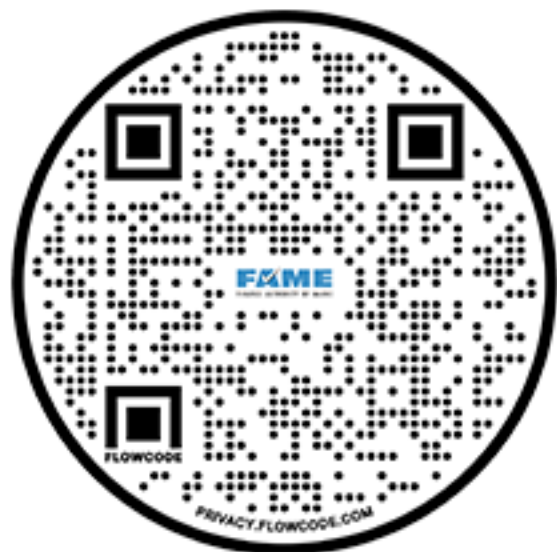


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Help Your Students Get Ready to File the 2024-2025 FAFSA

September 13, 2023

PRESENTED BY

Mila Tappan, Manager of College Access and Outreach

This FAFSA season will be different!

Why? Because FAFSA Simplification is here.

FAFSA Simplification represents the most significant overhaul of the FAFSA in **40 years**.

The FAFSA **process, form, and formula** are all being updated.

The 2024-2025 FAFSA is **delayed until December!**





Why the changes?

Changes are a result of multiple pieces of legislation, including:

FUTURE ACT (December 19, 2019)

Expands access to federal student aid, and mandates Federal Student Aid to use data **directly from the IRS**.

FAFSA SIMPLIFICATION ACT (December 27, 2020)

Introduces **significant changes to the FAFSA** application process including the eligibility calculation.

FAFSA Simplification – Better FAFSA?

The new FAFSA is being referred to as *Better FAFSA, Better Future*.

Goals include:

- an updated and **streamlined process** redesigned form;
- the use of already existing data to **reduce the number of questions;**
- **expanded eligibility and transparency**, specifically for Federal Pell Grants; and
- a more **secure** and stable platform.







New Terms

Student Aid Index (SAI)

The Student Aid Index (SAI) replaces the Expected Family Contribution (EFC).

Contributors

A new term referring to anyone required to provide consent on the FAFSA. Possible contributors include the student, parent, other parent, and student spouse.

The Direct Data Exchange (DDX)

The Direct Data Exchange (DDX) replaces the IRS Data Retrieval Tool (DRT) and includes increased security provisions.

Federal Tax Information (FTI)

Federal tax information (FTI) will come directly from the IRS and be transferred into the FTI module. It will not be visible in the FAFSA or on the FAFSA Submission Summary (FSS).



New Terms

Consent and Approval

Contributor(s) **must** provide *consent and approval* to use their information to match with IRS, allow IRS to disclose their ***federal tax information (FTI)***, the DoE to use their FTI and redisclose their FTI to schools and organizations.

Family Size

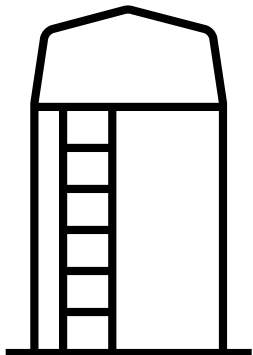
Family size replaces household size and is pulled directly from the tax return but is updateable within the FAFSA.

FAFSA Submission Summary (FSS)

Summary of FAFSA information that replaces the Student Aid Report (SAR).

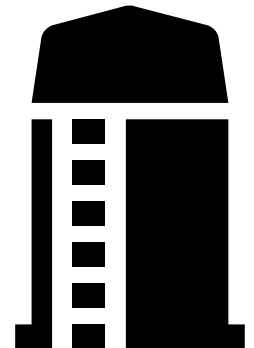
2024-25 FAFSA is a *Roles-Based* form

Students will log in and see **only** student-related questions.



Either student or parent can start the FAFSA and they will “**invite**” the other to complete the FAFSA.

Contributing parent(s) will log in and see **only** parent-related questions.



The FAFSA will become a Roles-Based Form

- The individual starts the FAFSA and **“invites” other contributors**, will have to provide the contributor’s legal name, date of birth, SSN, and email address).
- Items **must be provided and match** the information used to create that contributor’s FSA ID (except for email).



New Definition - Parent on the FAFSA

- Starting with the 2024-2025 FAFSA, the **parent who provides the greater portion of the student's financial support** will be responsible for completing the FAFSA.
- If this parent is **married as of the date the FAFSA is filed**, the parent's spouse's information is required as well. This isn't new but often a concern.

FSA ID Related Changes

An FSA ID will be required for anyone trying **to access** the FAFSA.

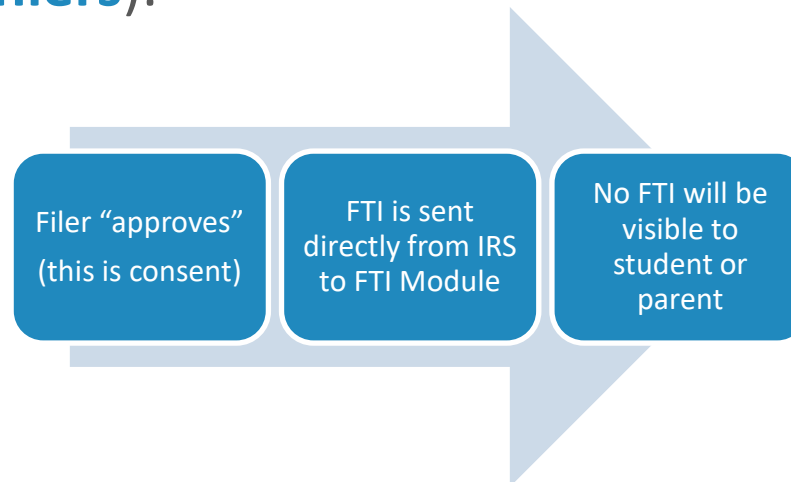
- No option to start a FAFSA using the student's demographic information.
- **Married filing joint tax filers** will only need **one of the tax filers** will have to have an FSA ID.
- When parents are married and **filing separately** or biological parents are **not married but living together**, **both parents** will need to have their own FSA ID.

FSA ID Related Changes

- An FSA ID will **need to be matched with SSA** (plan for match to take up to a week) before it can be used.
- **Every time** an FSA ID is used, two-step verification will be required.
 - Currently only students are subject to two-step verification when accessing their FAFSA w/ an FSA ID.
- Individuals **without an SSN** will be able to create an FSA ID.
 - The process has yet to be defined – stay tuned!

Direct Data Exchange (DDX)

- Federal Tax Information (FTI) will be imported into the FTI module.
- **EVERY CONTRIBUTOR** will need to provide **consent and approval** to have their Federal Tax Information (FTI) imported and redisclosed (students and parents – **even if non-tax filers**).



Direct Data Exchange (DDX)

- If consent and approval are **not provided**, the student will be **ineligible** for federal financial aid.
- When IRS Data is accessed, the process will also **verify non-filing status**.
- Most **income questions provided by the DDX**, and most **untaxed income** questions have been **removed** from the FAFSA.



Three Pathways to Pell Grant Eligibility

Pell Eligibility has been expanded!

Three Ways to Determine Pell Grant Eligibility:

*Maximum
Pell Grant*

*Calculated
Pell Grant*

*Minimum
Pell Grant*



Today's Pell Grant Focus

For today.....

- I'm going to focus on the criteria for Dependent Students.
- Similar criteria exists for Independent Students.
- We'll share a resource with all the criteria as a follow up to this training.

Criteria for a Maximum Pell Grant

Parent not required to file federal income tax return

OR

Single parent with AGI > 0 and $< 225\%$ of poverty guideline for family size

OR

Parent NOT single parent and has AGI > 0 and $< 175\%$ of poverty guideline for family size

OR

Student's (under 33) parent died serving in armed forces after 9/11/01 or in line of duty as a public safety officer

Criteria for a **Calculated Pell Grant**

Students not eligible for an automatic Max Pell Grant may be eligible for a calculated Pell Grant

Calculated Pell Grant = Max Pell Grant minus Student Aid Index (SAI)

Example:

Max Pell = \$7,395 (may change for 2024-2025)

SAI = 1,005

Calculated Pell = \$7,395 - 1,005 = \$6,390

Criteria for a Minimum Pell Grant

Student's parent is a single parent with an AGI \leq 325% of poverty guideline for family size

OR

Student's parent is NOT a single parent and has an AGI \leq 275% of poverty guideline for family size

Minimum Pell Grant = 10% of Max Pell Grant

For example, if the Maximum Pell Grant is \$7,500, Minimum Pell Grant would be \$750

Pell Grant Transparency and Early Awareness

Early Awareness – Pell Look Up Tables!

Ability for students and families to determine if student eligible for a maximum or minimum Pell Grant before a FAFSA is filed.

Example: Dependent Student's Parent is Single

Student's Parent is a Single Parent			
Family Size	2022 Poverty Guideline	★ Max Pell Parent AGI Limit (225% of Poverty Guideline)	★ Min Pell Parent AGI Limit (325% of Poverty Guideline)
2	\$18,310	\$41,198	\$59,508
3	\$23,030	—————→ \$51,818	—————→ \$74,848
4	\$27,750	\$62,438	\$90,188
5	\$32,470	\$73,058	\$105,528
6	\$37,190	\$83,678	\$120,868
7	\$41,910	\$94,298	\$136,208
8	\$46,630	\$104,918	\$151,548
9+	Add \$4,720 to the poverty guideline for each additional person. Then multiply the AGI by 225% (Max Pell) or 325% (Min Pell) to determine the Parent AGI Limit.		

Pell Grant Transparency and Early Awareness

Example: Dependent Student's Parent is **not** a Single Parent

Student's Parent is not a Single Parent			
Family Size	2022 Poverty Guideline	★ Max Pell Parent AGI Limit (175% of Poverty Guideline)	★ Min Pell Parent AGI Limit (275% of Poverty Guideline)
2	\$18,310	\$32,043	\$50,353
3	\$23,030	\$40,303	\$63,333
4	\$27,750	—————→ \$48,563	—————→ \$76,313
5	\$32,470	\$56,823	\$89,293
6	\$37,190	\$65,083	\$102,273
7	\$41,910	\$73,343	\$115,253
8	\$46,630	\$81,603	\$128,233
9+	Add \$4,720 to the poverty guideline for each additional person. Then multiply the AGI by 175% (Max Pell) or 275% (Min Pell) to determine the Parent AGI Limit.		

Pell Look Up Tables (including for Independent Students) can be found here:
[2024-25 DRAFT SAI Guide - Eligibility for Max-or-Min Pell Grant Resource \(ed.gov\)](#)





Help Students Get Ready

**Let's Recap What Needs to Happen
This Fall!**



Help Students Get Ready: Identify Contributors

Identify Contributors

- If parents are **married and filed a 2022 joint tax return**, information for both parents will be required but only **one parent** will need an FSA ID.
- If parents are **married and filed 2022 taxes separately**, or if parents live together but aren't married, information for **both parents** will be required and both parents will need their own FSA ID.



Help Students Get Ready: Identify Contributors

Identify Contributors

If parents are **divorced, separated, or never married** and don't live in the same household, the parent who provides the **most financial support** will be required to provide information on the FAFSA and will need an FSA ID.

If that **parent is remarried** on the day the FAFSA is filed, information for their spouse will also be required and their **spouse will need their own FSA ID unless** they filed a 2022 joint tax return.



Help Students Get Ready: Contributors Need an FSA ID

Encourage *All* Contributors to Create an FSA ID

- **Contributors who *don't have*** an FSA ID should create an account early (**at least a week before** filing the FAFSA).
- Create an FSA ID account at **StudentAid.gov**
 - Individuals will need a **unique email address** that they can access so it must be verified.
 - Students **should not** use their high school email address. Instead, **create a new email address!**
 - Ideally provide and verify a mobile phone number.



Help Students Get Ready: Contributors Need an FSA ID

Encourage *All* Contributors to Create an FSA ID con't.

- **Contributors who *have*** an FSA ID account should **log into** StudentAid.gov to make sure they know their username and password.
 - *If unable to access account, **retrieve username and/or reset password**.*
 - If account was set up without a verified email address, **add and verify email address** now.
 - If needed, information can be **updated under “Settings.”**

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Federal StudentAid
AN OFFICE of the U.S. DEPARTMENT of EDUCATION

FAFSA® Form ▾ Loans and Grants ▾ Loan Repayment ▾ Loan Forgiveness ▾

Log In | Create Account 🔍

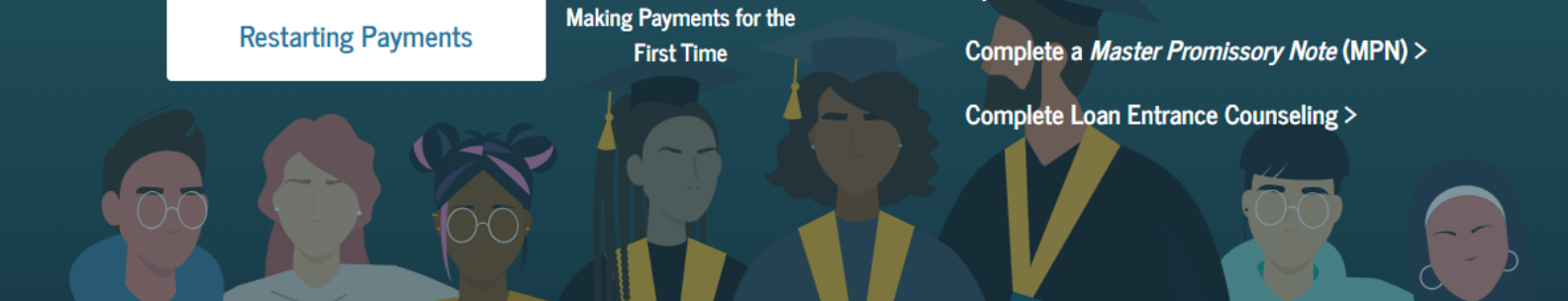
Get Ready for Student Loan Payments

[Restarting Payments](#)

Making Payments for the First Time

POPULAR TOPICS

- [Apply for Aid Using the FAFSA® Form >](#)
- [Learn About Public Service Loan Forgiveness >](#)
- [Update on Student Loan Debt Relief >](#)
- [Complete a Master Promissory Note \(MPN\) >](#)
- [Complete Loan Entrance Counseling >](#)



Considering School
I'm thinking about going to college or a career school.

In School
I'm in the process of earning a degree or certificate.

Parent
I want to help my child pay for college.

In Repayment
I have loans I need to repay.



Help Students Get Ready: Who Will Start the FAFSA?

Discuss Who Will Start the FAFSA?

- Once all contributors have been identified, discuss **who will start the FAFSA**.
- The individual who starts the FAFSA will need to **“invite”** others. This is how the student and parent sections of the FAFSA **get connected**.
- To invite others, the following information **must be provided**:
 - Legal name
 - Date of birth
 - Social Security number
 - Email address (can be different than FSA ID email)



Help Students Get Ready: Consent and Approval

Convey the Importance of “Consent and Approval”

- **All contributors** will need to provide consent and approval, or student will be **ineligible for aid**!
- This includes people **non-tax filers**, those who have filed for an **extension**, and those who file a **foreign** tax return.
- *If didn't provide consent and approve originally, go back into the FAFSA and **update**.*



Help Students Get Ready: Pell Grants – Good News

Spread the Word about Pell Grants!

- Pell Grant eligibility has been **expanded!**
- Students can determine eligibility for a maximum or minimum Pell Grant **before they fill the FAFSA.**
- Check out and share the Pell Look Up tables.

[2024-25 DRAFT SAI Guide - Eligibility for Max-or-Min Pell Grant Resource \(ed.gov\)](#)



Upcoming Training Sessions

Fall Events for Students and Parents

Financial Aid Workshop: The first steps, free and fast.

- This is your starting line. After this free, one-hour get-together, you'll have taken the critical first steps to apply for financial aid and be on your path to a more affordable higher education.
- During this session, you'll have the opportunity to create your FSA ID (the username and password required to access all Federal Student Aid websites). To create an FSA ID, each student and parent will need to know their Social Security number and name *as it appears on their Social Security card*.
- **What to Bring:**
 - A laptop or other device to create your FSA ID and where you'll have access to email for both the student and contributing parent(s).

For a list of events go to FAMEmaine.com/events



Upcoming Training Sessions

FAFSA Fridays – Trainings for Partners

Friday, September 15 at 1:00 PM

Provide an overview of the changes that are coming and focus on what we need students and families to do **now** to get prepared to file the FAFSA.

Friday, October 20 at 1:00 PM

Start with a recap of what students and families to do **now** and then discuss the changes related to **Pell Grant** eligibility and transparency and the **expanded pathways for students with challenging circumstances**.

Friday, November 17 at 1:00 PM

Recap what we need students and families to do now and then discuss changes to the **FAFSA formula and process**, including **impact of income coming directly from the IRS**.

Friday, December 15 at 1:00 PM

We'll determine the content of this session as we get closer to December!

To register for any of these sessions go to: FAMEmaine.com/events

Helpful Resources at **FAMEmaine.com:**

- FAFSA Simplification Resources and Information
- FAFSA Help
- Worksheets and Flyers
- Publications
- Event Listings





**Next month's Wednesday Webinar
October 11, 2023 at 1:00 PM**

***Get Ready, Get Set, Repay!
What You Need to Know as Student Loans
Go into Repayment***

Register at FAMEmaine.com/events



Questions?



Thank you for joining us today!

Find more FREE resources and information at
FAMEmaine.com/education.

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