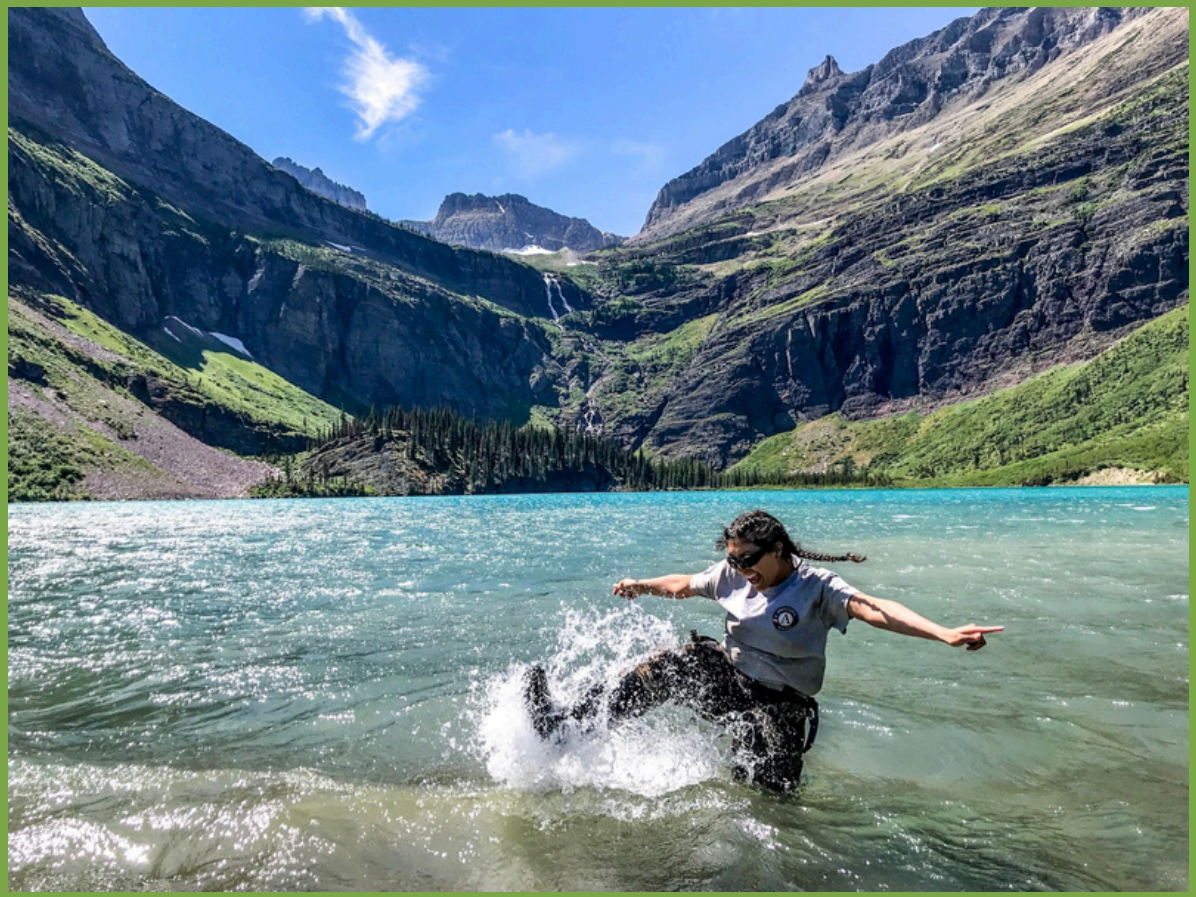
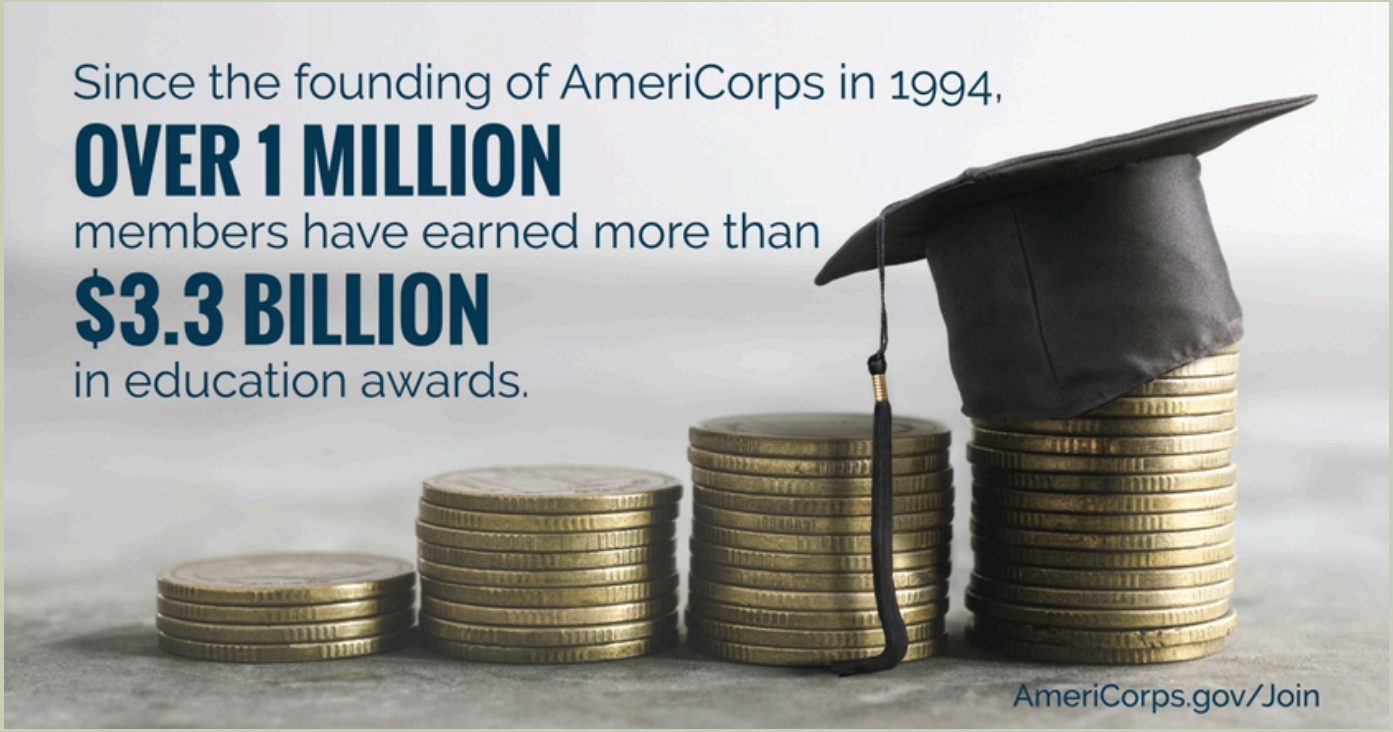
THE AMERICORPS EDUCATION AWARD



What is the AmeriCorps Education Award?

- A award members are eligible to receive once successfully completing their term of service:
    - Awards vary based on time served
    - Once an award is earned, the dollar value does not change



Important Notes about the AmeriCorps Education Award

- Held by the National Service Trust; not MCC
- Delivered electronically to AmeriCorps members who successfully complete (and are exited from) their AmeriCorps Service via the my.americorps.gov portal;
- Usable for up to seven years from your end of service.
- Your Education Award will NOT become available immediately; it can take up to 6 weeks to appear in your portal.
- You can use it all at once, or in small increments
- Some institutions will partially or fully match the award (more later)!
- You cannot transfer your award to another individual unless you are 55 or older
- You cannot “cash out” your education award
- Award “extensions”:
    - You served another term of national service during the previous award’s use period, or
    - You were unavoidably prevented from using the award during the original use period. Qualifying examples include:
        - Member's serious illness, injury or disability
        - Death, injury or disability of member's immediate family member
        - Destruction or inaccessibility of member's records
        - Natural or other disaster
        - Administrative consideration

Important Notes about the AmeriCorps Education Award

The Education Award is TAXABLE INCOME!

- All payments (loans or educational costs) are are subject to federal tax in the year each payment is made.
- Whether you use the full amount or a portion, you are responsible for reporting that on your taxes.
- All interest payments made on your behalf should be included as income in the year the payment was made.
- The Trust DOES NOT withhold taxes from your education award or interest payments. If your education award and interest payments total more than $600 in a calendar year, AmeriCorps will send you an IRS Form 1099 to be used in preparing your income tax return.
- More here under "tax implications":

Ways to Use Your AmeriCorps Education Award

- Pay Educational Expenses:
  - Eligible schools are higher educational institutions, both domestic and foreign, that currently participate in the Department of Education's Title IV student aid programs. They are referred to as "Title IV schools." This category includes most post-secondary colleges, universities, and technical schools.
  - The Cost of Attendance (COA) as determined by the institution for a degree or certificate program at a Title IV school. The COA may include tuition, books and supplies, transportation, room and board, and other expenses. The institution's Financial Aid Office determines a student's COA, based on U.S. Department of Education regulations and guidance.

Ways to Use Your AmeriCorps Education Award

- Repay Qualified Student Loans:
  - 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
  - The Segal AmeriCorps Education Award cannot repay any other type of loan, even if the loan was obtained for educational purposes at eligible schools or programs. You can use your award to repay defaulted student loans, as long as the loan meets the definition of qualified student loan
  - How do I know if my loan is “qualified”?
    - If you are not sure, you must contact you loan holder

Ways to Use Your AmeriCorps Education Award

- Forbearance:
  - Individuals who serve in an approved program may be eligible to have the repayment of their qualified student loans postponed while serving. This postponement is called forbearance.
  - You can apply for forbearance using your myamericorps account
- Accrued Interest Payment:
  - The Trust will pay all or a portion of the interest that accrued on your qualified student loan during your service. The Trust can only make an interest payment after you have successfully completed a term of service and have earned an education award.
  - The portion of the accrued interest that the Trust pays is determined by the type (full or part-time) and length of your service.
    - Members who completed full-time terms of service, completed the terms within 12 months, and received education awards will have 100% of the interest paid that accrued on their qualified loans during their service.
    - Members who completed part-time terms may not be eligible to have all of the accrued interest paid.
    - Members who end their service early due to compelling personal circumstances may not be eligible to have all of the accrued interest paid.
  - Interest payments are not subtracted from your education award amount. They are made in addition to education award payments.

Ways to Use Your AmeriCorps Education Award

- Accrued Interest Payment (HOW TO):
  - From your Home Page in myamericorps, you can electronically request to have a payment made for the interest that accrued on your qualified loan during your service.
    - Open the field called My Education Award
    - Click on Create Interest Request
    - Provide the requested information and submit the form.
  - A notice will be sent to your loan holder to verify that you participated in AmeriCorps and earned an education award. The notice will include a request for the loan holder to provide certain information about your qualified student loan to determine the correct amount of interest that accrued during your service period. Once verified, the loan holder submits the payment request electronically to the National Service Trust.
  - Interest payments are reflected in your myamericorps account and will also appear on the statements from your loan holder.
  - Interest payments, as well as education award payments, are considered taxable income and are reported to the IRS.

How to Make Payments/Manage Your AmeriCorps Education Award

Check out this short video made by an AmeriCorps Alumni!

https://youtu.be/AeXPB2Cd69U?si=wPaRuThZX56jPfo0

How to Make Payments/Manage Your AmeriCorps Education Award

- Log in to your myamericorps portal; you have created an account when you enrolled in MCC OR when you first enrolled in an AmeriCorps program
  - If you have forgotten your username/password, reset immediately! After 3 incorrect attempts, you will be locked out of your account.
  - You can also call 1-800-942-2677 for assistance!
- Click on “My Education Award” on the left hand side of the page
- Click on “Create Education Award Payment Request”
- You will be directed to a page with you personal information and the amount of education award you have available
- Click on “payment type” for 2 options:
  - Education Expenses
  - Loan Payment

How to Make Payments/Manage Your AmeriCorps Education Award

- Educational Expenses:
  - Use this to send your award to an institution of higher learning
  - Select the “semester or term”
  - Enter the amount you would like to send to the institution
    - NOTE: The award will be sent to the institution in 2 payments; one at the beginning of the semester/term, and one halfway through the semester/term
  - “Institution Information” - search for your school or program
    - NOTE: using general search terms like city/state get better results
    - Click on your school/institution
    - If you cannot find your institution, click “not found” and fill out the requested information
  - Information should populate into the next page
  - “Certify and submit” (3 questions) to ensure everything looks correct
  - Hit “Submit” button
  - Return to main home screen and you will see your request and “pending institution action”
    - Be sure to return to this page every few days to ensure the status is updated to “Accepted by Institution”
    - Also a good idea to call the institution/school/loan holder to make sure they know loan money has been sent to them!

Schools of National Service

Some institutions of higher learning will fully/partially match the education award!

Use the “schools of national service” search tool:
https://americorps.gov/partner/partnerships/schools-national-service-search
Learn which Montana Universities match the Education Award:
https://mtengage.org/allawards/scholarships-and-awards/segal-americorps-education-award/

Carroll College: up to $2,000 per student match
FVCC: up to $1,000 per student match (5 per year)
MSU: up to $1,000 per student match (40 per year, prioritize MT residents)
UM: up to $1,000 per student match
MSU Northern: up to $1,000 per student match
MSU Billings: up to $1,000 per student match (3 per year)
These are just a few - there are MANY schools in MT and nationally that provide this beenfit!

Top 10 Things to Know About the AmeriCorps Education Award

1. **The education award is actually held and managed by the National Service Trust – NOT MCC.**

2. **Your education award can be used to** repay qualified student loans, pay current education expenses at a qualified location, or pay current educational expenses while participating in an approved school-to-work program.

3. **Qualified loans** are any Title IV, VII, or VIII loans OR any loan determined by an institution of higher education to be necessary to cover a student's cost of attendance and directly paid to the student by that higher education institution. If you aren't sure, ask you loan holder.

4. **Current educational expenses** for school or school-to-work programs must be incurred after you became an AmeriCorps member. What's covered? Tuition, books, supplies, transportation, room, board, and/or other expenses. Each school is different, so ask them what they deem the "cost of attendance." You can also take non-degree seeking courses.

5. **YOU manage these funds via** your MyAmeriCorps account (Remember, that website with the very complicated password? That's the one!). The education award is available for use up to 6 weeks after successful completion of your term. Links will appear on the left side of your screen saying *Create Education Award Payment Request.* Click on this and follow the instruction to make a payment.

6. **Check the status of your payment!** If you see these words next to your payments request, this is what they mean:

   Pending Institution Action - means that your school or loan holder has been issued electronic payment, and they are in the process of getting the funds.

   Pending Trust Action – means the payment is waiting for National Service Trust approval.

   Accepted by Institution – means the payment has arrived and is being applied to your bill.

   If you have questions, call them. Also call your loan holder to confirm that they received the funds.

7. **Your education award is only usable for 7 years. Use it or lose it!** You can't give it to a friend, your mom, or your brother. This is something special, just for you!

8. **Your education award is TAXABLE!** This means you will pay taxes on the amount that you use. Ask an accountant if you want to know how much. It's different for everyone. Also, the address that is on your MyAmeriCorps account is where the tax forms will be mailed. You won't receive a separate reminder. Don't forget that you used it and make sure your address is up-to-date.

9. **Some institutions will match your education award.** Do your research! Link to Montana schools which match: http://mtcompact.org/awards-scholarships/segal-americorps-education-awards/

10. **Do something cool!** If you don't have loans to pay and you aren't planning to go back to school, take this as an opportunity to experience something new and exciting. Life is an adventure!

ADDITIONAL INFORMATION

- AmeriCorps Website:
  - https://americorps.gov/members-volunteers/segal-americorps-education-award
- Schools of National Service Search:
  - https://americorps.gov/partner/partnerships/schools-national-service-search
- Montana Universities that match the Education Award:
  - https://mtengage.org/allawards/scholarships-and-awards/segal-americorps-education-award/
- Student Loan Advice:
  - https://freestudentloanadvice.org/
- MCC Alumni Resources:
  - https://www.mtcorps.org/engage/alumni-resources.html