



Coronavirus Aid, Relief and Economic Security Act (CARES Act) Education and College Students

What does the CARES Act do for education?

This bill allocates \$30.75 billion for grants to provide emergency support to local school systems and higher education institutions to continue to provide educational services to their students and support the on-going functionality of school districts and institutions.

The bill also includes tax relief encouraging employers to implement student loan repayment programs. This provision will exclude up to \$5,250 in qualifying student loan repayments paid by the employer on behalf of the employee from income for income tax purposes.

Additionally, the bill provides for \$100 million to state and local governments, federally-recognized tribes, and non-profits to fund the cost of construction, improvement of acquisition of facilities, and equipment needed to provide broadband in rural areas.

There is also an additional \$25 million to state and local governments, federally-recognized tribes, and nonprofits to fund capital assets, instructional programming, and technical assistance.

What about childcare and early childhood programs during COVID?

The CARES Act offers child care relief to families and frontline workers. It provides \$3.5 billion for child care and an additional \$750 million for Head Start. It also supports child care providers through the crisis, even if providers are forced to close, and ensures that workers in the health care sector, emergency responders, sanitation workers, and other essential workers have access to child care to enable them to work. It also ensures children and families enrolled in Head Start continue receiving services, to the extent possible, and provides funding for summer programming in areas of the country that will be ready to reopen by then.

COLLEGE STUDENTS

I no longer live at home, will I receive a check?

You can't get a payment if someone claims you as a dependent, even if you're an adult. So if your parents claim you on their tax returns, you are not eligible to receive additional funds.

How does the CARES Act address student loans?

All loan and interest payments would be deferred through Sept. 30 without penalty to the borrower for all federally owned student loans.

Some federal loan programs have been paused by the CARES Act and will count toward loan forgiveness programs, such as Public Service Loan Forgiveness (PSLF) and the 20/25-year loan forgiveness at the end of an income-driven repayment plans.

The CARES Act also made the student loan repayment assistance program (LRAP) payments tax-free from March 27, 2020 through December 31, 2020.

Employers can provide up to \$5,250 in tax-free student loan repayment benefits. That means an employer could contribute to loan payments and workers wouldn't have to include that money as income.

Students who drop out of school as a result of the coronavirus wouldn't have that time away from school deducted from their lifetime limits on subsidized loan and Pell Grant eligibility. Those students would also not be asked to pay back any grants or other aid they've already received.

For additional information, please go to: <https://studentaid.gov/announcements-events/coronavirus>

What does the CARES Act do for students on campus?

The CARES Act ensures students do not lose vital financial support as a result of campus closures related to the coronavirus in a few ways. It allows colleges to continue paying students using Federal Work Study even if the student is unable to work during the crisis. It also ensures that any semester that a student is unable to complete as a result of the crisis is not counted against their Pell Grant or subsidized loan eligibility limit. Additionally, students will not be required to repay federal loans taken out the semester that is interrupted by COVID.

What if I am doing a year or semester exchange?

Any American students who are studying at a foreign institution will be able to continue their education during this crisis by taking courses via distance ed or at a partnering U.S. based institution.