

# University of Wisconsin System

## Tax Benefits for Education - 1098-T

### Frequently Asked Questions

As required by the Internal Revenue Service (IRS), 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.

**The 1098-T form is informational only and should not be considered as tax advice.** It serves to alert students that they may be eligible for federal income tax education credits such as the Lifetime Learning Credit and the Hope Credit as part of their Federal Income Tax Return. IRS Publication 970, "Tax Benefits for Higher Education," as well as Chapter 35 of IRS Publication 17, provide additional information on these credits. While it is a good starting point, the 1098-T, as designed and regulated by the IRS, does not contain all of the information needed to claim a tax credit. *To determine the amount of qualified tuition and fees paid, and the amount of scholarships and grants received, a taxpayer should use their own financial records.* There is no IRS requirement that you must claim the tuition and fees deduction or an education credit. Claiming education tax benefits is a voluntary decision for those who may qualify.

#### **FORM 1098-T FREQUENTLY ASKED QUESTIONS:**

**1. What is a 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. Eligible educational institutions are required to submit the student's name, address, taxpayer's identification number (TIN), enrollment status, amounts pertaining to qualified tuition and related expenses, and scholarships and/or grants, taxable or not. A 1098-T form must also be provided to each applicable student.

**2. Why did I receive a Form 1098-T?**

In January of each year, the University of Wisconsin System provides secure electronic access at <https://www.getmydocument.com> to an IRS Form 1098-T for all students who had qualified tuition and other related educational expenses billed to them during the previous calendar year. If the form is not electronically accessed, it is mailed at the end of January.

**3. Did you send a copy of this form to the IRS?**

Yes. Section 6050S of the Internal Revenue Code, as enacted by the Taxpayer Relief Act of 1997, requires institutions to file information returns to assist taxpayers and the IRS in determining the amount of qualified tuition and related expenses (qualified expenses) for which an education tax credit is allowable under section 25A (Hope and Lifetime Learning education tax credits), as well as other tax benefits for higher education expenses.

**4. Why isn't there an amount in Box 1?**

The IRS instructs institutions to report either payments received (Box 1) or amounts billed for qualified tuition and related expenses (Box 2) on the 1098-T. Once an institution has selected one of these options, they cannot change reporting methods between calendar years without IRS permission. The University of Wisconsin reports qualified tuition and related expenses that were billed during the tax year (Box 2); therefore, Box 1 - Payments Received for Qualified Tuition and Related Expenses will be blank.

5. **For purposes of Box 2, what educational expenses are considered as qualified tuition and related expenses?**

Qualified tuition and related expenses refer to tuition and required fees, such as segregated fees and lab fees, a student must pay to be enrolled at or attend an eligible education institution. Tuition waivers and remissions are considered reductions to qualified tuition and expenses.

Qualified expenses **do not** include:

1. Amounts paid for any course or education involving sports, games, or hobbies unless the course or other education is required as part of the student's degree program or is taken to acquire or improve job skills.
2. Charges and fees for room, board, insurance, transportation, personal, living, and other family expenses.
3. The cost of books and equipment are generally not qualified expenses because eligible educational institutions usually do not require that the cost of the books or equipment be paid to the institution as a condition of the student's enrollment or attendance at the institution. *However, some campuses may have a mandatory textbook fee or rental program which may be included as a qualified related expense.*

6. **Do the "Amounts Billed" figures in Box 2 of my 1098T equal the "Qualified Expenses" I can claim on my IRS Form 8863 as I file my taxes?**

Not necessarily. The University is required to provide the "amounts billed" and "scholarship or grant" figures to help you determine the amount of qualified expenses you can claim on your IRS Form 8863. Per Internal Revenue Code Section 25A, taxpayers may claim an education tax credit only with respect to qualified tuition and related expenses **paid** (not billed) during the calendar year. *You will need to review your payment records to determine the actual qualified expenses paid.* Remember that qualified amounts paid by student loans may count as payments eligible for these purposes. Scholarships and grants received may reduce your eligible payment amounts. See IRS Publication 970 for information to determine your qualified expenses paid amount.

7. **I did not keep information on my payments and student loan disbursements. Where can I get copies?**

This information may be found on your campus's Student Information Systems on your tuition account or on-line billing statement history. If you are a parent looking for this information for a student, please ask your student to access this information for you.

8. **What amounts appear in Box 4 - Adjustments made for a prior year?**

This box shows the amount of any tuition and fees reductions in the current calendar year for charges that were billed in a previous calendar year.

9. **How did the University figure out what amounts to include in Form 1098T Box 5 - Scholarships or Grants?**

The figure in Box 5 - Scholarships or Grants includes scholarships, grants and, if applicable, payments made by a third party under a formal billing arrangement (i.e., outside scholarships, employer provided educational assistance [regardless of taxability], military, etc.) which have been administered by the University of Wisconsin System. If you received other forms of outside scholarships and grants not administered by the University of Wisconsin System, it is your responsibility to adjust the figure accordingly. Third party payments do not include payments made by your parent or other individuals.

10. **I am being taxed on my employer provided educational assistance. Why should this be considered a scholarship or grant?**

The University of Wisconsin System does not determine whether your education benefits are being taxed by your employer. As such, scholarships and grants are increased by 100% of any employer provided payments under a formal billing arrangement, and it is up to the student to adjust their qualified tuition and related expenses accordingly based on the taxability of their employer benefits.

11. **What amounts appear in Box 6 - Adjustments to scholarships or grants for a prior year?**

This box shows the amount of any scholarship, grant and, if applicable, third party reductions in the current calendar year for aid that was credited in a previous calendar year.

12. **Why is there no check mark in box 8 - at least part-time?**

Box 8 will not be checked if you were not enrolled at a half-time status during an academic period which is either enrolled or billed during the calendar year. The University of Wisconsin System checks this box if you were half-time or more for at least one term beginning during the year. This information is important in determining eligibility for the Hope Credit.

13. **What is the purpose of Box 9 – graduate student?**

Box 9 will be checked if you were enrolled as a graduate student for at least one academic period during the calendar year. If Box 9 is checked, it alerts the IRS to the fact that the Hope Scholarship Credit is not allowable for the student's qualified expenses because the student is beyond the first two years of post-secondary education and that the Lifetime Learning Credit may be allowable.

14. **What if my 1098-T has the incorrect social security number on it?**

***The single most important information on the form is your Social Security Number.*** You must submit a written request to change or correct your SSN by mail or in person to the Registrar's Office. You may be required to supply a signed, legible copy of your Social Security card or complete [Form W-9S](#) (Request for Student's or Borrower's Taxpayer Identification Number and Certification). Form W-9S is the official IRS form used to state your SSN. You need only complete Part I of this form when requesting a 1098-T. Enter your SSN in the spaces marked "Taxpayer identification number."

15. **I am a foreign student; can I claim a credit?**

Generally, foreign students cannot claim a credit. However, some foreign students may be eligible. Review IRS forms, instructions, and publications for guidance.

16. **I have not received my paper 1098-T. What address was it mailed to?**

If you successfully viewed the electronic version of the 1098-T at <https://www.getmydocument.com>, you will not receive a paper 1098-T in the mail. Any unviewed electronic forms are mailed to the student's address as maintained by the University of Wisconsin System Campus Registrar's Offices.

17. **My name listed on the 1098-T has changed. What do I need to do to correct it?**

*Your name is a key element on your tax information.* Follow your campus's process for changing your name so that the University has up-to-date information.

18. **My address listed on the 1098-T has changed. Will this affect me when I file my tax return?**

No. The address shown on Form 1098-T is irrelevant for IRS income tax filing purposes. However, you should follow your campus's process for changing your address so that the University has up-to-date information.

19. **Can I change my address on the <https://www.getmydocument.com> website?**

Yes, however those changes do not change the records at the campus. You should follow your campus's process for changing your address so that the University has up-to-date information.

20. **I misplaced my copy of the Form 1098-T. How do I get a reprint of my 1098-T form?**

You can securely electronically access a copy of your Form 1098-T at <https://www.getmydocument.com> at any time. If students have trouble accessing their 1098-T, they can call (800) 756-4311. Vendor representatives are available Monday-Friday, 7 a.m. to 5 p.m. Central Time.

21. **I take Flexible Option coursework. In what semester category are the *related tuition and related expenses and grants, scholarships, and related amounts* reported?**

Flexible Option coursework is reported in the **Other** Semester category as detailed on the back of the 1098-T form.