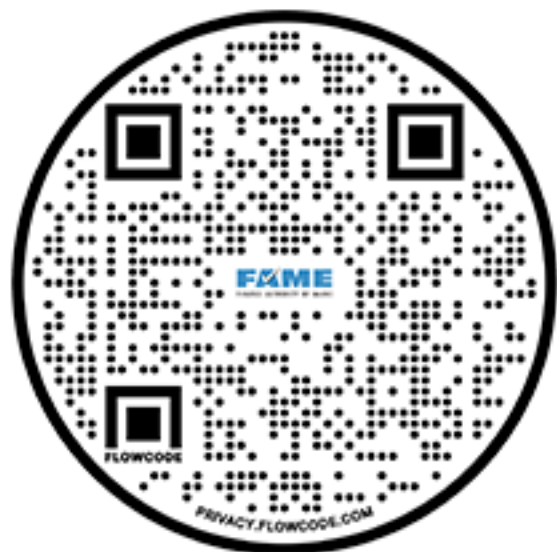


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FAFSA Friday

Recap, Formula Changes, and Fun!

December 15, 2023

PRESENTED BY

Mila Tappan, Manager of College Access and Outreach

Here's what we're going to discuss!

- **Recent updates** from Federal Student Aid
- What Needs to Happen for Student and Families to **Get Ready**
- FAFSA **Formula** Changes
- Question and Answers
- Kahoot!



Recent Update from Federal Student Aid

Update from Federal Student Aid – 11/15/23

- Students and families will be able to complete and submit FAFSA forms online **by Dec. 31**.
- Schools will begin receiving aid eligibility information, including Institutional Student Information Records (ISIRs), by the **end of January 2024**, with information from paper FAFSAs to follow.
- We're recommending that students **wait to file until a week to ten days** after the FAFSA has been released.



Recent Update from Federal Student Aid

Update from Federal Student Aid – 11/15/23

- Additionally, students will also be able to make corrections and updates at the **end of January 2024**.
- Institutions will be able to make corrections in the following weeks.
- Students will be notified of their **Student Aid Index or SAI** (renamed EFC) and Pell Grant eligibility when the FAFSA is submitted but the **FAFSA Submission Summary (FSS)** (renamed Student Aid Report or SAR) won't be available until approximately February.
- If FSS is needed for a scholarship, check with the organization. Worthington will accept a copy of the submission confirmation email.



Help Students Get Ready

**What Needs to Happen for Students
and Families to Get Ready?**



Help Students Get Ready: Identify Contributors

Contributors

- A contributor is anyone providing information on the FAFSA who is required to:
 - provide **consent and approval** (which allows IRS to disclose their **federal tax information (FTI)**, and the DoE to use their FTI and redisclose their FTI to schools and organizations), and
 - have their **own FSA ID**.
- The student is always a contributor.
- Other possible contributors include the parent, the parent's spouse, and student spouse.



Help Students Get Ready: Identify Contributors

Identify Parent 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).
 - If FSA ID has not been authenticated **manual entry of all tax related questions** will be required.
- Create an FSA ID account at **StudentAid.gov**
 - Individuals will need a **unique email address** that can be accessed as 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.

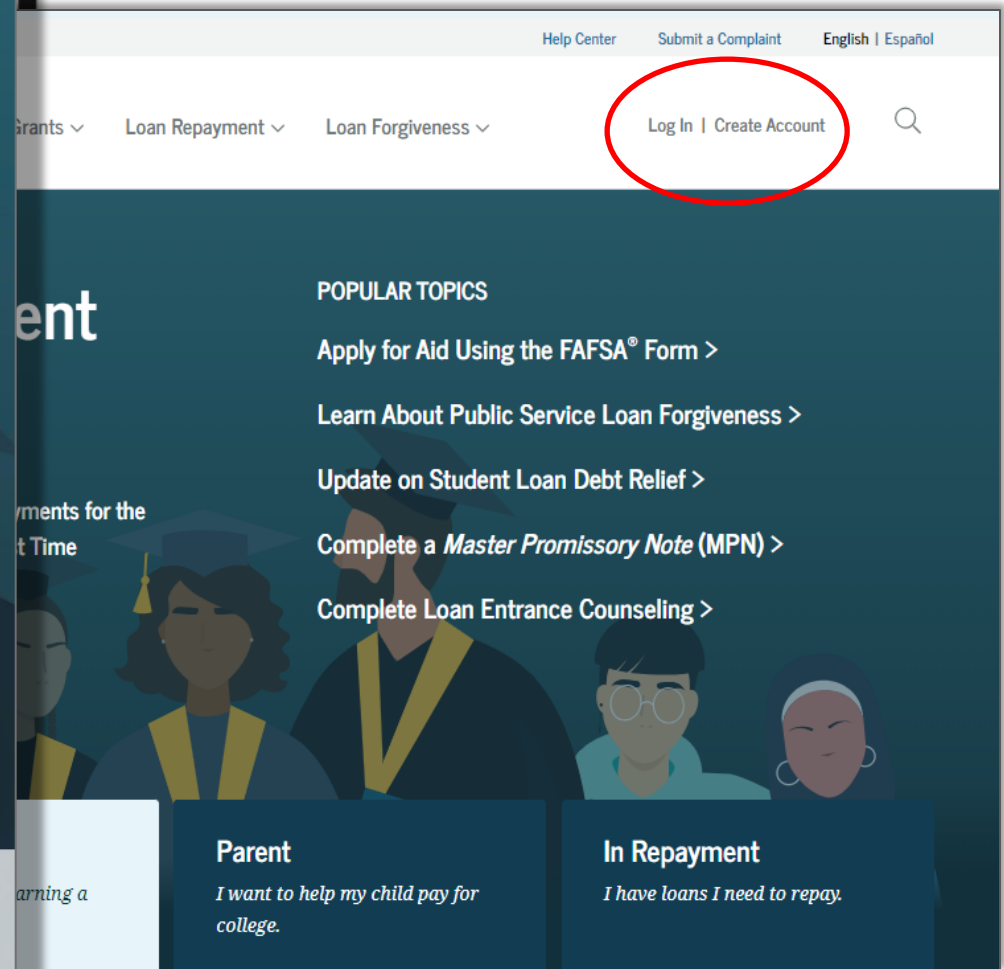
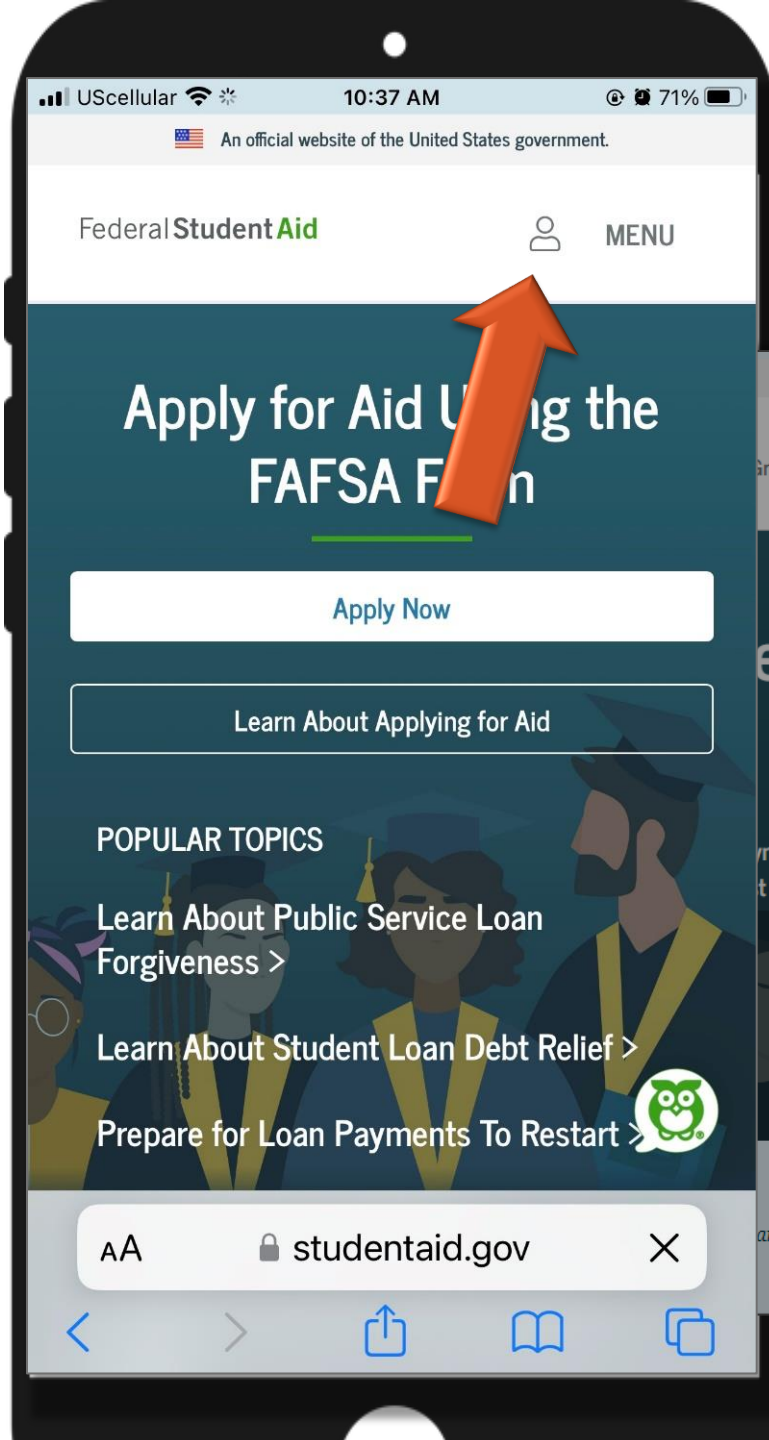


Help Students Get Ready: Contributors Need an FSA ID

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.”**

StudentAid.gov





FAFSA Formula Changes

Changes to Income Reporting

- Almost all income questions will come directly from the Federal Income Tax Return.
 - The IRS Data Retrieval Tool (DRT) is gone and replaced with a Direct Data Exchange (DDX).
 - **Federal Tax Information (FTI)** will be imported into the FTI module and will not show on the FAFSA or FAFSA Submission Summary (FSS).
 - Manual entry of federal tax information will only be required in very limited situations.
 - Individuals are still required must provide consent and approval for student to be eligible for federal financial aid.
 - **EVERYONE** must provide consent and approval – even nontax filers!

Changes to Income Reporting

- The **untaxed income page is gone**, and individuals will no longer be asked to report the following on the FAFSA:
 - Untaxed contributions to retirement
 - Worker's Compensation
 - **Cash support and other money paid on the student's behalf**
 - This change means that:
 - Gifts to the student will no longer be reported as untaxed income.
 - Qualified distributions from 529 plans that are owned by a grandparent, aunt, uncle, etc. will no longer affect aid eligibility.



FAFSA Formula changes

Number in College

- The **parent SAI will no longer be divided by number of children in college** at the same time.
- The question **will remain** on the FAFSA.
- Families can request a **special circumstances review** if impacted by the number in college.

Applicants Exempt from Asset Reporting

- No asset questions for:
 - Families receiving **federally means tested benefits**
 - ✓ SSI, SNAP, TANF, WIC, Medicaid, and Federal Housing Assistance, Free and Reduced Lunch, and Earned Income Tax Credit
 - ✓ No additional income threshold
 - Most people with an income **less than \$60K** (depending on tax schedules)



FAFSA Formula changes

Changes in Reportable Assets

- Certain previous **exclusions from assets** have been **dropped**:
 - Small, family-owned businesses
 - Family farm (primary residence is still excluded)
- Because there is no longer an untaxed income section, **child support received** is reported in the asset section.



Q&A

Questions and Answers



Q&A

Can Pell Grant eligibility be determined before a student files the FAFSA?



Q&A

Can a FAFSA be started and completed if the FSA ID hasn't been authenticated?



Q&A

Can a parent without an SSN get an FSA ID?



Q&A

What happens if student provides incorrect parent information when “inviting” their parent on the FAFSA? What does the student need to do to correct the mistake?



Q&A

Will the need for verification be eliminated due to the IRS Direct Data Exchange (DDX)?



Q&A

If a non-tax filer is selected for verification, will they have to provide wage information (W2)?



Let's Play Kahoot!

- **FAME FAFSA Simplification Resources - [FAMEmaine.com/FAFSASimplification](https://famemaine.com/FAFSASimplification)**
 - Recordings and slide deck from previous trainings and FAFSA Fridays
 - October's FAFSA Friday focused on Pell Grants and Pathways
 - November's FAFSA Friday focused on the FSA ID creation process for those without an SSN
- **Tools**
 - The 2024-2025 FAFSA Prototype
 - <https://fsapartners.ed.gov/fafsa-prototype/2425>
 - Access Code: prototype2425
 - Pell Grant Look-Up Table
 - <https://fsapartners.ed.gov/sites/default/files/2023-05/202425DRAFTSAIGuideSupplementEligibilityforMaxorMinPellGrantResource.pdf>
 - Financial Aid Estimator
 - <https://studentaid.gov/aid-estimator/>
- **Resources**
 - Ten Important Changes to the FAFSA handout
 - Glossary of Terms
 - Case Studies



January's Wednesday Webinar

Filing the 2024-2025 FAFSA

January 10, 2024

1:00 – 2:30

To register go to: FAMEmaine.com/events



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