



STUDENT AFFAIRS AND
ENROLLMENT SERVICES

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IS FEDERAL STUDENT AID TAXABLE? | H & R BLOCK

College is expensive. Did you know that taxpayers with college expenses might be able to save money at tax time? How you pay for those expenses can affect your potential education tax benefits. Let's look at the tax consequences of some types of federal student aid – loans and work-study programs.

LOANS

A loan is borrowed money you have to repay. Loans are not taxable, so you don't report the loan on your tax return. You may claim an education credit if you use loan proceeds to pay school-related expenses (like tuition and fees) but not living expenses (like room and board).

You or your parents may be able to claim the American Opportunity Credit (which could save up to \$2,500 in taxes) or the Lifetime Learning Credit (which could save up to \$2,000). If your parent(s) claim you as a dependent, only your parent(s) will claim the credit, even if you are solely responsible for repaying the loan.

Looking Ahead – Student Loan Interest: As you repay the loan and make interest payments, you may be able to take a student loan interest deduction on your tax return. The value of the deduction depends on your income and your tax bracket. For instance, if you pay \$1,000 in interest and you are in the 15% bracket, you would save about \$150 on your taxes. The decisions you make now influence your payments later. For suggestions on how to minimize debt, check out these suggestions on juggling school and work.

Continued on next page

Taxes ... Continued

If you have living expenses (like room and board), you may allocate the Pell Grant to those expenses instead, but then the Pell Grant will be taxable income. Therefore, how you allocate the Pell Grant is an important decision. The U.S. Treasury Department developed a Pell Grant and Tax Credit Factsheet to help you make your decision.

WORK-STUDY PROGRAMS

If you participate in a work-study program, you will be working in a part-time job, usually for your college. Your income from the job is taxable and you'll need to complete a W-4 so the college withholds the right amount of federal income tax. If you use earnings from your work-study program to pay for school-related expenses (tuition and fees), those payments may be qualifying expenses for an education credit.

PREPARE FOR TAX TIME

Keep receipts of your payments for school-related expenses. Your college will probably send you Form 1098-T reporting amounts the college received or billed for tuition and scholarships or grants you received. You (and your parents, if they are claiming you as a dependent) will need those records when it's tax time.

FINANCIAL AID – SPRING 2019 DISBURSEMENTS

Spring financial aid disbursements will start the week of January 2, the first week of classes. All accepted financial aid is posted to your UTHSC Student Banner Account.

Please log into studentloans.gov, if you are utilizing your Graduate Plus Loan for additional funds.

If you have questions and concerns, please contact your college financial aid [counselor](#).

LOAN REPAYMENT OPTIONS

Choose the federal student loan **repayment plan** that's best for you. To make your payments more affordable, repayment plans can give you more time to repay your loans or can be based on your income.



HOW TO TELL THE DIFFERENCE BETWEEN A LEGITIMATE DEBT COLLECTOR AND SCAMMERS

By Courtney-Rose Dantus

Dealing with debt collection issues can be challenging – especially when you're not sure if the person you're being contacted by is legitimate or trying to scam you.

When an account like a credit card, auto loan, or cell phone bill becomes past due, the original creditor may attempt to collect the amount owed. The creditor may also hire a debt collector or sell the debt to someone who may try to collect the debt. While there are many legitimate debt collectors in the financial marketplace, there are also scammers who may try to get you to pay on debts that you don't owe or on debts that don't even exist.

WARNING SIGNS OF DEBT COLLECTION SCAMS

Withholds information from you

A debt collector must tell you information such as the name of the creditor, the amount owed, and that if you dispute the debt the debt collector will have to obtain verification of the debt. If the debt collector does not provide this information during the initial contact with you, they are required to send you a written notice within five days of that initial contact.

Pressures you to pay by money transfer or prepaid card

Scammers like these payment methods because they may be untraceable, and it can be hard for you to get your money back.

Falsely threatens you with jail time or poses as a government official

But beware, if the debt comes from the criminal justice system, it is possible that failure to pay may result in your arrest. [Read More](#)

DON'T FORGET TO COMPLETE 2019-2020 FAFSA APPLICATION!

The FAFSA is available for filing online at fafsa.gov. The FAFSA is always free to file, so be wary of websites mimicking the federal site or requesting a fee. The 2019-2020 FAFSA was available for filing on October 1, 2018. The deadline for the 2019-2020 FAFSA is midnight, Central Time, June 30, 2020.

The myStudentAid Mobile App is now available for parents and students to download from both the Apple App Store (iOS) and Google Play (Android). The myStudentAid mobile app will provide the following functionality:

- Complete the FAFSA safely and securely from your mobile device
- View your federal student loan and aid history
- Access FSA's signature source of information on student financial aid products, processes and services

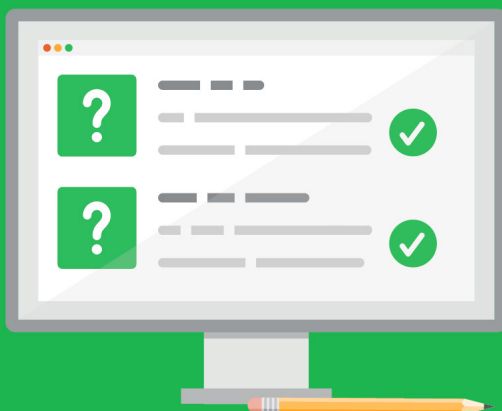
IMPORTANT!!! Please use the **IRS Data Retrieval Tool** to submit your 2017 Tax return information. The **IRS Data Retrieval Tool** allows students and parents to access the **IRS tax** return information needed to complete the Free Application for Federal Student Aid (FAFSA), and transfer the data directly into their FAFSA from the IRS Web site. The myStudentAid Mobile App can be accessed on UTHSC Financial Aid website.



HOW PREPARED ARE YOU TO MAKE FINANCIAL DECISIONS?

CONSUMER FINANCIAL PROTECTION

By Janneke Ratcliffe



When it comes to making financial decisions, do you feel prepared? For example, if you need to buy a new car, are you prepared to make the financial decisions that come with taking out an auto loan? What if you are ready to get a new credit card? How will you decide which one offers you the terms and conditions that will work for you?

This quiz will make you realize financial literacy is about more than math. Take this quiz to learn more:

t.co/IPQTBldhzU

IMPORTANT INFO ABOUT

1098-T FORM

The 1098-T form is mailed to the student's permanent address (not mailing address) that was enrolled at UTHSC for at least half time during the calendar year. Mailing address changes can be made online through Banner Self-Service. However, any permanent address changes must be done in the Office of the Registrar.

IS THE 1098-T AVAILABLE ELECTRONICALLY?

You may print a copy of your 1098-T form online by January 31 at:

1098.tennessee.edu

If you have questions, please contact the Bursar's Office at: cashier@uthsc.edu.

2019 NHSC LOAN REPAYMENT PROGRAMS

APPLY NOW! ACCEPTING APPLICATIONS THROUGH THURSDAY, FEBRUARY 21, 7:30 PM ET

The National Health Service Corps (NHSC) seeks clinicians who want to serve the nation's underserved rural, urban and tribal communities.

NHSC LOAN REPAYMENT PROGRAM (NHSC LRP)

The **NHSC Loan Repayment Program (NHSC LRP)** offers licensed primary care clinicians in eligible disciplines the opportunity to receive loan repayment up to \$50,000.

In exchange, participants serve for at least two years at an NHSC-approved site in a designated Health Professional Shortage Area (HPSA).

Learn about application details including eligibility and service requirements in the [2019 Application](#).

and Program Guidance (NHSC LRP) (PDF - 550 KB).

NEW IN 2019: SUBSTANCE USE DISORDER PROGRAM

To combat the nation's opioid crisis, the **Substance Use Disorder Workforce Loan Repayment Program (SUD Workforce LRP)** offers eligible clinicians up to \$75,000 in student loan repayment in exchange for a three-year commitment to provide substance use disorder treatment services at NHSC-approved sites.

This program is available to more professionals, including pharmacists and registered nurses. For more information, refer to the **fact sheet** and **2019 Application and Program Guidance (NHSC SUD Workforce LRP)** (PDF - 573 KB).



PUBLIC SERVICE LOAN FORGIVENESS

The Department announced the availability of a Public Service Loan Forgiveness (PSLF) Help Tool at StudentLoans.gov/pslf in a December 12, 2018 electronic announcement. The PSLF Help Tool will:

- Help borrowers understand more about the PSLF Program and what is needed to participate and possibly have their loans forgiven
- Help borrowers assess whether their employer qualifies for PSLF
- Help borrowers assess whether their loans qualify for PSLF
- Help borrowers decide which PSLF form to submit

SPRING 2019 GRADUATES!

COMPLETE YOUR FEDERAL LOAN EXIT COUNSELING EARLY!

Students who have accepted federal loans, and applied the funds toward the cost of tuition, are required by federal law to complete loan exit counseling prior to their graduation. An exit interview is a loan counseling session in which students are advised regarding their loan repayment schedule, obligations, and rights to deferment and/or cancellation.

Beginning February 1 through April 30, 2019, students can complete this requirement online at studentloans.gov. If you prefer a one-on-one session, please contact the

Financial Literacy Coordinators at 901.448.7703.

Only students who have TAKEN OUT federal loans to help pay for their college are required by federal law to complete loan exit counseling before graduation.



KEEP GOOD RECORDS!

Keep accurate records of what you spend. Save your ATM, debit, and credit card receipts and compare them to your monthly statements.

Set up a filing system. Create separate folders for the following documents. Keep the folders in a file cabinet so they stay organized and confidential.

- **Checking and savings accounts** — statements and cancelled checks
- **Investments** — statements for IRAs, money market accounts, CDs, etc.
- **Tax returns** — state and federal returns, with supporting documentation, for seven years
- **Loan documents** — auto loans, student loans, etc.
- **Insurance statement** — medical, dental, renters, car, life, and disability insurance policies
- **Paid bills** — phone (local, long distance, and mobile), Internet access, cable TV, etc.

For more information, please visit consumerfinance.gov.

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**THE UNIVERSITY OF
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HEALTH SCIENCE CENTER
STUDENT AFFAIRS AND
ENROLLMENT SERVICES