

**LM Federal Credit Union**

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**Wealth Management &
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Are my student loan payments tax deductible?

Your actual student loan payments aren't deductible, but the interest portion might be, thanks to the student loan interest deduction. In 2025, the maximum deduction is \$2,500. You don't need to itemize to claim this deduction.

To qualify, you must meet a few requirements:

First, the student loan on which you're paying interest must be one that you incurred to pay college expenses when you were at least a half-time student. This requirement excludes part-time adult learners or other nontraditional students.

Second, you must meet income limits. In 2025, to take the full student loan interest deduction, single filers must have a modified adjusted gross income (MAGI) below \$85,000 and joint filers below \$170,000. A partial deduction is available for single filers with a MAGI between \$85,000 and \$100,000 and joint filers with a MAGI between \$170,000 and \$200,000.

Third, if you are claimed as a dependent on someone else's return, you can't take the deduction. If you are a dependent and your parent borrows money to pay for your college tuition, he or she may claim the student loan interest deduction.

You should receive Form 1098-E from your lender showing the total amount of interest you paid for the year. If not, contact your lender or log into your online account to find out how much interest you paid.

For more information on the student loan interest deduction, see IRS Publication 970.

This content has been reviewed by [FINRA](#).

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