



# Midwifery Education Accreditation Council

## Setting the Standards for Midwifery Education

### MEAC MEMBER SCHOOLS LETTER #2 IRS FORM 1098-T

January 16, 2013

Dear MEAC Member Schools:

Responding to an inquiry received from a MEAC-accredited institution, MEAC has developed an information sheet regarding IRS Form 1098-T, Tuition Statement, to be used by eligible institutions.

MEAC believes this information is accurate at this time, but because tax laws are complex and continually evolving, we encourage each school to consult a qualified tax professional regarding its unique situation.

#### **What is IRS Form 1098-T?**

The 1098-T form is used by eligible educational institutions to report information about their students to the IRS, as required by the Taxpayer Relief Act of 1997. Students may then be eligible to voluntarily claim federal income tax education credits.

#### **Does my school have to provide a 1098-T to our students?**

You must file Form 1098-T if you are an eligible educational institution.

#### **How do I know if my school is an eligible educational institution?**

An eligible educational institution is a college, university, vocational school, or other postsecondary educational institution that is described in section 481 of the Higher Education Act of 1965 as in effect on August 5, 1997, and that is eligible to participate in the Department of Education's student aid programs. This includes most accredited public, nonprofit, and private postsecondary institutions. However, a school must apply to and receive approval from the US Department of Education of its eligibility to participate. Some schools apply only for a designation as an eligible institution but do not seek to actually participate. *If your school does not participate in Title IV nor has it applied for designation as an eligible institution, then your school is not an eligible educational institution and is not required to provide a 1098-T.*

#### **It doesn't appear that my school is required to provide 1098-T. May we do it anyway to allow our students to claim the credit?**

If your school is not required to provide the form, then your students are not eligible to receive the tax credit. However, they may be eligible for other education credits. See below.

#### **Which students must receive Form 1098-T?**

Eligible educational institutions must file or furnish a statement for each student enrolled during any part of the year and for whom a reportable transaction for qualified tuition and related expenses is made.

#### **Which students will not receive Form 1098-T?**

Eligible educational institutions do not have to file or furnish a statement for:

1. courses for which no academic credit is offered, even if the student is otherwise enrolled in a degree program;
2. nonresident alien students, unless requested by the student;

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3. students whose qualified tuition and related expenses are entirely waived or paid entirely with scholarships or grants; or
4. students for whom you do not maintain a separate financial account and whose qualified tuition and related expenses are covered by a formal billing arrangement between an institution and the student's employer or a governmental entity, such as the Department of Veterans Affairs or the Department of Defense.

**What information is reported on Form 1098-T?**

Eligible educational institutions may choose to report either the payments received by the student in Box 1 or amounts billed to the student in Box 2 for qualified tuition and related expenses. Change of reporting method, adjustments for prior years, scholarships and grants, adjustments to scholarships and grants, amounts paid for future qualified tuition and related expenses, whether the student is at least half-time or a graduate student, and the amount of reimbursements or refunds paid if you are an insurer are also reported on the form.

**What are qualified tuition and related expenses?**

Qualified tuition and related expenses are tuition and fees a student must pay to be enrolled at or attend an eligible educational institution. Expenses that are not qualified are those that are not required to be enrolled or attend an eligible educational institution. Examples of expenses that are not qualified include the amounts paid for any course or other education involving sports, games, or hobbies unless the course or other education is part of the student's degree program or is taken to acquire or improve job skills, and charges and fees for room, board, certain administrative fees, insurance, transportation, and similar personal, living, or family expenses.

**When should my institution file provide Form 1098-T to its students?**

The Internal Revenue Service (IRS) requires that Form 1098-T is mailed by Jan. 31 to all students who had qualified tuition and other related educational expenses billed to them during the previous calendar year.

**When should my institution file Form 1098-T with the IRS?**

The annual deadline for institutions to file the required tax information electronically is March 31st, although data may be transmitted earlier as circumstances allow.

**What should my institution tell our students about Form 1098-T and education tax credits?**

Many institutions provide a FAQ for students. Here are two examples:

<http://www.yale.edu/sfas/finaid/faqs/tax-forms.html> ;

<http://www.nl.edu/t4/financialaid/officeofstudentfinance/faqs/1098-tformfaqs/>

**Are there other tax credits available for our students?**

Each student must consult with a qualified tax professional to determine his or her eligibility for other education tax credits, such as the Hope and Lifetime Learning Educational Credits. Please see <http://tinyurl.com/be7v98t> for more information.

**Where can administrators at my school get more information?**

Please see information provided by the IRS at <http://www.irs.gov/pub//irs-pdf/i1098et.pdf>

Please feel free to contact me if you have any questions or need additional information.

Sincerely,

Sandra Bitonti Stewart