

1098-T Information Sheet

This information relating to potential educational credits is being provided to you for use in preparing your tax return for 2018. You can obtain or order *IRS Publication 970, Tax Benefits for Higher Education* and copies of *IRS Form 8863, Education Credits (Hope and Lifetime Learning Credit)*, from an IRS Office near you or download information at www.irs.gov. Due to the complex nature of these tax regulations, we strongly recommend that you contact a tax consultant regarding these tax provisions.

IRS 1098-T Form

Effective for tax year 2018, the 1098-T form reflects transactions posted to your student account for **calendar year 2018 (January 1, 2018 through December 31, 2018)**, which may be relevant to your tax return. This is not a complete summary of all transactions posted to your account since not all transactions are relevant to the tax credit.

Box 1: Amounts paid for qualified tuition and related expenses

Box 1 on the 1098-T shows the total payments received by Southwestern University in 2018 from any source for qualified tuition and related expenses, less any reimbursements or refunds made during 2018 that relate to those payments received during 2018. Typically qualified tuition and related expenses must be paid to the institution for enrollment purposes. They include tuition and mandatory fees such as course related fees (lab fee, music course fee, etc.). They do not include room and board, books, student health insurance, vehicle registration, parking fees, and other similar personal living expenses.

This box will include payments made for tuition and only mandatory fees for the following academic terms: Spring 2018, Summer 2018, Fall 2018, and Spring 2019 if received by Southwestern University from January 1, 2018 through December 31, 2018. The calendar IRS reporting year for 1098-T purposes does not coincide with Southwestern's academic year; thus, payments reported in Box 1 of the 1098-T may not coincide with the 2018 terms. For example, since Southwestern bills for the Spring term in November each year, any payments received on or before Dec. 31, 2017 for the Spring 2018 term will not be included on the 2018 1098-T. However your 2018 1098-T will include any Spring 2019 payments received on or before Dec. 31, 2018. **Please also be aware that your actual total student account payments may be greater than the amount reported in Box 1, since payments for expenses that are NOT considered qualified tuition and related expenses (such as room, board, insurance, parking) are not reported.**

Box 2: Amounts billed for qualified tuition and related expenses

Box 2 is no longer reported due to the IRS 1098-T reporting changes starting with calendar year 2018.

Box 5: Scholarships or Grants

Box 5 on the 1098-T shows the total of all scholarships or grants administered and processed by Southwestern University. The amount of scholarships or grants for the calendar year (including those not reported by Southwestern) may reduce the amount of any allowable tuition and fees deduction or the education credit you may claim for the year.

Box 5 may include scholarships and grants posted to the student's account for the following terms: Spring 2018, Summer 2018, and Fall 2018. Tuition waivers (if applicable) are not included in Box 5. The calendar IRS reporting year for 1098-T purposes does not coincide with the Southwestern academic year. Consequently, scholarship and grant amounts reported in Box 5 of the 1098-T may not coincide with semester statements that you previously received.

Because federal and state regulations dictate the timing of some financial aid disbursements, your 1098-T will typically include scholarships and grants for Spring 2018 (if applicable), but will exclude financial aid for Spring 2019 (if applicable) depending on when the funds were received. Thus, the reporting of information on the 1098-T differs for tuition and fees (Box 2) versus scholarships and grants (Box 5) due to timing differences in recognizing transactions on the system.

Note: This is typical for many private institutions.

Other Information and Contacts:

In addition, there may be other relevant transactions that are not reflected on your student account; therefore, they will not be reflected on this 1098-T. For example, if you received a non-taxable third-party scholarship or grant, and deposited those funds directly into your bank account, the transaction is not reflected on the 1098-T. Nevertheless, you will need to consider such transactions in your calculations.

This document is not intended as tax advice, but merely to provide information to assist you in preparing your tax return. While Southwestern staff will not be able to answer specific tax questions, we are available to answer questions you may have regarding transactions between you and Southwestern University during the reporting period. Please direct any questions regarding transactions to the Student Accounts during normal business hours: Judy Offield at (512) 863-1927 or Susan Moore at (512) 863-1928. We hope this information is helpful to you.