

Frequently Asked Questions about the 1098T.

This information is provided for general assistance related to the 1098-T tax form but should not be construed as tax advice.

What is the purpose of the 1098T and how do I use it when filing my taxes?

- NJIT is required to produce the 1098T by IRS regulations if you intend to claim the educational tax benefits outlined in IRS Publication 970.

If I do not file taxes in the United States do I need to do anything with this information?

- This form is only relevant to students who intend to file taxes.
- Students without Social Security Number (SSN) numbers do not need to do anything with regard to this form, it is informational only.

Who is issued a 1098-T?

- Students who meet all criteria below will be issued a 1098T
 - Have made payment for Qualified Tuition and Related Expenses (QTRE) in the calendar year will receive a 1098T and
 - Have a Social Security Number (SSN) recorded in our system
 - Have a valid address on file in Highlander Pipeline as of January 31st of the calendar year.

What is Qualified Tuition and Related Expenses (QTRE)? Aren't all the charges on our eStatement Qualified?

- Unfortunately not. The IRS has a strict definition as to how Qualified is defined. This can be found in IRS Publication 970, but summarized it says "Qualified education expenses are tuition and certain related expenses required for enrollment or attendance"
- The IRS also goes as far as to list specific items that are **NOT** qualified, which include:
 - Insurance
 - Medical expenses (including student health fees)
 - Dorm charges
 - Meal plans
 - Transportation
- Other Non-Qualified charges include but are not limited to:
 - Payment plan fees
 - Late/Penalty fees
 - ID replacement fees
 - Parking fines

So is this why my eStatement total charges for the year were \$60,000, but my QTRE is only \$35,000?

- Yes, that is correct. You pay the entire bill, but only the QTRE portion is eligible for a tax credit. See the sample at the end of this document.

Do I have to send a copy of the 1098-T form to the IRS?

No. You are not required to include the 1098-T form when filing your taxes. The information has been provided electronically to the IRS by NJIT. We recommend that you keep this information for your tax records.

Can you explain what each Box means?

- **Box 1:** Box 1 ("Payments received for qualified tuition and related expenses") of your 1098-T displays the net amount of payments received during the tax year (January - December) that were required as a condition of your enrollment and attendance. To "qualify," payments must relate to an academic period for which fees are due and payable during the tax year, and for which instruction begins no later than March of the following tax year. The amount is calculated by summing the "qualified" portions of registration and course materials fees, less any refunds or reductions of these fees due to enrollment changes.
- **Boxes 2, 3, 9, 10:** are blank because the information is not applicable to NJIT as the filer of your 1098-T.
- **Box 4:** Box 4 ("Adjustments made for a prior year") shows any refunds during the current year for payments of "qualified tuition and related expenses" reported on a 1098-T for a prior tax year. For example, if you paid Winter or Spring 2018 registration fees when due in December 2017, "qualified tuition" for that semester would have been reported on your 1098-T for 2017. If you subsequently received a refund of Winter or Spring 2018 registration fees in January 2018, the amount refunded would be reported in Box 4 for tax year 2018. Refunds may be the result of changing from full-time to part-time study, nonresident to resident classification, or cancellation/withdrawal.
- **Box 5:** Box 5 ("Scholarships or grants") shows the net amount of certain forms of educational assistance that were received or applied to your student account during the tax year (January - December), regardless of the semester for which the funds originally were intended. Note that the amount in Box 5 may include fee payments, like awards, and other credits, as well as checks. Any subsequent adjustments or reductions to educational assistance that occurred in the same tax year are summed into the amount. The net amount is sent to the IRS.
- **Box 6:** Box 6 ("Adjustments to Scholarships or grants for a prior year") shows an amount if "scholarships or grants" that were reported on a 1098-T for a prior year were subsequently adjusted or reduced in the current tax year.
- **Box 7:** Box 7, if checked, indicates that "payments received" in Box 1 include Pre-paid fees. "Pre-paid" fees are those paid during the tax year for a semester beginning in the

first 3 months of the following tax year. At NJIT Winter session or Spring semester registration fees fit into these categories, because fees can be paid in December of one tax year for instruction beginning in January of the following tax year.

- **Box 8:** Box 8, if checked, indicates that you were considered to be "enrolled at least half-time" for one or more semester during the tax year. At NJIT, "at least half-time" means that you were enrolled in 6 or more units for any Spring or Fall semester. In order to claim the Hope Credit, a student must be enrolled at least half-time in a program that leads to a degree, certificate, or other recognized educational credential for at least one academic period beginning during the tax year. Note that a check mark does not guarantee your ability to claim the Hope Credit, as additional eligibility requirements must be met. Please consult with a qualified tax expert on this subject.

What if I have questions about my taxes and if I can use this form or not?

- 1098T is furnished to students based upon the student activity in the student record. NJIT cannot answer questions related to tax preparation. We encourage you to contact your tax preparer.

Sample calculation of Box #1 on 1098T

Tax Year 2018- First year of the IRS 1098-T Tax Change

Semester	Total Charges on NJIT eStatements	QTFE charges for calendar year 2018	QTFE carryover credit from previous year	Charges Billed Cap (QTFE for current year plus carryover credit from previous year)	Payments posted in calendar year 2018	Box #1	QTFE billed Carryover to 2019 tax year
Spring 2019	\$18,000	\$10,000	Not applicable, first year of Federal IRS Tax Changes		\$2,000		
Fall 2018	\$15,000	\$10,000			\$12,000		
Spring 2018	\$5,000	\$0			\$3,000		
2018 Tax Year Totals	\$38,000	\$20,000			\$17,000	\$17,000	\$3,000

QTFE-(Qualified Tuition and Fee Expenses) are tuition and certain related expenses **REQUIRED** for enrollment or attendance that posted to the student account in the calendar year.

Box #1 **CAN NOT** reflect more than the Qualified Tuition and Fee Expenses (QTFE) on the student account for the calendar year

QTFE charged but not paid for in calendar year **WILL BE** used as a carry over credit appearing on the next tax year 1098T

Tax Year 2019- Second year of the IRS 1098-T Tax Change

Semester	Total Charges on NJIT eStatements	QTFE charges for calendar year 2019	QTFE carryover credit from previous year	Charges Billed Cap (QTFE for current year plus carryover credit from previous year)	Payments posted in calendar year 2019	Box #1	QTFE billed Carryover to 2020 tax year
Spring 2020	\$10,000	\$7,500			\$4,000		
Fall 2019	\$7,500	\$5,000			\$8,000		
Spring 2019	\$18,000	\$0			\$10,000		
Fall 2018	\$15,000	\$0			\$3,000		
2019 Tax Year Totals	\$50,500	\$12,500	\$3,000	\$15,500	\$25,000	\$15,500	\$0

QTFE-(Qualified Tuition and Fee Expenses) are tuition and certain related expenses **REQUIRED** for enrollment or attendance that posted to the student account in the calendar year.

Box #1 **CAN NOT** reflect more than the Charges Billed Cap for the calendar year

Payments made in the calendar year that exceed the QTFE Charges Billed Cap **CAN NOT** be carried forward to the next tax year.