1098-T Frequently Asked Questions

PLEASE TAKE NOTE! The Finance Department is required to issue 1098-T statements to certain students in accordance with IRS Code. The 1098-T statement is for informational purposes only and should be used in coordination and conjunction with other taxpayer documentation. The Finance Department cannot provide advice to students (or parents) regarding the tax implications of education expenses.

Q: What is the IRS Form 1098-T?
A: The Form 1098-T is a statement that colleges and universities are required to issue under Internal Revenue Code Section 6050S to students who have reportable transactions within a calendar year. Students use the information contained in the 1098-T Tuition Statements to determine eligibility for certain Education Credits (i.e., American Opportunity and Lifetime Learning) when preparing their annual tax return. Please note that when claiming tax credits or deductions, the taxpayer's (i.e., student's) financial records serve as the official supporting documentation for calculating amounts being claimed. The 1098-T is for informational purposes only. There may be additional documentation required in filing your annual tax return. Students are encouraged to consult a qualified tax advisor for specific questions. Additional information regarding the Form 1098-T can be located at https://www.irs.gov/forms-pubs/about-form-1098-t

Q: When will I receive my Form 1098-T?
A: Your calendar year 2025 Form 1098-T will be available to you electronically through the CampusNexus-Student Portal, or mailed via U.S. Postal Service, no later than January 31, 2026.

Q: What is different about the calendar year 2025 Form 1098-T?
A: There are no changes for calendar year 2025, it is the same as 2024.

Q: What is included in Box 1: Payments Received for Qualified Tuition and Related Expenses?
A: Box 1 is the amount of payments received by BSMCON/SOMI/SCHS for Qualified Tuition and Related Expenses ("QTRE") from ***all*** sources during the calendar year 2025. The amount reported is the total amount of payments received less any refunds (or stipends) made during the calendar year. Box 1 includes payments received in calendar year 2025 for a semester that began in a prior year (i.e., Fall 2024). Box 1 also includes payments received during calendar year 2025 for a semester that begins in the first three months of the following calendar year (i.e., Spring 2026). When payment is received in calendar year 2025 for the Spring 2026 term, Box 7 is checked. Student ledger cards are the best source of information related to particular transaction dates and the semesters they apply to. Please note that Box 1 represents the payments received and processed by BSMCON/SOMI/SCHS only.

Q: What is QTRE?
A: Qualified Tuition and Related Expenses ("QTRE") include tuition, fees, and course materials required for a student to be enrolled at or attend an eligible educational institution. Tuition and Educational Service Fees are easy. Other items included in QTRE are Books (if charged to the ledger card), Laptop Bundles (if required and charged to the ledger card), Uniforms, and Supplies (when required and applicable). For SOMI students, Health Assessment, Marker, and Clover Learning Fees are included in QTRE if charged separately to the ledger card. Items that are not included in QTRE are travel expenses for tuition abroad (course fees are included), Continuing Education courses, Application Fees, etc.

Q: What is included in Box 5: Scholarships and Grants?
A: Box 5, listed as "Scholarships or Grants", is the amount of Scholarships and Grants that were processed by BSMCON/SOMI/SCHS during calendar year 2025 for the student's Cost of Attendance ("COA"). Note that while Box 5 includes Federal Pell Grants, Federal Supplemental Educational Opportunity Grants ("FSEOG"), internal and external Scholarships processed by BSMCON/SOMI/SCHS, it also generally includes all *Third-Party Payor* payments including, but not limited to Ed Assist, Department of Veteran Affairs, **and BSMH Guild Tuition Benefits**. Please note that VA529 benefits are *not* included in Box 5.

Q: Why is Box 5 Greater than Box 1?
A: It is possible for Box 5 to be greater than Box 1. While rare, this may be caused by Grant, Scholarship or Third-Party payments received in calendar year 2024 being greater than the amount of QTRE assessed.

Q: Why aren't my VA529 benefits included in Box 5?
A: While VA529 Plan payments are included in Box 1 as payment for QTRE, VA529 Plan distributions are *not* included in Box 5. Students should receive a Form 1099-Q for VA529 funds.

Q: What is Box 6: Adjustments made for a prior year?
A: Box 6 will indicate the amount (if any) of any Scholarship, Grant, and when applicable, Third-Party Payor reductions in the current calendar year (2025) for Financial Aid that was disbursed in the prior calendar year (2024).

Q: Why is Box 7 Checked?
A: Box 7 is checked when a payment for QTRE is received during calendar year 2025 for a semester that begins in the first three months of the following calendar year (2026). For example, if payment is received during December 2025 for the upcoming Spring 2026 semester, the payment is included in Box 1 and Box 7 is checked to indicate it is for an academic period that begins in January 2026.

Q: What is Box 8?
A: Box 8 is checked if the student was enrolled at least Half Time (6 credit hours or more) during *any* academic period that began in calendar year 2025. For example, a student takes 9 credits in Spring 2025 and 3 credits in Fall 2025, Box 8 is checked because the student was enrolled at least Half Time during an academic period (i.e., semester) that began in 2025.

Q: Why didn't I receive a Form 1098-T?
A: BSMCON/SOMI/SCHS is not required to issue a Form 1098-T for payments for courses for which no academic credit is offered (i.e., Continuing Education courses), enrolled students who are nonresident aliens (unless requested by the student) and students whose QTRE are entirely paid with Grants and Scholarships (in Box 5). **Students that receive Grants and Scholarships (including employer paid Tuition Benefits such as BSMH Guild Tuition Benefits) that cover *all* QTRE will *not* receive a Form 1098-T.**

In addition, new students who begin enrollment with BSMCON/SOMI/SCHS during the Spring 2026 semester will *not* receive a Form 1098-T until calendar year 2026, even if payment of QTRE is received in December 2025, in accordance with federal regulations.

Q: How does participation in the BSMH Guild Tuition Benefits program affect the Form 1098-T?
A: Box 5: Scholarships and Grants, also include funds received by BSMCON/SOMI/SCHS from Third-Party Payors. As such, Box 5 includes *all* employer provided tuition benefits (regardless of taxability), such as the BSMH Guild Tuition Benefit. BSMCON/SOMI/SCHS does not determine whether your BSMH Guild Tuition Benefit funds are being taxed by your employer (Bon Secours Mercy Health). Students are encouraged to seek expert tax advice when preparing their annual tax return and inquire about such instances.

Q: How do I calculate the amount of my Education Tax Credit?
A: Your Finance team is *not* able to provide individual tax advice. Students are encouraged to seek expert tax advice if needed. Additional Education Credit information can be found in IRS Publication 970: Tax Benefits for Education at https://www.irs.gov/forms-pubs/about-publication-970

Q: Does BSMCON/SOMI/SCHS provide a copy of the Form 1098-T to the IRS?
A: Yes. Section 6050S of the Internal Revenue Code, as enacted by the Taxpayer Relief Act of 1997, requires institutions to file information returns to assist taxpayers and the IRS in determining eligibility for the American Opportunity and Lifetime Learning education tax credits.

Q: I have more questions, who do I contact?
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