



Segal AmeriCorps Education Award

<https://www.nationalservice.gov/programs/ameri-corps/segal-ameri-corps-education-award>

Segal AmeriCorps Education Awards -- named after Eli Segal, one of the pioneers of the national service movement and the first CEO of AmeriCorps -- are a post-service benefit received by AmeriCorps members, including those supported through AmeriCorps VISTA and AmeriCorps NCCC. Upon successful completion of a term of service, members are eligible to receive a Segal AmeriCorps Education Award, which may be used only to pay college costs or to repay student loans. Members may earn up to two awards and have seven years to use this benefit. Since the inception of AmeriCorps in 1994, more than 800,000 alumni have earned more than \$2.4 billion in education awards.

The award, which was designed to encourage AmeriCorps alumni to seek postsecondary education opportunities, serves as a powerful recruitment tool for individuals to join AmeriCorps. Studies show that AmeriCorps alumni, with their commitment to service, also make excellent students. A growing number of higher education institutions, in order to encourage AmeriCorps alumni to enroll in their institutions, are "matching" the education award with scholarships and / or academic credits.

Amount, Eligibility, and Limitations

Beginning with terms of service that were supported with 2010 funds, the amount of a full-time education award is equivalent to the maximum value of the Pell Grant for the award year in which the term of service is funded. Prior to this time, the amount of an education award had remained the same since the AmeriCorps program began. As a reference, the amount of a Pell grant for the 2021 fiscal year is \$6,495. Members should check with their program or project sponsor to confirm the amount of the award for which they are eligible.

Because the maximum amount of the Pell Grant can change every year, the amount of a full-time award can change in the future. However, once a member earns an award, the dollar value of that award will not increase. For all programs, award amounts for part-time terms of service vary based upon the length of the required term of service. Payments made from Segal AmeriCorps Education Awards are considered taxable income in the year that AmeriCorps makes the payment to the school or loan holder. A member serving in a full-time term of service is required to complete the service within 12 months.

Eligibility

Anyone who completes a term of service within a 12-month period, in one of the following programs, is eligible to earn an education award.

- AmeriCorps NCCC
- AmeriCorps State and National
- AmeriCorps VISTA*

Award Limitations

There are limitations on the number of terms an individual can serve in each AmeriCorps program, and on the maximum value of education awards one individual can receive.

Current limits on number of terms an individual can serve:

- AmeriCorps State and National- four terms

Although an individual can serve more than two terms, a person cannot earn more than the value of two, full-time education awards.

Each term of service for which an individual earns an education award counts as one term of service in computing the term limitations. This includes terms for which a member earns a full-time, half-time, and any other type part-time or prorated education award. A prorated education award is an award that may be earned when an individual, for reasons beyond his or her control, cannot complete the entire service period. Generally, if a member is released before completing a term of service and does not receive the education award, that term counts as one of the terms served.

Award Transfers

The Serve America Act allows for the transfer of AmeriCorps State and National and Silver Service education awards under certain conditions. The person who earned the award has to have been at least 55 years old when they began the term of service and the person to whom the award is transferred has to be the transferring individual's child, grandchild, or foster child.

To transfer an award, an individual must:

- Have earned an education award in an AmeriCorps State and National or a Silver Scholar term of service;
- Have been at least 55 years of age before beginning the term of service for which the award is attached;
 - Have begun this term of service on or after October 1, 2009;
 - Transfer the award before the original expiration date;
 - Designate all or a portion of the unused award for the transfer; and
- Complete the on-line forms authorizing the transfer, which includes providing information and certifying eligibility to make the transfer.

Taxes

Payments made using the Segal AmeriCorps Education Award are subject to federal tax in the year each payment is made. It is considered taxable income regardless of whether it is used to pay current educational costs or to repay qualified student loans.

Payments made for interest accrued during the term of service are also subject to income taxes in the year the payment is made. Interest payments are made on your behalf for the interest that accrued

during your service term. These payments are made in addition to your education award and are not subtracted from your award balance.

Any amount of the education award used and any interest payments made, may impact your annual income tax responsibility.

- If you use the entire amount of your education award in one calendar year, you must include the entire amount as income on your taxes for that year.
- If you redeem only a portion of your education award in a calendar year, you are responsible for any taxes owed on that portion.
- If you do not use any of your award in a particular year, you do not include any part as income.
 - All interest payments made on your behalf should be included as income in the year the payment was made.

The Trust **DOES NOT** withhold taxes from your education award or interest payments. If your education award and interest payments total more than \$600 in a calendar year, AmeriCorps will send you an IRS Form 1099 to be used in preparing your income tax return. All education award and interest payments made on your behalf are considered taxable, even if they do not total \$600. You can review all of your payments under *Account Statements* on your [My.AmeriCorps.gov](https://my.americorps.gov) account.