

Understanding Box 1 of the 1098T

Many students and their family members are confused by amount shown in Box 1 of Form 1098T, as it may be less than the amount they have actually paid to Lehigh.

Here are a few basics to keep in mind:

- Calculations take into consideration the date on which charges and payments are posted in the Student Information System (aka Banner) and use this date to determine the tax year. You can see the date of your transactions under [Account Information in Banner Self Service](#), or by viewing your account activity or billing statements on the [eBill Suite](#).
- While most of the charges on a student account are classified as Qualified Tuition and Related Expenses (QTRE), some are not. Per [IRS Form 8863 Instructions](#), qualified education expenses **do not** include personal expenses such as room and board, insurance, medical expenses, transportation, or similar personal, living or family expenses.
- The title in Box 1 on form 1098T is “Payments received for qualified tuition and related expenses.” Because payments you make to Lehigh may be applied toward both QTRE and non-QTRE charges, the amount in Box 1 may be less than your total payments.
- Lehigh attempts to bill Spring charges in December of each year. Payment is due the first business day of January. You may choose to make your payment in December or January, but this decision impacts the tax year in which the payment will be recorded.

Below are two overly simplified examples of charges, payments, and their effect on the 1098T. The examples are for a typical Lehigh undergraduate who completes their degree in 4 years and resides on campus for the first two years. Please note that amounts and dates shown are for demonstration purposes only.



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Example 1: Spring charges paid in December

Academic Yr	Semester	Billed	Tuition and Fees	Housing and Meals	Total Billed	Paid
First Year	Fall '18	15-Jul-2018	28,000.00	6,000.00	34,000.00	1-Aug-2018
First Year	Spring '19	15-Dec-2018	28,000.00	6,000.00	34,000.00	31-Dec-2018
Sophomore	Fall '19	15-Jul-2019	28,000.00	6,000.00	34,000.00	1-Aug-2019
Sophomore	Spring '20	15-Dec-2019	28,000.00	6,000.00	34,000.00	31-Dec-2019
Junior	Fall '20	15-Jul-2020	28,000.00		28,000.00	1-Aug-2020
Junior	Spring '21	15-Dec-2020	28,000.00		28,000.00	31-Dec-2020
Senior	Fall '21	15-Jul-2021	28,000.00		28,000.00	1-Aug-2021
Senior	Spring '22	15-Dec-2021	28,000.00		28,000.00	31-Dec-2021

Tax year	Current year QTRE	QTRE carried	QTRE available	Payments received	Box 1	QTRE to carry forward
2018	56,000.00	-	56,000.00	68,000.00	56,000.00	-
2019	56,000.00	-	56,000.00	68,000.00	56,000.00	-
2020	56,000.00	-	56,000.00	56,000.00	56,000.00	-
2021	56,000.00	-	56,000.00	56,000.00	56,000.00	-
2022	-	-	-	-	-	-

In this example, payments for Spring were paid in December of each year (charges and payments in the same tax year). During the first two years of 1098T statements, Box 1 is less than the total payments received because a portion of the payments were allocated to housing and meals. For the Junior and Senior Year, payments and QTRE match, so Box 1 shows the total payments made. This student receives a 1098T for the year they graduate since they were enrolled for the Spring term, but there were no payments in that final tax year.

Example 2: Spring charges paid in January

Academic Yr	Semester	Billed	Tuition and Fees	Housing and Meals	Total Billed	Paid
First Year	Fall '18	15-Jul-2018	28,000.00	6,000.00	34,000.00	1-Aug-2018
First Year	Spring '19	15-Dec-2018	28,000.00	6,000.00	34,000.00	1-Jan-2019
Sophomore	Fall '19	15-Jul-2019	28,000.00	6,000.00	34,000.00	1-Aug-2019
Sophomore	Spring '20	15-Dec-2019	28,000.00	6,000.00	34,000.00	1-Jan-2020
Junior	Fall '20	15-Jul-2020	28,000.00		28,000.00	1-Aug-2020
Junior	Spring '21	15-Dec-2020	28,000.00		28,000.00	1-Jan-2021
Senior	Fall '21	15-Jul-2021	28,000.00		28,000.00	1-Aug-2021
Senior	Spring '22	15-Dec-2021	28,000.00		28,000.00	1-Jan-2022

Tax Year	Current year QTRE	QTRE carried	QTRE available	Payments received	Box 1	QTRE to carry forward
2018	56,000.00	-	56,000.00	34,000.00	34,000.00	22,000.00
2019	56,000.00	22,000.00	78,000.00	68,000.00	68,000.00	10,000.00
2020	56,000.00	10,000.00	66,000.00	62,000.00	62,000.00	4,000.00
2021	56,000.00	4,000.00	60,000.00	56,000.00	56,000.00	4,000.00
2022	-	4,000.00	4,000.00	28,000.00	4,000.00	-

In this example, payments for Spring were made in January (Spring charges and payments in different tax years). Initially, the QTRE available for each tax year is higher than payments, so Box 1 shows total payments. However, over time, the QTRE is exhausted. This student receives a 1098T for the year they graduate since they were enrolled for the Spring term. However, Box 1 may be significantly less than the payments received that year. In some cases, Box 1 may be \$0 for the final year.

The above examples are intended to demonstrate how the timing of the payments can impact Box 1 of the 1098T. If Lehigh receives your spring payment in December some years and in January other years, or if you use a payment plan where a portion of the Spring charges are paid In December and the remainder in the next tax year, your results will be different. But the basic premise that Box 1 cannot exceed QTRE available for a given tax year remains the same.

Please note that the official 1098T form provides the basic information that Lehigh is required to share with the IRS. However, the [1098T section of Banner Self Service](#) provides students (as well as Proxies with necessary access) with supplemental information, which may include:

- Detail of Payments Received
- Detail of Adjustments to Prior Payments
- Detail of Charges Billed
- Detail of Adjustments to Prior Charges
- Detail of Scholarships or Grants
- Detail of Adjustments to Prior Scholarships or Grants
- Box 1 Payments Reportable

You can use this supplemental information to verify the calculations for the 1098T.