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Simplifying the New Consumer Information Requirements





Agenda

- FAFSA Simplification Checklist
- Terminology
- Professional Judgment Requirements
- Cost of Attendance
- Financial Aid Information
- Poverty Guidelines
- Pell Eligibility Guide
- How Pell Eligibility Is Determined
- Resources
- Q & A



FAFSA Simplification Checklist



1. Consumer Information
2. Financial Aid Information
3. Catalogs & Handbooks
4. Update Policies & Procedures
5. Websites

FAFSA Processing Terminology

- *Account Username and Password*
 - *Contributor*

 - *Controlled Unclassified Information/Specified Tax (CUI//SP-TAX)*

 - *FAFSA FTI Approval*

 - *FAFSA Privacy Act Consent*

 - *Student Aid Index (SAI)*
- FSA ID
 - Any individual required to provide consent and approval for federal tax information (FTI) along with their signature on the FAFSA® form
 - National Archives and Records Administration (NARA) classification for federal tax information (FTI) related to returns and return information
 - Formal approval granted by an applicant and any applicable contributors for a given FAFSA cycle for retrieval of Federal Tax information
 - Formal consent provided by an applicant and any applicable contributor(s) to use PII
 - Replaces Expected family Contribution (EFC)

FAFSA Processing Terminology



- *FAFSA Submission Summary*
- *Family Size*
- *Federal Tax Information (FTI)*
- *FPS C Flag*
- *Manually Provided Taxpayer Information*
- *Negative Student Aid Index (Negative SAI)*
- *Primary or Custodial Parent*
- *Provisionally Independent Student*
- Student Aid Report (SAR)
- Household Size
- Return information received directly from the IRS
- Replaces SAR C Flag
- Tax information not pulled directly from IRS
- Negative SAI to -1500
- Divorced or separated parent that provided most support
- Student considered provisionally independent and will allowed to fill out the FAFSA form as an independent student until a final determination is made by the FAA

Packaging Terminology



- *Food and Housing*
- *Other Financial Assistance (OFA)*
- *Packaging Formulas*
- Room and Board
- Estimated Financial Assistance (EFA)
- Need-based formula includes the following new terms:
 - $\text{COA} - \text{SAI} - \text{OFA} = \text{Need}$
- Non-need-based formula now includes the following:
 - $\text{COA} - \text{OFA} = \text{Non-Need Eligibility}$

Federal Pell Grant Program Eligibility



- *Enrollment Intensity*
 - *Maximum Pell Grant Eligibility*

 - Minimum Pell Grant Eligibility

 - *Restoration for Discharge*
- Determines eligibility for less than full time
 - Determined by federal poverty guidelines; the U.S. tax return adjusted gross income (or the equivalent for foreign tax filers); state of legal residence; family size; and tax filing status
 - Determined by federal poverty guidelines, Adjusted Gross Income (or the equivalent for foreign tax filers), state of legal residence, and family size
 - Aid restored under the Lifetime Eligibility Used (LEU) percentage due to loan discharges other claims

Federal Pell Grant Eligibility



- *Special Rule for Pell Grants*
- *Student Aid Index Calculated Pell Grant Eligibility*
- Replaces Iraq and Afghanistan Service Grant (IASG) and Children of Fallen Heroes (CFH) Awards, Eligible students will receive a maximum Pell Grant regardless of their SAI
- Maximum Pell Grant minus the Student Aid Index rounded to the nearest \$5 (not to exceed COA)
- For applicants with a calculated SAI that is greater than the corresponding award year's maximum Pell Grant award or the calculated Pell Grant amount is less than the award year's minimum Pell Grant, the applicant is not eligible for a Pell Grant unless they qualify for a minimum Pell Grant award

Department of Education Systems



- *FAFSA Partner Portal (FPP)*: a student-centered system that replaces FAA Access to CPS Online
- *FAFSA Processing System (FPS)*: replaces the Central Processing System (CPS)
- *Federal Tax Information Module (FTIM)*: a system that receives, stores, uses, and controls individual FTI received from the IRS for federal financial aid eligibility determination.
- *FTI SAIG Mailbox*: the new Student Aid Internet Gateway (SAIG) mailbox specifically designed to securely exchange batch data with Federal Student Aid Application Systems, which includes, among other things, FAFSA data and FTI that are provided to our partners via an ISIR. FTI provided via the SAIG mailbox will be labeled as CUI//SP-TAX

Department of Education Systems



- *FUTURE Act Direct Data Exchange (FA-DDX)*: the system replacing the IRS Data Retrieval Tool (DRT) to transfer an individual's FTI to the Department. FA-DDX allows the Department to request, and the IRS to transfer, FTI to the FTIM system for use in determining a student's federal financial aid eligibility
- *The Cash System G5 becomes G6*

Professional Judgment



- *Special Circumstances*
- *Unusual Circumstances*
- Special or extenuating situations (loss of job)
- Dependency override, based on an unusual situation (e.g., human trafficking or parental abandonment)



PJ Guidelines



- Schools must publish on their website that students may pursue an adjustment based on special or/and unusual circumstances
- Retain all documentation, including documented interviews, related to the adjustment for at least 3 years after the student's last term of enrollment
- Schools are prohibited from maintaining a policy of denying all PJ requests and must consider all requests
 - Must develop policies and procedures for reviewing those requests
 - Explain the timeline for review of PJ requests
 - Respond to all requests, in writing, within the required timeframe

PJ Guidelines



- Unsubsidized eligibility for dependent students without parental info on FAFSA
- Financial aid professional would have to determine that the parent(s) of the student ended support or would not fill out the FAFSA
- PJ during a qualifying emergency to zero out income earned from work with documentation of unemployment
- Dependency override automatically carries forward from prior year
 - Institution must resolve conflicting information

Cost of Attendance



- Expands living on campus living expenses for food and housing
- Living expenses, including food and housing costs student living off campus, a standard allowance for rent or other housing costs
 - Dependent student residing at home with parents, a standard allowance that shall not be zero as determined by the institution
 - Student living in housing located on a military base or for which a basic allowance
 - A standard allowance for food based upon such student's choice of purchasing food on-campus or off-campus (determined respectively in accordance with subparagraph (A) or (B)), but not for housing costs; and
 - All other students, an allowance based on the expenses reasonably incurred by such students for housing and food

Cost of Attendance



- Transportation
 - include transportation between campus, residences, and place of work
- Incarcerated student components consist of - tuition, fees, books, course materials, supplies, equipment, and the cost of obtaining a license, certification, or a first professional credential
- The cost of obtaining a license, certification, or a first professional credential component is no longer a one-time allowance
- Actual or average loan fees allowed only for federal loans
- Requires the institution's website to list and disclose of all the elements of cost of attendance everywhere tuition and fees are mentioned

Cost of Attendance



An institution must publish information about the price of attending the school

- Tuition and fees
- Books and supplies
- [Housing and food](#)
- Transportation costs
- Any additional costs

Student Financial Aid Information



Institutions must make available information on

- All need-based and non-need-based federal, state, and local, private and institutional based student financial aid programs;
- Terms and conditions of Title IV, HEA loans;
- Criteria for selecting award recipients and how the award amount is determined;
- Procedures for applying for aid and eligibility requirements;
- Information on the disbursement of aid;
- Rights and responsibilities in receiving financial aid;

Student Financial Aid Information



Institutions must make available information on

- Terms of any loans and a sample loan repayments schedule;
- A statement that study abroad approved for credit may be considered enrollment in the home institution for the purposes of financial aid;
- General conditions and terms applicable to employment provided as part of the financial aid package;
- The exit counseling information the institution collects;
- The cost of attending the institution;
- The academic programs of the institution; and
- The standards of satisfactory academic progress.

What Years Are Used for Determining the SAI for 2024-2025 Award Year



- AGI/Income: Prior-prior year (2022 for the 2024-25 award year)
- Federal Work-Study: Prior-prior year (2022 for the 2024-25 award year)
- Poverty Guidelines: Prior-prior year (2022 for the 2024-25 award year)
- **Child Support Received: Last completed calendar year as of the date the FAFSA form is filed**

Poverty Guidelines



- 2024-2025 Award year
 - Use the U.S. Federal Poverty Guidelines
 - To access the annually produced HHS Poverty Guidelines, visit <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>
 - Use the poverty guideline for the prior, prior tax year (use the 2022 poverty guideline) by state of residence

HSS 2022 Poverty Chart-48 States



Household/ Family Size	25%	50%	75%	100%	125%	133%	135%	138%	150%	175%	180%	185%	200%	225%
1	\$3,398	\$6,795	\$10,193	\$13,590	\$16,988	\$18,075	\$18,347	\$18,754	\$20,385	\$23,783	\$24,462	\$25,142	\$27,180	\$30,578
2	\$4,578	\$9,155	\$13,733	\$18,310	\$22,888	\$24,352	\$24,719	\$25,268	\$27,465	\$32,043	\$32,958	\$33,874	\$36,620	\$41,198
3	\$5,758	\$11,515	\$17,273	\$23,030	\$28,788	\$30,630	\$31,091	\$31,781	\$34,545	\$40,303	\$41,454	\$42,606	\$46,060	\$51,818
4	\$6,938	\$13,875	\$20,813	\$27,750	\$34,688	\$36,908	\$37,463	\$38,295	\$41,625	\$48,563	\$49,950	\$51,338	\$55,500	\$62,438
5	\$8,118	\$16,235	\$24,353	\$32,470	\$40,588	\$43,185	\$43,835	\$44,809	\$48,705	\$56,823	\$58,446	\$60,070	\$64,940	\$73,058
6	\$9,298	\$18,595	\$27,893	\$37,190	\$46,488	\$49,463	\$50,207	\$51,322	\$55,785	\$65,083	\$66,942	\$68,802	\$74,380	\$83,678
7	\$10,478	\$20,955	\$31,433	\$41,910	\$52,388	\$55,740	\$56,579	\$57,836	\$62,865	\$73,343	\$75,438	\$77,534	\$83,820	\$94,298
8	\$11,658	\$23,315	\$34,973	\$46,630	\$58,288	\$62,018	\$62,951	\$64,349	\$69,945	\$81,603	\$83,934	\$86,266	\$93,260	\$104,918
9	\$12,838	\$25,675	\$38,513	\$51,350	\$64,188	\$68,296	\$69,323	\$70,863	\$77,025	\$89,863	\$92,430	\$94,998	\$102,700	\$115,538
10	\$14,018	\$28,035	\$42,053	\$56,070	\$70,088	\$74,573	\$75,695	\$77,377	\$84,105	\$98,123	\$100,926	\$103,730	\$112,140	\$126,158
11	\$15,198	\$30,395	\$45,593	\$60,790	\$75,988	\$80,851	\$82,067	\$83,890	\$91,185	\$106,383	\$109,422	\$112,462	\$121,580	\$136,778
12	\$16,378	\$32,755	\$49,133	\$65,510	\$81,888	\$87,128	\$88,439	\$90,404	\$98,265	\$114,643	\$117,918	\$121,194	\$131,020	\$147,398
13	\$17,558	\$35,115	\$52,673	\$70,230	\$87,788	\$93,406	\$94,811	\$96,917	\$105,345	\$122,903	\$126,414	\$129,926	\$140,460	\$158,018
14	\$18,738	\$37,475	\$56,213	\$74,950	\$93,688	\$99,684	\$101,183	\$103,431	\$112,425	\$131,163	\$134,910	\$138,658	\$149,900	\$168,638

HSS 2022 Poverty Charts



2/

	250%	275%	300%	325%	350%	375%	400%
1	\$33,975	\$37,373	\$40,770	\$44,168	\$47,565	\$50,963	\$54,360
2	\$45,775	\$50,353	\$54,930	\$59,508	\$64,085	\$68,663	\$73,240
3	\$57,575	\$63,333	\$69,090	\$74,848	\$80,605	\$86,363	\$92,120
4	\$69,375	\$76,313	\$83,250	\$90,188	\$97,125	\$104,063	\$111,000
5	\$81,175	\$89,293	\$97,410	\$105,528	\$113,645	\$121,763	\$129,880
6	\$92,975	\$102,273	\$111,570	\$120,868	\$130,165	\$139,463	\$148,760
7	\$104,775	\$115,253	\$125,730	\$136,208	\$146,685	\$157,163	\$167,640
8	\$116,575	\$128,233	\$139,890	\$151,548	\$163,205	\$174,863	\$186,520
9	\$128,375	\$141,213	\$154,050	\$166,888	\$179,725	\$192,563	\$205,400
10	\$140,175	\$154,193	\$168,210	\$182,228	\$196,245	\$210,263	\$224,280
11	\$151,975	\$167,173	\$182,370	\$197,568	\$212,765	\$227,963	\$243,160

Pell Eligibility Guide

Student Status <u>screen shot</u>	Marital Status	Children?	Max Pell Eligibility	Pell Eligibility
Independent	Single	No	At or below 175%	At or below 275%
	Single	Yes	At or below 225%	At or below 400%
	Married	No	At or below 175%	At or below 275%
	Married	Yes	At or below 175%	At or below 350%
Dependent	Single Parent	No	At or below 225%	At or below 325%
	Married Parents	No	At or below 175%	At or below 275%

Independent Student Maximum Pell or No Pell Eligibility



- Single independent student with dependent(s)
 - A student who is single and a parent would qualify for a maximum Pell Grant if their AGI is at or below 225% of the poverty line
 - **Not** eligible for a Pell Grant if their AGI was above 400% of the poverty line
- Married independent student with dependent(s)
 - A student who is married and a parent would qualify for a maximum Pell Grant if their AGI is at or below 175% of the poverty line
 - **Not** be eligible for a Pell Grant if their AGI was above 350% of the poverty line

Dependent Student Maximum Pell or No Pell Eligibility



- Parent(s)
 - The student's parent(s) who is not required to file a federal income tax return is eligible for the maximum Pell Grant
- Dependent student with a single parent
 - Dependent of a single parent would qualify for a maximum Pell Grant if their AGI is at or below 225% of the poverty line
 - **Not** eligible for a Pell Grant if their AGI was above 325% of the poverty line
- Dependent student with married parents
 - Student whose parents are married would qualify for a maximum Pell Grant if their AGI is at or below 175% of the poverty line
 - Not eligible for a Pell Grant if their AGI was above 275% of the poverty line

Steps in Determining Pell Eligibility



- Step 1-Required to File A Federal Tax Return
 - Use [Table 1 of IRS Publication 501](https://www.irs.gov/pub/irs-pdf/p501.pdf) <https://www.irs.gov/pub/irs-pdf/p501.pdf> to determine if the independent applicant or dependent student's parent(s) was required to file a federal tax return
 - If tax filing status is known, use the combination of reported marital status, tax filing status, and age to determine if they were required to file
 - If tax filing status is unknown, but marital status is known, assume the following tax filing statuses, based on marital status and age:
 - Married Applicants – assume Married, filed separately (any age)
 - Non-married Applicants – assume Single

Steps in Determining Pell Eligibility



- Step 2 – Student Aid Index Calculation
 - Use one of three formulas to calculate the SAI
 - For applicants eligible for a maximum Pell Grant under Step 1, if the calculated SAI is less than zero, retain the calculated SAI. Otherwise, assign an SAI of zero
 - For applicants not eligible for the maximum Pell Grant under Step 1 with a calculated SAI that is less than the corresponding award year's maximum Pell Grant award, retain the calculated SAI
 - If the applicant's SAI is greater than zero, calculate the student's Pell Grant by subtracting the SAI from the maximum scheduled Pell Grant for the award year
 - If the applicant's SAI is less than zero, treat the SAI as zero when determining Pell Grant eligibility
 - For applicants with a calculated SAI that is greater than the corresponding award year's maximum Pell Grant award, proceed to Step 3

Steps in Determining Pell Eligibility



- Step 3 – Minimum Pell Grant Eligibility
 - Use the Minimum Pell Grant calculation to identify additional applicants eligible for a Pell Grant
 - For applicants meeting the Minimum Pell Grant eligibility requirements, package the minimum Pell Grant and retain the SAI calculated in Step 2
 - The remainder of the aid package should be based on the calculated SAI
 - For applicants not qualifying for Minimum Pell Grant eligibility, package based on the calculated SAI from Step 2

Family Size

- Independent Student

- Student
- Student's spouse, if applicable
- Student's dependent children if live with student
 - Receive and continue to receive more than half their support from student during award year
- Other persons
 - Live with student
 - Receive and continue to receive more than half their support from student during award year

- Dependent Student

- Student
- Student's parents, even if student not living with them
- Student's siblings if
 - Live with student's parents or live elsewhere to attend college, and
 - Receive and continue to receive more than half their support from student's parents during award year
- Other persons if
 - Live with student's parents
 - Receive and continue to receive more than half their support from student's parents during award year



Resources



- [GEN-23-11 FAFSA Simplification Act Changes for Implementation in 2024-25](#)
- [2024-25 Draft Student Aid Index \(SAI\) and Pell Grant Eligibility Guide](#)
- [2024-25 Draft FAFSA Specifications Guide](#)
- [GEN-22-15 – FAFSA Simplification Act Changes for Implementation in 2023-24](#)
- [GENERAL- 23-40 – SAIG Software Upgrade for FTI Data Transmission](#)
- [GENERAL- 23-34 – Access and Use of Federal Tax Information \(FTI\) for Federal Student Aid Programs Beginning with 2024-25](#)
- Knowledge Center Home: Simplification Webinar Series



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