

ADVISING FAMILIES THROUGH FAFSA CHANGES THIS FALL

COALITION FOR COLLEGE

OCTOBER 4, 2023



Paul Martin

first-generation college graduate

President of First Generation Alumni of MIT

Member

Florida Association of Student Financial Aid Administrators (FASFFA)

Southern Association of College Admissions Counseling (SACAC)



New FAFSA for 2024-25 application cycle!

**FUTURE ACT
(2019)**

Process changes

**FAFSA SIMPLIFICATION ACT
(2020)**

Eligibility changes

- Increase student applicants through “simplification”
- Increase eligibility for Federal Student Aid
- New terminology: Student Aid Index

New application process

1 Roles based

Separate student & parent paths

2 FSA ID

Now required by every contributor

3 IRS Consent

Requirement for every contributor to provide consent

1

Roles based

Changes

- Student & parent complete separate workflows
- No "single view" of the application
- Multi-factor verification



1

Roles based

Invite Parent(s) to This FAFSA® Form



We Need Information for Your Parent or Stepparent Now

Based on your answers in the previous section, the parent and stepparent you identified will need to contribute to your FAFSA® form. This does not make them financially responsible for your education. Right now, you can invite your parent and/or stepparent to your form and have them complete their required sections.

Enter information about the parent(s) identified on the prior page, and we'll send emails on your behalf.

Provide the parent's full legal name as it appears on their Social Security card. The email does not have to be the same as their account username and password (FSA ID).



Parent

First Name

Last Name

Date of Birth

Month Day Year

Social Security Number (SSN)

 Hide

My parent doesn't have an SSN.

Email Address

Confirm Email Address



Parent Spouse or Partner

optional

First Name

Last Name

Date of Birth

Month Day Year

Social Security Number (SSN)

 Hide

My parent doesn't have an SSN.

Email Address

Confirm Email Address

1

Roles based

My Activity

Raya Tran Wants Your Help on a FAFSA® Form

Raya Tran has identified you as a parent on their *Free Application for Federal Student Aid* (FAFSA®) form.

Parents are required to provide their financial and demographic information on the student's FAFSA form. This does not make you financially responsible for Raya's educational costs or any federal student loans they decide to accept.

[Visit the 2024-25 FAFSA Help Center](#)

Accept Invitation

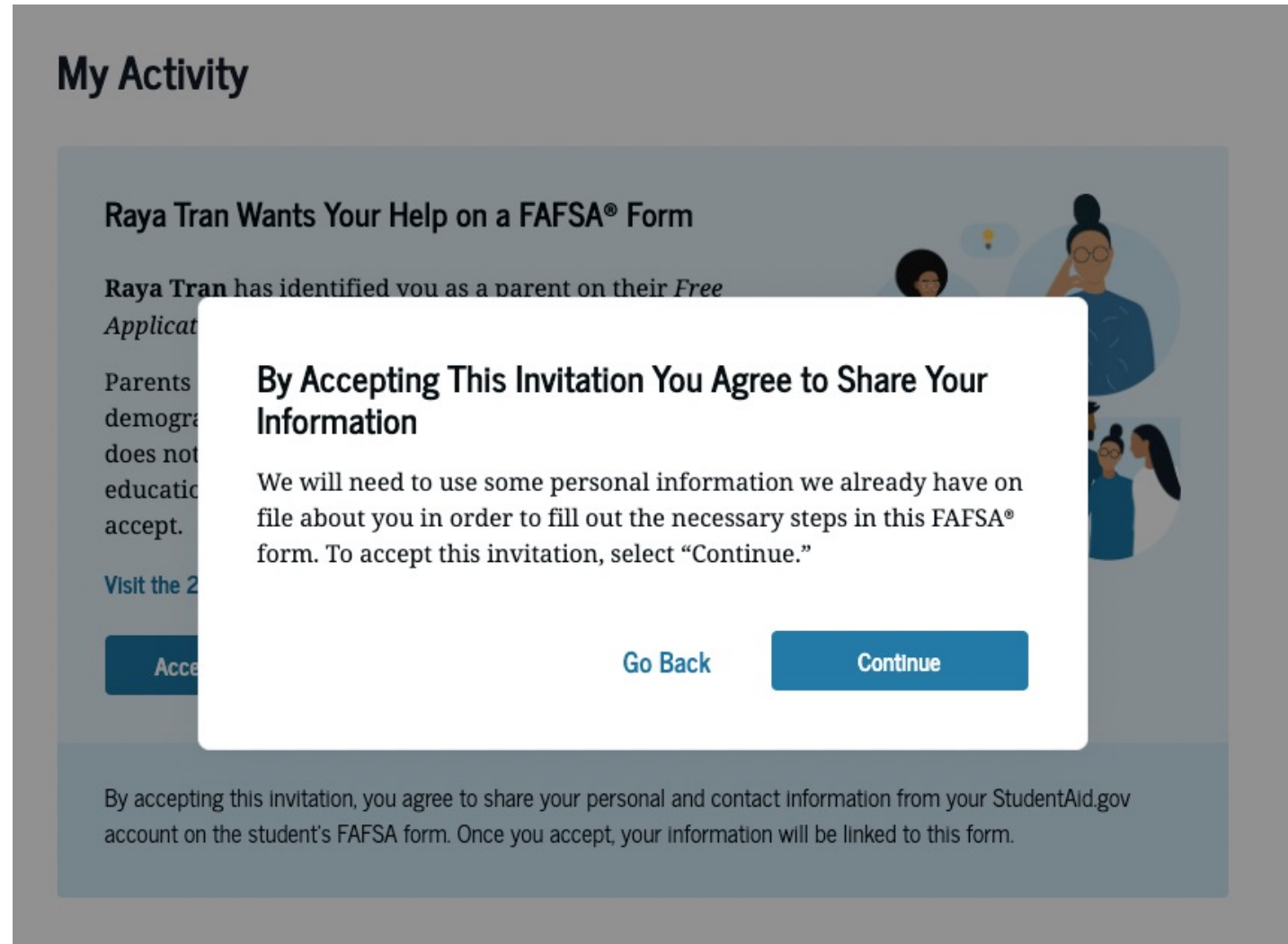
Decline Invitation



By accepting this invitation, you agree to share your personal and contact information from your StudentAid.gov account on the student's FAFSA form. Once you accept, your information will be linked to this form.

1

Roles based



The screenshot shows a web interface titled "My Activity" with a notification from "Raya Tran" requesting help on a FAFSA form. A white pop-up dialog box is centered on the screen, containing the following text:

By Accepting This Invitation You Agree to Share Your Information

We will need to use some personal information we already have on file about you in order to fill out the necessary steps in this FAFSA® form. To accept this invitation, select "Continue."

At the bottom of the dialog box are two buttons: "Go Back" and "Continue".

Below the dialog box, a footer text reads: "By accepting this invitation, you agree to share your personal and contact information from your StudentAid.gov account on the student's FAFSA form. Once you accept, your information will be linked to this form."

1

Roles based

FAFSA® FORM 2024-25 Student Raya Tran FAFSA Menu

You're Almost There!

The Student Section is complete!

Parent Contributors

Requirements for Dependent Students
Your FAFSA form is not complete until your parents complete the contributor section of the form and sign it. Once completed, your FAFSA form will be submitted for processing.

Parent Contributors	Date Request Sent	Status
Alcina Tran	07/13/2024	<input checked="" type="checkbox"/> Invite Sent Edit
Travis Tran	07/13/2024	<input checked="" type="checkbox"/> Invite Sent Edit

Track and Manage Your FAFSA Application and Your Contributors [View Status](#)

This application has been added to My Activity in your StudentAid.gov account. Go there to:

- Review, edit, or cancel any FAFSA application information.
- Revise your household size, contact your schools.
- Start your state application to apply for state-based financial aid

1

Roles based

Challenges

- Parents no longer control the process
- First-gen and other students no longer own the process
- FAFSA must be completed in 45 days before application expiry
- Ensuring follow-through

2

FSA ID

Changes

- Every contributor must have an FSA ID
- FSA ID is identity-verified

Social Security Number

IRS uses SSN to verify identity

No Social Security Number

Third-party (*TransUnion*) uses "knowledge-based" identity

2

FSA ID

Challenges

- Non-SSN process still not available
- Undocumented parents
- Parents living outside of the U.S.
- Supporting families with the paper FAFSA

3

IRS Consent

Changes

- Every contributor must consent for IRS to share Federal Tax Information (FTI)
- Required regardless of tax-filing status
- Without consent, FAFSA will not be processed



3

IRS Consent

Changes



All income obtained from federal tax forms

- IRS consent transfers all 2022 income & taxes
- For tax filers, no option for manual entry
- FTI will not be displayed on the FAFSA

3

IRS Consent

Changes

If no tax return found, manually enter income & taxes

- Non-tax filers
- Foreign tax filers
- Late tax filers*
- Victims of identity theft
- Recently divorced or separate parents who filed jointly with their ex-spouses in 2022

3

IRS Consent

Provide Consent and Approval or Be Ineligible for Federal Student Aid



Demo Prototype

Selecting “Approve” demonstrates importing Federal Tax Information (FTI).

Selecting “Decline” demonstrates when FTI isn’t imported, tax information must be entered manually, and assumes tax filing status as Single.

Both scenarios make these assumptions:

- Filed U.S. taxes and did not participate in a federal benefits program.
- Must provide information on assets, IRA rollover, and pension rollover.

Summary

Your consent and approval is needed to retrieve and disclose federal tax information (FTI). With your consent and approval, we can obtain tax return information automatically from the IRS to help you complete the FAFSA[®] form. If you don’t provide consent and approval, you will not be eligible for federal student aid, including grants and loans. You must provide consent and approval even if you didn’t file a U.S. federal tax return or any tax return at all.

→ Get your 2022 tax return information for the 2024–25 FAFSA form.

→ Tax return information is required to complete the FAFSA form.

→ FTI is used to determine your eligibility for federal student aid.

3

IRS Consent

Challenges

- Parent or student who does not consent
- Understanding consent \neq tax filing
- Contributors unable to validate FTI shared
- Late tax filing results in unprocessed FAFSA

Advising families

- Early awareness and understanding of the new requirements
- Guidance on early FSA ID creation
- FAFSA completion events with both student and parent
- Importance of early tax filing for FAFSA eligibility

Dependency Status



Student Personal Circumstances

Select all that apply.

- The student is currently serving on active duty in the U.S. armed forces for purposes other than training.
- The student is a veteran of the U.S. armed forces.
- The student has children or other people (excluding their spouse) who live with them and receive more than half of their support from the student now and between July 1, 2024 and June 30, 2025.
- At any time since the student turned 13, they were an orphan (no living biological or adoptive parent).
- At any time since the student turned 13, they were a ward of the court.
- At any time since the student turned 13, they were in foster care.
- The student is or was a legally emancipated minor, as determined by a court in their state of residence.
- The student is or was in a legal guardianship with someone other than their parent or stepparent, as determined by a court in their state of residence.
- None of these apply.

**Unusual
vs.
Special
Circumstances**

Changes

**Unusual
vs.
Special
Circumstances**

Unusual Circumstances = Dependency status

Special Circumstances = Financial situation

Changes

Unusual Circumstances

- Inability to contact the parent or the parent poses a risk
 - Parent incarceration
 - Abandonment or estrangement

Dependent



**Provisional
Independent**

- Submit FAFSA without parent and receive estimated Federal Aid
- Final determination by FAA with documentation

Unusual Circumstances

Changes

FAFSA® FORM 2024–25 Student Raya Tran Save FAFSA Menu

1 Personal Circumstances 2 Demographics 3 Financials 4 Colleges 5 Signature

Student Unusual Circumstances

This information will help us evaluate the student's ability to pay for school.

Do unusual circumstances prevent the student from contacting their parents or would contacting their parents pose a risk to the student?

A person experiencing unusual circumstances may have:

- Left home due to an abusive or threatening environment;
- Been abandoned by or estranged from their parents, and have not been adopted;
- Been granted refugee or asylee status and are separated from their parents, or their parents are displaced in a foreign country;
- Been a victim of human trafficking;
- Been incarcerated, or their parents are incarcerated and contact with them would pose a risk to them; or
- Been otherwise unable to contact or locate their parents, and have not been adopted.

If their circumstances resulted in not having a safe, stable place to live, they may be considered a homeless youth and should review the answer to the previous question about being unaccompanied and homeless.

Yes No

Previous Continue

Divorced/ Separated Parents

Changes

New definition of custodial parent

“the parent who provides the greater portion of the student’s financial support”

- If 50/50, then the parent with the higher income
- Divorced parents who are remarried must include spouse

Divorced/ Separated Parents



Tell Us About the Student's Parents

On the FAFSA[®] form, the "parent" is the student's legal (biological or adoptive) parent.

Are the parents married to each other?

Yes

No

Do the parents live together?

Yes

No

Did one parent provide more financial support than the other parent over the past 12 months?

If both parents provided an exact equal amount of financial support or if they don't support the student financially, select "No," and refer to the parent with the greater income or assets in the next question.

Yes

No

Has the parent you identified in the previous question remarried?

Yes

No



Provide Information for the Parent and Stepparent

Based on your answers in the previous section, you'll need to provide information about the parent and stepparent on the FAFSA[®] form. You can invite the parent and stepparent to the form so they can complete their required sections.

Divorced/ Separated Parents

Invite Parent(s) to This FAFSA® Form



We Need Information for Your Parent or Stepparent Now

Based on your answers in the previous section, the parent and stepparent you identified will need to contribute to your FAFSA® form. This does not make them financially responsible for your education. Right now, you can invite your parent and/or stepparent to your form and have them complete their required sections.

Enter information about the parent(s) identified on the prior page, and we'll send emails on your behalf.

Provide the parent's full legal name as it appears on their Social Security card. The email does not have to be the same as their account username and password (FSA ID).



Parent

First Name

Last Name

Date of Birth

Month Day Year

Social Security Number (SSN)

 Hide

My parent doesn't have an SSN.

Email Address

Confirm Email Address



Parent Spouse or Partner

optional

First Name

Last Name

Date of Birth

Month Day Year

Social Security Number (SSN)

 Hide

My parent doesn't have an SSN.

Email Address

Confirm Email Address

Divorced/ Separated Parents

Challenges

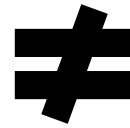
- Helping students determine custodial parent
- Ensuring all contributors participate
- Changes of parent based on new definition

Number in family

Changes

- Family size is determined by dependents claimed on tax returns in prior-prior year.
- Family size is Federal Tax Information and not displayed

Family size on
2022 return



Family size at
application

Number in family



Family Size

Is the parent's family size different from the number of individuals claimed on their 2022 tax return?

Family size includes: The parent (and their spouse), The student, other people, if they now live with the parent and the parent will provide more than half of their support between July 1, 2024, and June 30, 2025. This includes dependent children who meet these criteria, even if they live apart because of college enrollment.

Yes

No

Previous

Continue

Number in family

Demographics

2 Financials

3 Signature

Family Size

Is the parent's family size different from the number of individuals claimed on their 2022 tax return?

Family size includes: The parent (and their spouse), The student, other people, if they now live with the parent and the parent will provide more than half of their support between July 1, 2024, and June 30, 2025. This includes dependent children who meet these criteria, even if they live apart because of college enrollment.

Yes

No



The parent's family size is **3**

Parent: 1 Other Parent: 1 Student: 1 Parent's Children and Other Dependents: 0

Enter the number of children or other dependents who live with the parent and will receive more than half of their support from the parent between July 1, 2024 and June 30, 2025.

Do not include the student applicant.

Number in family

Challenges

- Inability to access or read 2022 tax returns
- Divorced parents who alternate children claimed
- Multi-generational households with relatives not on returns

ADVISING FAMILIES

- Understand what qualifies a student as an independent
- Guidance on how to determine financial support
- Assurance that custodial parent determination is not verified
- Encourage to input number in family to ensure accuracy

SAI & Pell Grant eligibility will be determined by a 3-step process

1 Maximum Pell

Eligibility based on parent income (AGI) as multiple of poverty line & family size

2 Calculated Pell

Pell calculated based on Student Aid Index

3 Minimum Pell

Eligibility based on parent income (AGI) as multiple of poverty line & family size

1

Maximum Pell

Changes

Single		Married	
Family size	AGI \leq 225% of 2022 poverty line	Family size	AGI \leq 175% of 2022 poverty line
2	\$41,198		
3	\$51,818	3	\$40,303
4	\$62,438	4	\$48,563
5	\$73,058	5	\$56,823
6	\$83,678	6	\$65,083
7	\$94,298	7	\$73,343
8	\$104,918	8	\$81,603

1

Maximum Pell

Changes

- Students who meet these criteria receive:
 - **Maximum Pell grant = \$7,395**
 - **Automatic \$0 SAI**
- Depending on full SAI calculation, **SAI could equal -\$1,500**
- Students whose parents are not required to file taxes receive **SAI = -\$1,500**

2

Calculated Pell

Changes

1. Student Aid Index is calculated
2. If Student Aid Index < Maximum Pell, then Calculated Pell

Example:

$$\text{Maximum Pell} - \text{SAI} = \text{Pell Grant}$$

$$\$7,395 - \$2,375 = \$5,020$$

3. If Student Aid Index > Maximum Pell, then opportunity for Minimum Pell (10% of max)

3

Minimum Pell

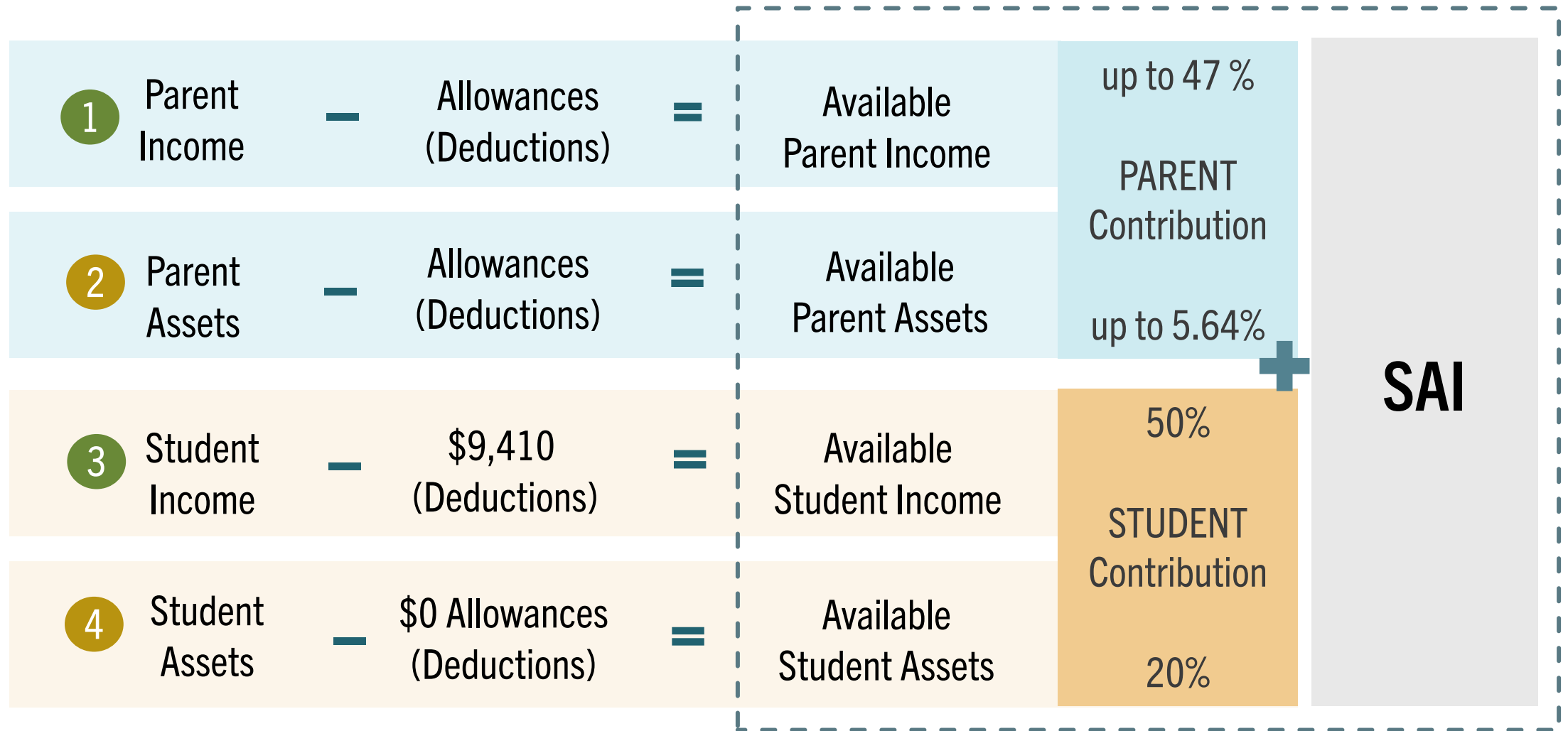
Changes

Single		Married	
Family size	AGI \leq 325% of 2022 poverty line	Family size	AGI \leq 275% of 2022 poverty line
2	\$59,508		
3	\$74,848	3	\$63,333
4	\$90,188	4	\$76,313
5	\$105,528	5	\$89,293
6	\$120,868	6	\$102,273
7	\$136,208	7	\$115,253
8	\$151,548	8	\$128,233

Advising families

- Make Maximum Pell charts available
- Earlier awareness of AGI thresholds for income planning
- Qualification for maximum Pell through appeal (Professional Judgment).
- *FAA may adjust AGI below the threshold.*

Review of the SAI Formula



Parent Income

Changes



All income obtained from federal tax forms

- IRS transfers all 2022 income & taxes
- For tax filers, no option for manual entry

Changes

Parent Income

Untaxed income no longer reported

- Pre-tax contributions to employer retirement plans, e.g., 401k, 403b
- Housing, food, and other living expenses paid to military, clergy, others
- Veterans' non-education benefits
- Workers' compensation
- Disability benefits

Advising families

- Encourage tax filers on the importance of early filing
- Guidance on manual entry for non-tax filers
- Prior-prior year awareness of income planning

Parent Assets

Changes

- **Child support received** now an asset
 - Report child support received in the calendar year prior to application submission
- **Net worth of business or farm of *any size*** reported
- Only student applicant 529 Plans amount reported

Parent Assets

Changes



Annual Child Support Received

Enter the total amount of child support the parent received for the last complete calendar year.

Parent Assets

Current Total of Cash, Savings, and Checking Accounts

Don't include student aid.

Current Net Worth of Investments, Including Real Estate

Don't include the home the parent lives in. Net worth is the value of the investments minus any debts owed against them.

Current Net Worth of Businesses and Investment Farms

Enter the net worth of the parent's businesses or for-profit agricultural operations. Net worth is the value of the businesses or farms minus any debts owed against them.



Previous

Continue

Parent Assets

Changes

Exemption from reporting assets

1. Qualify for maximum Pell Grant
2. AGI < \$60,000 *AND* do not file Schedules A, B, C, D, E, F, H or C (with a gain or loss greater than \$10,000), .
3. Receive means-tested federal benefits

Parent Assets

Changes

Means-tested federal benefits include:

- Earned income tax credit (EITC)
- Federal housing assistance
- Free or reduced-price school lunch
- Medicaid
- Refundable credit for coverage under a qualified health plan (QHP)
- Supplemental Nutrition Assistance Program (SNAP)
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- Special Supplemental Nutrition Program for Women, Infants & Children (WIC)

Parent Assets

Changes

At any time during 2022 or 2023, did the parent or anyone in their family receive benefits from any of the following federal programs?

Select all that apply.

Earned Income Tax Credit (EITC)

Federal Housing Assistance

Free or Reduced Price School Lunch

Medicaid

Refundable Credit for Coverage Under a Qualified Health Plan (QHP)

Supplemental Nutrition Assistance Program (SNAP)

Supplemental Security Income (SSI)

Temporary Assistance for Needy Families (TANF)

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

None of these apply

Parent Assets

Challenges

- Confusion on how to report child support
- Determination of small business net worth
- Most services business do not have a calculated value
- FAFSA guidance to include tangible assets (real estate, equipment, etc...)

Student Income

Changes

- First \$9,410 of income does not impact Student Aid Index
- Exclusion of federal work-study or scholarships
- Untaxed income will no longer be reported
 - Outside gifts from relatives or organizations
 - Eliminates concern about distributions from grandparent 529 Plans

ADVISING FAMILIES

- Calculating child support for the correct time period
- Support on how to report business or farm
- Awareness of new rules for reporting 529 Plans
- Earlier education of AGI thresholds for income planning

Changes

Number in college

Number in college no longer a factor for Student Aid Index

EFC

Overall calculation = \$20,000
 $\$20,000 / 2$ students in college

EFC for each student = \$10,000

SAI

Overall calculation = \$20,000
 ~~$\$20,000 / 2$ students in college~~

SAI for each student = \$20,000

Number in college

Changes

Question remains on the FAFSA

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

FAFSA ▾ Loans & Grants ▾ Repayment ▾ Loan Forgiveness ▾

Search 🔍 Notifications 🔔 Profile Alcina ▾

FAFSA® FORM 2024-25 Parent of Raya Tran

Save | FAFSA Menu ☰

Demographics **2** Financials Signature

Number in College

How many people in the parent's family will be in college between July 1, 2024, and June 30, 2025?

Do not include parent(s).



Previous Continue

Changes

Elimination of “sibling discount”

Example: Married parents with 2 in college

Number in college



Income (AGI)	Assets	 EFC per student	 SAI per student
\$100,000	\$100,000	\$10,290	\$18,905
\$150,000	\$200,000	\$21,279	\$41,521
\$200,000	\$250,000	\$30,709	\$60,873

Changes

Will the CSS Profile SAI be more generous?

Number in college

Example: Married parents with 2 in college

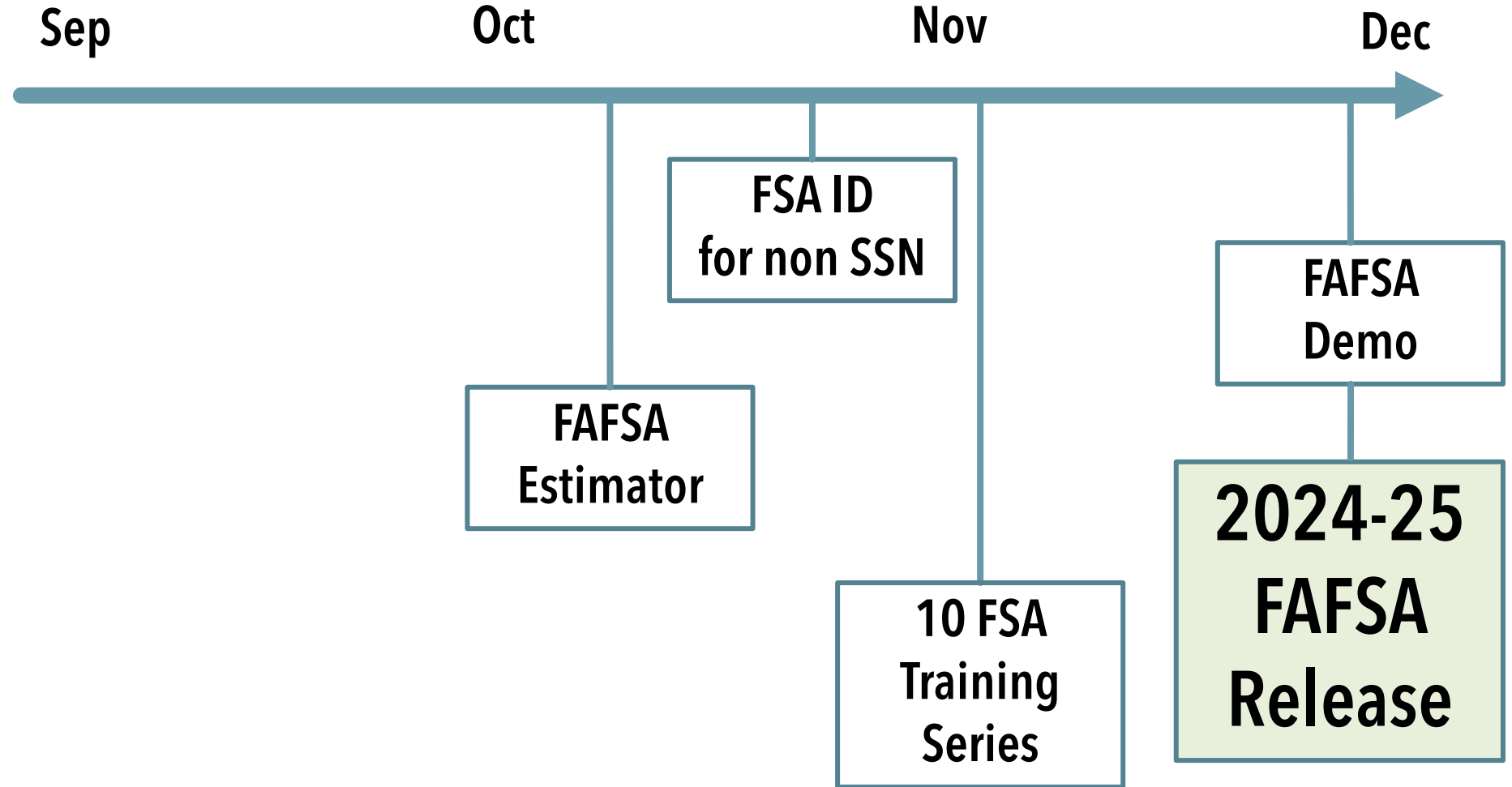
Income (AGI)	Assets	 SAI per student	 SAI per student
		\$100,000	\$100,000
\$150,000	\$200,000	\$41,521	\$14,669
\$200,000	\$250,000	\$60,873	\$24,081

ADVISING FAMILIES




- College selection need families with multiple in college
- Individual college outreach for institutional aid
- Will a college allow for professional judgment for sibling's college expenses

FALL 2023

Timeline



Resources

- www.collegemoneymethod.com/2024-25-student-aid-index-sai-calculator 
- www.collegemoneymethod.com/counselor-resources 
- financialaidtoolkit.ed.gov/tk/announcement-detail.jsp?id=better-fafsa-better-future 
- www.ncan.org/page/better-FAFSA 