**[ELIGIBILITY](https://www.nationalservice.gov/programs/americorps/segal-americorps-education-award/amount-eligibility-and%22%20%5Cl%20%22eligibility)**

Anyone who completes a term of service within a 12-month period, in one of the following programs, is eligible to earn an education award.

* AmeriCorps NCCC
* AmeriCorps State and National
* AmeriCorps VISTA\*

\*VISTA members who complete a term of service within a 12-month period may be eligible to choose a cash option in place of the education award. See the section called *VISTA Cash Stipend* on the [Use Your Education Award web page](https://www.nationalservice.gov/programs/americorps/alumni/segal-americorps-education-award/use-your-education-award) for more information.

[**LIMITATIONS**](https://www.nationalservice.gov/programs/americorps/segal-americorps-education-award/amount-eligibility-and#limitations)

There are limitations on the number of terms an individual can serve in each AmeriCorps program, and on the maximum value of education awards one individual can receive.

Current limits on number of terms an individual can serve:

* AmeriCorps NCCC- no limit on service terms, but members may NOT serve more than two consecutive NCCC terms without a break of at least 10 months before serving again
* AmeriCorps State and National- four terms
* AmeriCorps VISTA- five total years of service

Although an individual can serve more than two terms, a person cannot earn more than the value of two, full-time education awards.

Each term of service for which an individual earns an education award counts as one term of service in computing the term limitations.  This includes terms for which a member earns a full-time, half-time, and any other type part-time or prorated education award.  A prorated education award is an award that may be earned when an individual, for reasons beyond his or her control, cannot complete the entire service period.  Generally, if a member is released before completing a term of service and does not receive the education award, that term counts as one of the terms served.

[**THE *VALUE* OF AN EDUCATION AWARD**](https://www.nationalservice.gov/programs/americorps/segal-americorps-education-award/amount-eligibility-and#the-value-of-an-education-award)

Even though an individual may serve multiple terms, by law, an individual cannot receive more than the *aggregate (or total) value* of two full-time education awards.

The value of an education award refers to the service opportunity offered by a particular term of service, such as full-time, half-time, and summer terms of service.  As examples, the *value* of a full-time award is always "1.0"; the *value* of a half-time award is always "0.5".  While the dollar amount of the award for a particular term may change from year to year, the value of the earned award remains the same.

In the unique situation of a **transferred education award**, two individuals receive education awards—the person who completed the term of service and transferred the award, as well as the recipient of the transferred award.  Therefore, since both individuals have *received* awards, the corresponding values will be added to both individuals’  calculations for awards received.

The value of a transferred award will be calculated using the same formula used in determining values of an award that was earned.  The value of a transferred award is calculated by dividing the dollar amount of the transferred award by the dollar amount of a full time award at the time the award was earned.  This is true regardless of whether the entire award or a portion of the award was transferred.

Current and former members can track the value and the dollar amounts of each of their education awards using the [MyAmeriCorps Portal](https://my.americorps.gov/mp/login.do).

[**PAY EDUCATIONAL EXPENSES**](https://www.nationalservice.gov/programs/americorps/segal-americorps-education-award/use-your-education-award#pay-educational-expenses)

You can use your education award to pay *current educational expenses* at *eligible schools and educational programs*.

*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.  If the school offers students federal student aid such as Stafford Loans, William D. Ford Federal Direct Loans, Federal Perkins Loans, Stafford Loans, and Public Health Service Loans, it means the institution participates in the Title IV program and is a "Title IV school".

The award can also be used for*programs of education, apprenticeships, or job trainings approved for educational benefits under the Montgomery G.I. Bill and the Post 9/11 G.I. Bill*.  Regarding the education award, such programs are referred to as "G.I. Bill approved programs".

If the GI-Bill approved program is offered by a Title IV school, the award can pay for current education expenses by virture of it falling under the category of being a Title IV school.  If the GI-Bill approved program is NOT offered by a Title IV school, it is referred to as a "GI-Only Program", and special rules apply.

The rules for using the education award at GI-Only Programs are based upon the date the award was certified (approved) by an authorized AmeriCorps program staff, and whether the AmeriCorps alumnus is a veteran.

* A Segal AmeriCorps Education Award certified on or after December 23, 2011 can be used if the member is a veteran.
* An award certified between October 1, 2009 and December 22, 2011 can be used by both veterans and non-veterans.
* NO award certified prior to October 1, 2009 can be used for GI-Only programs, even if the alumni is a veteran.

*Eligible* *Educational Expenses* include:

* **Title IV courses:** Cost of Attendance (COA) as determined by the institution for a degree or certificate program at a Title IV school.  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 guidance and regulations.
* **Non-Title IV educational courses offered by a Title IV** **institution**: tuition and fees normally assessed a student for a course or program of study by the institution, including costs for rental or purchase of any books or supplies required of all students in the same course of study.
* [See Section 2525.20 of the *Code of Federal Regulations*](https://www.gpo.gov/fdsys/pkg/CFR-2017-title45-vol4/pdf/CFR-2017-title45-vol4-sec2525-20.pdf) for additional information on *eligible expenses* for students taking non-Title IV courses, students taking correspondence courses, students with disabilities, and students engaged in cooperative education programs.
* Costs associated with courses or programs authorized under the Montgomery G.I. Bill and the Post 9/11 G.I. Bill.  A Veterans Affairs-approved Certifying Official can determine covered costs.

*Current*educational expenses are expenses that you incurred after the start of your AmeriCorps service.  Expenses that pre-date your AmeriCorps service are not considered "current."  However, if you have a qualified student loan to pay for expenses incurred prior to your AmeriCorps service, you can use your award to repay the qualified loan.

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).

In rare cases, the education award can affect the process of receiving additional financial aid through FAFSA.  Please consult your institution’s

Financial Aid Office to ensure your financial assistance needs are properly addressed.   You can provide your Financial Aid Officer with the letter [FAFSA Guidance for Financial Aid Officers](https://www.nationalservice.gov/documents/2017/information-financial-aid-counselor) that we make available to educational institutions.

[**REPAY QUALIFIED STUDENT LOANS**](https://www.nationalservice.gov/programs/americorps/segal-americorps-education-award/use-your-education-award#repay-qualified-student-loans)

The Segal AmeriCorps Education Award can only be used to repay the *qualified student loans* listed below:

* **Loans backed by the federal government under Title IV of the Higher Education Ac**t**(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 students loans, as long as the loan meets the definition of *qualified student loan.*

[**FORBEARANCE & ACCRUED INTEREST PAYMENT**](https://www.nationalservice.gov/programs/americorps/segal-americorps-education-award/use-your-education-award#forbearance-accrued-interest-payment)

Individuals who serve in an approved program may be eligible to have the repayment of their qualified students loans postponed while serving. This postponement is called *forbearance*. You may be eligible for loan forbearance based on your national service.  While interest may continue to accrue during your service, if you successfully complete the term of service the National Service Trust will pay all or a portion of the qualified loan's interest that accrued during your service.

**Forbearance Eligibility**

Most federally-guaranteed student loans are eligible for forbearance.  If your loan does not qualify for forbearance based on your AmeriCorps service, you may be eligible for another type of deferment or forbearance.  Contact your loan holder to determine eligibility and options.  The Trust can only pay accrued interest for qualified student loans.  If your loan is in default, it may not be eligible for forbearance.

You can apply for forbearance using your [My AmeriCorps](https://my.americorps.gov/mp/login.do) account.

Contact your loan holder if you do not hear from them within four weeks of submitting the forbearance request.

**Accrued Interest Payment**

The Trust will pay all or a portion of the interest that accrued on your qualified 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 the Trust pays is determined by the type of service (full or part-time) and the length of service.  Members who serve in a full-time service position, complete the term of service within 12 months, and receive an education award will have 100% of the interest paid that accrued during service.

Interest payments are made in addition to education award payments; they are not subtracted from your education award amount.

You can apply for accrued interest payment from your Home Page in [My AmeriCorps](https://my.americorps.gov/mp/login.do).

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 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 My AmeriCorps 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.

**TAx IMPLICATIONs**

Payments made using the Segal AmeriCorps Education Award are subject to federal tax **in the year each payment is made**.  It is considered taxable income regardless of whether it is used to pay current educational costs or to repay qualified student loans.

Payments made for interest accrued during the term of service are also subject to income taxes in the year the payment is made. Interest payments are made on your behalf for the interest that accrued during your service term. These payments are made in addition to your education award and are not subtracted from your award balance.

Any amount of the education award used and any interest payments made may impact your annual income tax responsibility.

* If you use the entire amount of your education award in one calendar year, you must include the entire amount as income on your taxes for that year.
* If you redeem only a portion of your education award in a calendar year, you are responsible for any taxes owed on that portion.
* If you do not use any of your award in a particular year, you do not include any part as income.
* 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, CNCS will send you an IRS Form 1099 to be used in preparing your income tax return.  All education award and interest payments made on your behalf are considered taxable, even if they do not total $600.  You can review all of your payments under *Account Statements* in your [*My AmeriCorps*](https://my.americorps.gov/mp/login.do) account.

[**LIVING ALLOWANCES**](https://www.nationalservice.gov/programs/americorps/segal-americorps-education-award/tax-implications#living-allowances)

The living allowance amount you receive during service is also considered taxable income in the calendar year in which you receive it.  For example, if you receive a portion of your living allowance in 2018 and the rest in 2019, the portion received in 2018is subject to 2018 income taxes, and the portion received in 2019 is subject to 2019 income taxes.

You will receive a W-2 form indicating the allowance amount you earned. Most AmeriCorps State and National members receive W-2s from the sponsoring organization.  VISTA and AmeriCorps NCCC members receive W-2 forms from CNCS.