

FREQUENTLY ASKED QUESTIONS ABOUT THE 1098-T REPORTING CHANGE

What is the change?

Until recently, the Internal Revenue Service (IRS) permitted colleges and universities to choose between two methods of reporting Qualified Tuition and Related Expenses (QTREs) to students on the Form 1098-T. Like most universities, Winthrop University chose to report QTREs in Box 2 (charges billed for QTREs), rather than box 1 (payments received for QTREs).

Why did you change it for Tax Year 2018?

Legislation requires colleges and universities to convert, no later than tax year ending December 31, 2018, to reporting payments received for QTREs in Box 1 of the 1098-T, rather than reporting the amount billed in Box 2.

See the amendments to Internal Revenue Code section 6050S under the Protecting Americans from Tax Hikes Act of 2015. Specifically, Section 212(b) of PATH amends section 6050S(b)(2)(B)(i) to *eliminate the option* for eligible institutions to report aggregate qualified tuition and related expenses billed for the calendar year.

I know I paid more than this. Why is Box 1 showing an amount less than what I paid in tax year 2018? Universities and Colleges are required to report payments made UP TO the amount of QTRE the student was charged for tax year 2018. Payments made for non-QTRE charges are not reported (Room and Board, parking registration, activity fees, health services, etc.)

Why is Box 5 greater than Box 1? Do I have to pay taxes on the difference?

Box 5 will report all scholarships/grant payments that posted to the student's account in tax year 2018 regardless of what the funds were used for. Box 1 will report **all** payments (including scholarships/grants) that posted to the student's account, **up to** the amount of QTRE.

The difference may or may not be depending on the source of funds. Please refer to IRS Publication 970 which has a discussion of the topic.

If I pay for charges for academic term Spring 2019 in November or December of 2018, where will my payments be reported?

Winthrop is required to report payments in the calendar year in which they were received, therefore, payments made in November or December 2018 will be reported on the 2018 1098-T form.

What about payments mailed in during the Winter break between December 22, 2018-January 1, 2019?

Winthrop will make every attempt to receive and post any payments made in 2018 in the same year. Staff members from the Winthrop Cashiers Office will be coming in on December 31, 2018, to receive and post payments to the students' accounts. Payments made received after December 31, 2018 will be posted in 2019 and reported on the 2019 1098-T form.

Where can I get a listing of payments made to Winthrop?

Students may view all charges and payments made to the student account via WINGSPAN under the Account Summary and Payments link. Authorized Users can log in at www.winthrop.edu/cashiers/ by clicking on the Make a Payment button. Once in the student account, click on My Account to view detailed charges and payments.