

Explanation of IRS Form 1098-T

The IRS Form 1098-T is provided, as required by the IRS, to provide information that may assist you in completing your individual tax return. **The information listed on IRS Form 1098-T may be different than the amount you actually paid towards Qualified Tuition and Related Expenses (hereafter known as QTRE). We strongly recommend seeking professional assistance when claiming an education tax credit.** Regardless of the information provided on the 1098-T, if you choose to claim an education tax credit, you should always keep documentation such as invoices and receipt of payment that supports any claimed tax credit even if you report only what is on IRS Form 1098-T.

- The IRS Form 1098-T is an information form filed with the Internal Revenue Service.
- The IRS Form 1098-T that you receive reports amounts paid for qualified tuition and related expenses, as well as other related information
- You, or the person who may claim you as a dependent, may be able to claim an education tax credit on IRS Form 1040 for the qualified tuition and related expenses that were actually paid during the calendar year.
- **We are not allowed to discuss tax implications, how this form may relate to you, or give tax advice. Please consult your tax preparer with all questions related to this document. Some helpful links to the IRS at the bottom of this page may provide you with more information related to how form 1098-T may affect you.**

Amounts Paid for Qualified Tuition and Related Expenses

BOX 1 of IRS Form 1098-T reports the qualified tuition and related expenses **paid** during the calendar year. For purposes of IRS Form 1098-T, Bentley University has determined based on interpretation of the limited IRS guidance provided that the following charges are included or not in qualified tuition and related expenses. *Please note, IRS Publication 970 states that "the amount on form 1098-T might be different from the amount you actually paid and are deemed to have paid." Further IRS Form 8863 instructions state that "The amount of qualified Tuition and related expenses reported on Form 1098-T may not reflect the total amount of the qualified tuition and related expenses paid during the year for which you may claim the tax credit. You may include qualified tuition and related expenses that are not reported on IRS Form 1098-T when claiming one of the related credits if you can substantiate payment of these expenses."*

Qualified Tuition and Related Expenses INCLUDED

- Resident and Non-Resident Tuition
- Program Specific Charges
- Required Course Fees
- Student Activity Fee
- International Fee
- New Student Fee

Charges not considered Qualified Tuition and Related expenses and therefore NOT INCLUDED

- Housing & Meal Plan related charges
 - Health Insurance
 - Late Fees
 - Library Fines
 - Parking Permit or Citations
 - Other Non-Mandatory Fees
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Please note that the timing of each charge and payment/scholarship are important regarding which calendar year they are reported in. At times, charges may be posted in one calendar year, and payments in another calendar year which will impact how the data is reported on the 1098-T. Additionally, if the sum of charges in a calendar year is greater than the sum of payments in a calendar year, that difference is carried forward and included as part of the QTRE sum for the following calendar year.

Adjustments Made for a Prior Year

BOX 4 of IRS Form 1098-T reports adjustments made to qualified tuition and related expenses calculated in a prior year. The amount reported in Box 4 represents a reduction in tuition billed during a prior calendar year. For example, if you were billed in Nov/Dec 2023 and later had a reduction in the QTRE charges in 2024 (i.e. withdrawal, courses dropped), Box 4 reports the decrease in billed tuition due to the withdrawal or drop. The amount reported in BOX 4 reports the decrease in QTRE from the withdrawal or drop of courses that reduced the QTRE. The amount reported in Box 4 for adjustments to qualified tuition and related expenses may reduce any allowable education credit you may claim for the prior year. See your tax advisor and/or IRS Form 8863/IRS Publication 970 for more information.

Note: It is possible for the other boxes to be empty and only have a number in BOX 4. This means as stated above that there was a reduction in qualified tuition and related expenses calculated on the 2024 1098-T that was reduced after December 31, 2023 but had no other reportable activity for the 2023 calendar year. Please consult a tax advisor and/or IRS Form 8863 and IRS Publication 970 for assistance.

Scholarships and/or Grants

BOX 5 of IRS Form 1098-T reports the total of scholarships or grants administered or processed by the Student Financial Services Office during the calendar year.

Please note that the timing of each charge and scholarship are important regarding which year they are reported in. Many students have charges from Nov/Dec of 2023. Because in 2023 many students had payments larger than their QTRE, the BOX 1 amount for the spring 2024 term may have been included in the 2023 1098-T. Also, in many of those same circumstances the student also received scholarships and grants for spring 2024 that did not post until January 2024. This may cause the 2024 1098-T to have zero in BOX 1 but BOX 5 would be populated. Please consult a tax preparer regarding what this means to your individual tax situation.

The amount reported in BOX 5 does not include:

- Tuition waivers provided during the calendar year
- Student Loans
- Work Study
- Employment
- Scholarships, grants, reimbursements or other types of sponsorships not administered by the Student Financial Services Office

Per IRS instruction, Veteran's Education Benefit amounts received are included in BOX 5.

Adjustments to Scholarships or Grants For a Prior Year

BOX 6 of IRS Form 1098-T reports adjustments made to scholarships or grants reported on a prior year Form 1098-T that was in BOX 5. The amount reported in BOX 6 represents a reduction in scholarships or grants reported for a prior calendar year. The amount reported in BOX 6 for adjustments to scholarships or grants may affect the amount of the education credit you may claim for the prior year. See IRS Form 8863 for how to report these amounts.

Additional Information Reported

BOX 7 indicates, if checked, that BOX 1 includes amounts for an academic period beginning in the next year (2025). For example, if you registered and paid for the upcoming spring semester during November or December, this box will be marked.

BOX 8 shows whether you are considered to be at least one-half of the normal full-time workload for at least one academic period during the calendar year.

BOX 9 shows whether you are considered to be enrolled in a program leading to a graduate level degree, certificate, or other recognized education credential.

Additionally, the links below may be helpful in understanding the instructions, purpose, and applicability of the 1098-T for your individual tax situation. **All information that Bentley University can provide you is either on the 1098-T form or is included on this webpage. We are not allowed to discuss tax implications, how this form may relate to you, or give tax advice. Please consult your tax preparer with all questions related to this document. Some helpful links to the IRS at the bottom of this page may provide you more information related to how form 1098-T may affect you. Please seek guidance from a tax professional.**

www.irs.gov/individuals/students

www.irs.gov/taxtopics/tc421

www.irs.gov/individuals/international-taxpayers/foreign-students-and-scholars

www.irs.gov/newsroom/tax-benefits-for-education-information-center

www.irs.gov/forms-pubs/about-publication-970