

EDUCATION CREDIT

Form 1098-T, also known as the Tuition Statement, is an IRS form used by eligible educational institutions (like colleges and universities) to report information about tuition payments and related expenses to students and the IRS.

Key information on Form 1098-T includes:

- Payments Received for Qualified Tuition and Related Expenses: Box 1 shows the total payments the student has made for qualified education expenses during the tax year.
- Scholarships and Grants: Box 5 reports scholarships and grants administered by the institution that were applied to the student's expenses.
- Adjustments to Prior Years: Box 4 shows adjustments made to tuition or scholarships reported in a previous year.
- Enrollment Status: Box 8 indicates if the student was enrolled at least half-time, and Box 9 indicates if the student was a graduate student.

Purpose of Form 1098-T:

- Tax Credits: The information on Form 1098-T helps students determine their eligibility for education tax credits like the American Opportunity Tax Credit and the Lifetime Learning Credit.
- IRS Reporting: Institutions are required to send Form 1098-T to both the student and the IRS.

Who receives Form 1098-T?

- Eligible post-secondary institutions send this form to students who paid qualified educational expenses.

How to obtain Form 1098-T:

- Your educational institution will provide the form to you electronically or by mail, generally by January 31st. You may be able to access it through your student portal or by contacting your institution's financial services office.

A Health Savings Account (HSA/FSA) is a tax-advantaged savings account designed to help individuals with High Deductible Health Plans (HDHPs) pay for qualified medical expenses. Contributions, earnings, and withdrawals for qualified medical expenses are generally tax-free. HSAs can be used for a wide range of healthcare costs, and the funds can be carried over year to year, making them a versatile tool for both near-term and long-term healthcare savings.