIPS
- MONTANA STUDENT VOLUNTEER AWARD
- SEGAL AMERICORPS EDUCATION AWARD AND MATCH

On the far right, there is a blue banner with the text: "Apply to Summer VISTA! Ten week positions, August, throughout Montana. Make a difference and earn your Segal Education Award to match."

## Some notes:

- Campus matches are for current costs of attendance, not paying back loans. *Each campus has a different capacity for offering matches, deadlines, and process for applying. Some are much more limited than others.*
- Members need to meet with campus financial aid to initiate the match. It won't happen automatically.
- Please call MTCC if you have difficulty.

# Additionally

- Montana has a great set of postsecondary education options, including our “embedded” two-year campuses, which offer high quality, competitively priced courses, degrees and certificates.



# PSLF. You know, “pslf.”

- If you're planning to work in nonprofit/education/government (i.e. public service), consider applying for the **Public Service Loan Forgiveness** program.
- Synopsis: *The Public Service Loan Forgiveness (PSLF) Program forgives the remaining balance on your federal Direct Loans after you have made 120 qualifying monthly payments under a qualifying repayment plan while working full-time for a qualifying employer.*
- Info: <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>

# Employers of National Service

- A program connecting AmeriCorps and Peace Corps alums with employers
- Over 600 employers that recognize the value of national service, including the state of Montana
- <https://www.nationalservice.gov/partnerships/employers-national-service>

# Questions?

Thank you!

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**Campus Compact**  

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**Montana**