



Getting the Most Out of your Segal AmeriCorps Education Award



After successfully completing your AmeriCorps term of service, you are eligible to receive a Segal AmeriCorps Education Award. You can use your education award to repay qualified student loans and to pay educational expenses at eligible institutions of higher education.

Segal AmeriCorps Education Award

- Payments are made directly to the loan holder or school – not to you.
- AmeriCorps members may earn up to the value of two full-time education awards.
- You have seven years to use your education award.
- You can divide up your award and use portions of it at different times.
- Payments made from your Segal AmeriCorps Education Award are considered taxable income in the year that the payment is made to the school or loan holder.
- Interest accrual payments are also considered taxable income.
- Under certain conditions, education awards can be transferred to specific family members. The person who earned the award must have been at least 55 years of age in an AmeriCorps State or National Program. The recipient of the award has to be the transferring individual’s child, stepchild, foster child, grandchild, or step-grandchild.

Interest Accrual Payment

After you successfully complete your AmeriCorps service term, go to the My AmeriCorps Portal & click the **Interest Accrual Request** link to request the interest payment.

Matching Institutions

There are colleges and universities across the country that matches the education award. Schools also offer scholarships and incentive for AmeriCorps alums.

Education Award Extensions

The Trust may grant an extension if you performed another term of service in AmeriCorps or Peace Corps during the award usage or if you were unavoidably prevented from using the Education Award during the seven-year period. Request an extension prior to your Education Award expiration date on the My AmeriCorps Portal.

Important Information

My AmeriCorps Portal	https://my.americorps.gov
Stories to Learn By	www.nationalserviceresources.gov/edaward
National Service Hotline	1-800-942-2677
The Student Guide to Financial Aid	www.finaid.org
Estimate your Tax Burden	Download a 1040 form from the IRS



Getting the Most Out of your Segal AmeriCorps Education Award



Avoid Losing Student Loan Aid

- Fill out the FAFSA “Additional Financial Information” section including your Living Allowance, Interest Accrual Payment, and Education Award Payments made during the previous tax year.
- Make an appointment with a Financial Aid Counselor at your school & explain: “I have an AmeriCorps Education Award, but I don’t want to use it if it might cause me to lose aid.”

Using your Education Award on Qualified Student Loans

There are two ways that the education award payment can be applied to your student loan:

- **Advancing Your Payments** - Your lender will pay ahead as many of your loan payments as your education award payment will cover. This option allows you to postpone payments for as long as possible so that you can take a break before assuming the burden of student loan payments. Most student loan lenders will allow you to continue to make payments without penalty even if you have advanced your payments. Making smaller or less frequent payments adds up over time.
- **Paying Down the Principal** - This option allows you to apply your education award payment toward the principal rather than advancing payments. This will reduce your loan balance. PROs: Pay less over life of loan and lower monthly payment amount. CONs: You don’t get a break from making student loan payments and it requires persistence to arrange. When you contact your lender, inform them that you will be making a lump sum payment and that you want it applied to the loan principal. Keep notes during any telephone calls with your lender including the date/time of the call and the name of the person with whom you spoke. Ask the lender to send you written confirmation and call the lender if you don’t receive it. Follow up & be persistent!

Other Options to Consider

- **Public Service Loan Forgiveness (PSLF) Program** - This program offers forgiveness for outstanding Federal Direct loans for individuals who make 120 qualifying payments, while working full-time in a public service job.
- **Income-Based Repayment (IBR) Plan** - This plan helps to make repaying student loans more affordable for low-income borrowers. An IBR calculator is available at www.finaid.org to estimate your monthly payment.

Additional Resources

The Volunteer Income Tax Assistance (VITA) program provides free income tax return preparation for individuals & families earning up to \$54,000 annually. VITA sites are generally located at community centers, libraries, schools, etc. To locate the nearest VITA site near you, call 1-800-906-9887.