

## Learn More, Earn More

Your branch of service, the Department of Defense (DoD) and the Department of Veterans Affairs (VA) recognize the importance of education and offer a variety of programs to help Service members in this area. Some programs are for current Service members, while other benefits can be used after you separate or retire. You can also save or invest in special, tax-advantaged accounts on your own to supplement these benefits.

## Military Education Benefits

### Apprenticeship and Credentialing Programs

United Services Military Apprenticeship Program (USMAP): USMAP provides Active Duty members of the Navy, Marines, Coast Guard, and Army the ability to identify and register for apprenticeships related to their Military Occupation Specialty. Those completing apprenticeship programs receive a Department of Labor Certificate of Completion of Apprenticeship which can benefit them during their time in the military and after separation. Learn more at [https://dodcareerready.usalearning.gov/service\\_members/apprenticeships](https://dodcareerready.usalearning.gov/service_members/apprenticeships).

Credentialing Opportunities On-Line (COOL) Program: The COOL program can help you translate the skills you develop while serving to more than 1,600 nationally recognized licenses, certifications and credentials. Learn more at <https://www.cool.osd.mil>.

### Tuition Assistance

Tuition Assistance (TA) is primarily intended to raise the academic degree level of the force by providing financial assistance to Active Duty, National Guard and Reserve members pursuing education goals during off-duty periods.

The courses must be offered by schools that are recognized by the U.S. Department of Education and are signatories to the current DoD Voluntary Education Partnership Memorandum of Understanding (DOD MOU). Each service maintains a TA program and sets specific eligibility criteria.

TA cannot be used for coursework funded by another federal source (VA education benefits, ROTC scholarships, education-related incentives or bonuses). Federal student aid, loans, grants, and work-study programs will not be considered a duplication of benefit.

### Eligible Programs

- Accredited online or in-person courses
- High school diploma
- Vocational, technical and certification programs
- Associate's, bachelor's or master's degree

### Limits

The Tuition Assistance program may fund up to:

- \$250 per semester credit hour
- \$4,500 annually

## A Word About Accreditation



Military education benefits are very valuable, so you'll want to be sure to use them in pursuit of high-quality education at accredited institutions.

Accreditation means an outside organization has conducted an evaluation of a school and determined it meets certain standards for providing a quality education.

### Accreditation Impacts Whether:

- Other schools will allow you to transfer credits from that school
- Employers will be impressed by the work you've done
- Licensing boards will accept your education

Not all accreditation is the same. There are two major types: national and regional. It may seem counterintuitive, but regional accreditation is much more valued than national accreditation. You also want to make sure that the school not only has the right accreditation, but that the specific program you're considering is accredited too.

# EDUCATION BENEFITS AND SAVINGS

## GI Bills

GI Bill benefits are paid by the Department of Veterans Affairs (VA) to help qualifying Service members, Veterans and their family members cover some or all of the costs for school or training. There are two GI Bills: the Post-9/11 GI Bill and the Montgomery GI Bill (MGIB). MGIB has a program for Active Duty Service members and for members in the Selected Reserve.

	Post-9/11 GI Bill	MGIB-AD	MGIB-SR
Minimum Length of Service	90 days active aggregate service (after 9/10/01) <b>or</b> , 30 days continuous if discharged for service-connected disability <b>or</b> , No minimum service requirement if Purple Heart recipient	2 years continuous enlistment (minimum duty varies by service date, branch, etc.)	6-year commitment
Maximum # of Months of Benefits	36	36	36
How Payments Are Made	<b>Tuition:</b> Paid to school  <b>Housing stipend*:</b> Paid monthly to student  <b>Books &amp; supplies stipend*:</b> Paid to student	Set monthly amount paid to student regardless of actual costs	Set monthly amount paid to student regardless of actual costs
Duration of Benefits	No expiration for those leaving the service on or after January 1, 2013	Generally, 10 years from last day of Active Duty	Ends the day you leave Selected Reserve
Transferability	To qualified dependents*	Not transferable	Not transferable
All three GI Bills can be used for the following educational programs			
Eligible Education Programs	✓ Degree Training ✓ Non-college Degree Training ✓ Apprenticeship Training ✓ Flight Training	✓ Correspondence Courses ✓ Licensing & Certification ✓ National Testing Programs ✓ Work-study Program	
*Under certain conditions			

## In-State Tuition for Veterans

The difference between the tuition charged at state colleges and universities to residents (in-state) versus nonresidents (out-of-state) can be substantial. Under both the Post-9/11 GI Bill and the Montgomery GI Bill, veterans are entitled to in-state resident tuition rates even if they have not established residency in that state.

## Education Benefits Resources

- Defense Activity for Non-Traditional Education Support (DANTES): <https://www.dantes.doded.mil>
- U.S. Department of Veterans Affairs: <https://www.benefits.va.gov/gibill/>
- Department of Defense Career Ready Portal: <https://dodcareerready.usalearning.gov>

## Saving for College

Looking to save or invest for a child's education? There are several different types of accounts available to parents wanting to save for their child's higher education needs. The key differences to consider include the account's ownership, tax advantages, and annual contribution limits.

### General Investment Accounts

Here, we're not talking about accounts with special education tax breaks — just a regular account held in a parent's or grandparent's name.

#### Advantages

- No contribution limits
- The owners control how the account is invested and used.
- No income or age limitations

#### Disadvantages

- All interest, dividends and gains are taxable.
- These accounts may impact the Expected Family Contribution (EFC) calculation made by a college for financial aid.

### 529 College Savings Plans

This is a tax-advantaged investment account that allows for tax-free withdrawals to pay for qualified expenses like K-12 public, private, and religious school tuition and college education.

#### Advantages

- Qualified withdrawals are exempt from federal and possibly state income taxes.
- Funds can be used for all qualified education expenses, including tuition, certain room and board expenses, fees, supplies and equipment required for enrollment at any accredited school.
- Typically, these have less impact on financial aid eligibility than other types of accounts.
- Large contributions are permitted, and the account owner maintains control of the assets.
- Generally, anyone can contribute, regardless of residency or income.
- Potentially transferable to another family member without a penalty.

#### Disadvantages

- Withdrawals that aren't used to cover qualified expenses are subject to a 10% penalty on earnings, in addition to ordinary federal and state taxes on those earnings.
- There are limited investment options, an uncertain ending value, and the possibility of losses.

Visit [collegesavings.org](https://collegesavings.org) for more information.

### Coverdell Education Savings Accounts

As the name implies, this tax-advantaged account allows for education savings and investing. Only a parent or legal guardian is allowed to open the account and annual contribution and income limits apply.

#### Advantages

- Funds can be used for qualified elementary, secondary or college expenses, including tuition, room and board, books, equipment and supplies.
- Earnings are federal income tax-free when used for qualified expenses.
- Accounts offer a variety of investment options and the flexibility to change the student beneficiary as needed.

#### Disadvantages

- You may lose money depending on how it is invested.
- Gifts are irrevocable and considered assets of the beneficiary.
- No contributions are allowed once the beneficiary reaches age 18, and funds must be used by age 30.
- Taxes and penalties apply if funds are not used for qualified education expenses.
- Families with higher incomes may not qualify.

## **Uniform Transfer to Minors Act (UTMA) and Uniform Gift to Minors Act (UGMA) Custodial Accounts**

A UTMA or UGMA is an account owned by the child but managed by parents, to help save for education and other non-education expenses.

### Advantages

- The parent controls the account until the child is an adult under the state law — generally age 18 or 21.
- The assets in the accounts are not limited to education expenses, but must be used for the child's benefit.

### Disadvantages

- Ownership of the account can't be changed, and the money can't be used for a different child.
- Money owned by children may have a negative effect on financial aid eligibility.

## **Prepaid Tuition Plans**

These plans allow parents, grandparents and others to lock in future tuition benefits at current tuition rates. Participants purchase units of tuition (years, semesters or credits) at current costs for state colleges, then use them to pay for future college costs.

### Advantages

- Anyone can contribute regardless of income.
- With most plans, proceeds may be transferred to another family member.
- Plans are guaranteed by state governments, and as such, are subject to state-specific rules.

### Disadvantages

- They have relatively low yields.
- There is a penalty for early redemption.
- When cashed in, colleges will factor the income into the Expected Family Contribution (EFC) calculation used in determining financial aid.