



February 23, 2016

Seven tax breaks for young adults

WILMINGTON, Del., Feb. 23, 2016 (GLOBE NEWSWIRE) -- The tax-filing season is underway and by now most tax statements have been delivered. Navient, the nation's leading loan management, servicing and asset recovery company, suggests young adults learn about several tax breaks that may benefit them.

"Young adults go through many transitional periods in their lives — attending or graduating college, moving to a new city, going back to school, starting a new job or maybe saving for a first home," says Patricia Nash Christel, vice president, Navient. "They may be eligible for one of several credits or deductions related to these life events."

Tax [credits and tax](#) deductions can help reduce a taxpayer's overall income tax liability.

1. [Saver's Credit](#)

Ninety-four percent of young adults are saving according to [Money Under 35](#), a new study conducted by Navient and the global market research company Ipsos. Twenty-nine percent of them say they are saving for retirement.

And they can earn more savings when it's tax time. Individual filers can claim a credit of up to \$2,000, or \$4,000 for joint filers, for contributing to an Individual Retirement Account, 401(k), or similar qualified retirement savings plan. Individual filers whose adjusted gross income is less than \$30,500, or \$61,000 for joint filers, are eligible for the credit.

2. [American Opportunity Credit](#)

The American Opportunity Tax Credit is a per-student, partially-refundable tax credit. For tax year 2015, students can claim a tax credit of up to \$2,500 for expenses on tuition, fees and educational materials in the first four years of post-secondary education. To receive the maximum credit amount, an individual filer must have modified adjusted gross income of less than \$80,000, or \$160,000 for joint filers.

3. [Lifetime Learning Credit](#)

The Lifetime Learning Credit is a per-taxpayer, non-refundable credit of up to \$2,000 that applies only to expenses for tuition and fees. Students in undergraduate or graduate programs or any continuing education program may be eligible. The credit may be claimed for any year in which qualified tuition and fees are paid. To receive the maximum credit amount, an individual filer must have modified adjusted gross income in 2015 of less than \$52,000, or \$104,000 for joint filers.

4. [Student Loan Interest Deduction](#)

The Student Loan Interest Deduction is an "above-the-line" deduction of up to \$2,500 for interest paid on qualified federal or private education loans. To be eligible for a full or partial deduction, an individual filer's modified gross income must be less than \$80,000, or \$160,000 for joint filers.

Taxpayers should refer to the IRS Form 1098-E or other interest statement received from their loan servicer to help them determine the amount of student loan interest they paid on one or more qualified higher education loans during the year. For borrowers with loans serviced by Navient, filers may securely download their [Form 1098-E](#) from their online account. Navient customers who paid \$600 or more in eligible student loan interest will be sent the statement automatically.

5. [Tuition and Fees Deduction](#)

The Tuition and Fees Deduction is an "above-the-line" deduction of up to \$4,000 for qualified tuition expenses and related fees paid in 2015. In order to receive the maximum deduction, an individual filer must have modified adjusted gross income of less than \$80,000, or \$160,000 for joint filers. Taxpayers may refer to the IRS Form 1098-T provided by their school to help them determine the amount of qualified tuition and related fees they paid during the year.

6. [Job Search Deduction](#)

Taxpayers who looked for a new job in their present occupation may be able to deduct related expenses like printing resumes, postage, and employment agency fees. Filers can deduct those expenses only to the extent that they exceed 2 percent of their adjusted gross income. Also, it's important to note for young adults, this deduction is not available to first-time job seekers.

7. [Moving Expense Deduction](#)

Taxpayers may be able to deduct certain expenses for moving to a new home because of a new job or job relocation.

Some of the tax benefits listed above may not be claimed at the same time. For more information on the education-related tax benefits available for 2015, taxpayers should consult [IRS Publication 970, Tax Benefits for Education](#), or a personal tax adviser.

Navient reminds taxpayers to be aware of tax refund scams. Examples include Internet solicitations asking for Social Security numbers, fake flyers claiming refunds are given without eligibility, and claims for refunds or rebates based on fake statements. The IRS offers [tips](#) to help taxpayers avoid becoming a victim of these scams.

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About Navient

As the nation's leading loan management, servicing and asset recovery company, Navient (Nasdaq:NAVI) helps customers navigate the path to financial success. Servicing more than \$300 billion in student loans, the company supports the educational and economic achievements of more than 12 million Americans. A growing number of public and private sector clients rely on Navient for proven solutions to meet their financial goals. Learn more at [navient.com](#).

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