

FAFSA® Pell Eligibility  
and SAI Guide

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U.S. Department of Education's  
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# Change History

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Date	Page(s)	Changes/Notes
11/2022	All	Version 1 is released
05/2023	All	Version 2 is released
01/2024	All	Version 3 is released
03/2024	All	Version 4 is released

# Introduction and Overview

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The Federal Pell Eligibility and SAI Guide is designed to assist financial aid administrators (FAAs) and software vendors by introducing updated calculations for federal student aid eligibility, including the new Pell Grant calculations, using the Student Aid Index (SAI) beginning in the 2024-25 award year. This guide represents the implementation of the SAI at the time of publication and serves as a companion document to the FAFSA® Specifications Guide, Volume 6 – ISIR Guide.

## **FAFSA Simplification and the Consolidated Appropriations Act of 2021**

The FAFSA Simplification Act was enacted into law as part of the Consolidated Appropriations Act of 2021. The FAFSA Simplification Act represents a significant overhaul of federal student aid, including the Free Application for Federal Student Aid (FAFSA) form, need analysis, Pell Grant calculations, and many policies and procedures for schools that participate in the Title IV programs.

## **Replacing the Expected Family Contribution (EFC) with the Student Aid Index (SAI)**

Not only will students and families see a different measure of their ability to pay for college, but they will also experience a change in the methodology used to determine aid. The new need analysis formula removes the number of family members in college from the calculation, allows a minimum SAI of -1,500, and implements separate eligibility determination criteria for Federal Pell Grants.

## **Expanding Access to Federal Pell Grants**

The FAFSA Simplification Act extends the Federal Pell Grant to more students and links eligibility to family size and the federal poverty level. This builds on changes implemented in the 2023-24 award year including incarcerated students regaining the ability to receive a Federal Pell Grant and restoration of Federal Pell Grant lifetime eligibility to students whose school closed while they were enrolled or if the school is found to have misled the student.

## **Streamlining the FAFSA Form**

Where possible, the law mandates that FSA use data received directly from the Internal Revenue Service (IRS) to calculate Federal Pell Grant eligibility and the SAI. This data exchange has been made possible by the Fostering Undergraduate Talent by Unlocking Resources for Education Act (FUTURE Act) of 2019, which FSA will implement alongside FAFSA simplification.

# Determining Federal Pell Grant Eligibility

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Beginning with the 2024-25 award year, the Federal Pell Grant scheduled award determination consists of three steps.

## Step 1: Determine Maximum Federal Pell Grant Eligibility

Use the Maximum Pell Grant criteria to identify applicants eligible for a maximum Pell Grant award.

- Applicants who did not file taxes are assigned an SAI of -1500; no further calculation is needed.
- For all other applicants eligible for a maximum Pell Grant award, proceed to *Step 2: Calculate Student Aid Index*. Applicants will be assigned the calculated SAI or 0, whichever is less.

## Step 2: Calculate Student Aid Index

The Student Aid Index (SAI) is a number that determines each student's eligibility for certain types of federal student aid, including Pell Grants. This number is calculated with the SAI formulas, which use the information that students provide on the FAFSA® form. All applicants will have a calculated SAI, but not all applicants will be determined to be eligible for a Pell Grant.

- If the applicant's SAI is less than or equal to zero, the student is eligible for a Maximum Pell Grant and should retain the calculated SAI.
- If the applicant's calculated SAI is greater than the corresponding award year's maximum Pell Grant award minus minimum Pell Grant award, the applicant is not eligible for a Pell Grant under *Step 2* and should proceed to *Step 3: Determine Minimum Pell Grant Eligibility*.

## Step 3: Determine Minimum Pell Grant Eligibility

Use the Minimum Pell Grant criteria 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*.



# Step 1: Determine Maximum Pell Grant Eligibility

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Use the Maximum Pell Grant criteria to determine eligibility based on tax filing status (e.g., non-tax filer), adjusted gross income (if tax filer), state of legal residence, and applicable poverty guidelines. Under HEA Sec. 401(b)(1)(A) a student is eligible for a Maximum Pell Grant if any of the following is true:

## Dependent Student

- **Maximum Pell Indicator = 1:** The student's parent(s) did not file a federal income tax return; or
- **Maximum Pell Indicator = 2:** The student's parent is a single parent and has an AGI greater than zero and less than or equal to 225% of the poverty guideline for the applicant's family size and state of legal residence; or
- **Maximum Pell Indicator = 3:** The student's parent is not a single parent and has an AGI greater than zero and less than or equal to 175% of the poverty guideline for the applicant's family size and state of legal residence.

## Independent Student

- **Maximum Pell Indicator = 1:** The student (and spouse, if applicable) did not file a federal income tax return; or
- **Maximum Pell Indicator = 2:** The student is a single parent and has an AGI greater than zero and less than or equal to 225% of the poverty guideline for the applicant's family size and state of legal residence; or
- **Maximum Pell Indicator = 3:** The student is not a single parent and has an AGI greater than zero and less than or equal to 175% of the poverty guideline for the applicant's family size and state of legal residence.

**Note:** The Maximum Pell Indicator (1, 2, or 3) will be returned on the ISIR, if applicable.

**Note:** Before determining maximum Pell eligibility for a tax filer, the family size needs to be determined by using Appendix C and that value will be used throughout the calculation. See Appendix D to determine non-tax filers vs. tax filer status and Appendix G to determine Single Parent status.

As a reminder, in *Step 1* for a Dependent only the parents need to both qualify as a non-filer to meet Maximum Pell 1 logic OR the student (and spouse if applicable) for an Independent.

## State of Legal Residence

The state of legal residence (SLR) will either be that of a parent (for dependent student) or student (for independent student). There are three potential values used in the Maximum and Minimum Pell Grant eligibility determination processes. See below:

- Hawaii
- Alaska
- Other\* (includes everything except for Hawaii and Alaska)

\*If the SLR is unknown or blank, presume Other for purposes of the SAI calculation.

## Poverty Guidelines

Poverty guidelines are used in the Maximum and Minimum Pell Grant eligibility determination processes. Use the *U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Programs*, produced by the Department of Health and Human Services (HHS). To access the annually produced HHS Poverty Guidelines, visit:

<https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.

Use the poverty guidelines for the prior-prior tax year (e.g., for the 2024-25 award year, use the 2022 poverty guidelines) by state of legal residence.

## SAI for Maximum Pell Grant Recipients

- **Maximum Pell Indicator = 1:** A dependent student whose parents did not file a federal income tax return OR an independent student (and spouse, if applicable) who did not file a federal income tax return for the prior-prior tax year is assigned a SAI equal to -1,500 and no formula or intermediate values are returned on the ISIR.
- **Maximum Pell Indicator = 2 or 3:** If Maximum Pell Indicator is not 1 then determine check of AGI against Poverty Guidelines. If results are TRUE after this check, then SAI is temporarily zero (0). Perform the full formula calculation based on the appropriate formula in Step 2 (below). If the SAI from Step 2 is less than zero (0) then the SAI is set to the calculated value from Step 2. If the SAI from Step 2 is greater than or equal to zero, then the SAI remains zero and the intermediate values are removed.

# Step 2: Calculate Student Aid Index

The SAI is calculated using one of three formulas, each is described in more detail below:

- Formula A – Dependent students;
- Formula B – Independent students without dependents other than a spouse; and
- Formula C – Independent students with dependents other than a spouse.

**Table 1: Determination of SAI Formula Type**

<b>Determination of SAI Formula Type</b>	
<b>If</b>	<b>Then</b>
Model = Dependent	Formula A
Model = Independent AND Married Indicator = Married AND Has Dependents Indicator = FALSE	Formula B
Model = Independent AND Married Indicator = Unmarried AND Has Dependents Indicator = FALSE	Formula B
Model = Independent AND Married Indicator = Married AND Has Dependents Indicator = TRUE	Formula C
Model = Independent AND Married Indicator = Unmarried AND Has Dependents Indicator = TRUE	Formula C

**Note:** See Appendix G to determine Single Parent status (Has Dependents Indicator)

## Notes for Calculating the SAI

- All calculations, unless noted otherwise in the worksheets, should be carried to three decimal places, and then rounded to the nearest whole numbers. Round away from zero for results of .500 to .999, round towards zero for results of .001 to .499. Rounding should be performed so that the intermediate value that is the result of each step does not have any decimal digits. For example, 11.549 when rounded = 12 and 11.449 when rounded = 11. Likewise, -11.549 when rounded = -12 and -11.449 when rounded = -11.
- Unlike award years prior to 2024-25, there is no simplified needs test in the SAI formula, but certain applicants will still be exempt from asset reporting based on income and federal benefits received (see *Appendix E: Applicants or Contributors Required to Provide Assets* for more details).
- A student's SAI can be negative. If the calculated SAI is less than -1,500, replace the value with -1,500. If calculated SAI is greater than 999,999 it is set to 999,999.

## Notes for Using the SAI Formula Worksheets

- Boxes with black fill indicate that no value should be entered in those cells.
- Boxes with no fill or no text indicate cells where the user should enter a value.

# Formula A – Dependent Students

SAI = Parents' Contribution + Student's Contribution from Income + Student's Contribution from Assets

<b>Parent Contribution from Income</b>		
<b>Parent Income Additions</b>		
a. Parents' AGI		
b. Parents' Deductible Payments to IRA/KEOGH/Other	+	
c. Parents' Tax-Exempt Interest Income	+	
d. Parents' Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)	+	
e. Parents' Untaxed Portions of Pensions (Subtract Pension rollover; if total is less than zero, enter zero)	+	
f. Parents' Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
1. Total Parent Income Additions (sum of lines a, b, c, d, e, and f)	=	
<b>Parent Income Offsets</b>		
g. Parents' Taxable College Grant and Scholarship Aid (reported as income)		
h. Parents' Education Credits	+	
i. Parents' Federal Work-study (FWS)	+	
2. Total Parent Income Offsets (sum of lines g, h, and i)	=	
3. Total Parent Income (line 1 minus line 2)		
<ul style="list-style-type: none"> <li>• Total Parent Income Additions – Total Parent Income Offsets</li> <li>• May be a negative number</li> </ul>	=	
<b>Allowances Against Parents' Income</b>		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	
6. Income Protection Allowance (Table A2)		
<ul style="list-style-type: none"> <li>• Use the calculated Family Size to determine the IPA</li> </ul>	+	
7. Employment Expense Allowance (EEA)		
<ul style="list-style-type: none"> <li>• The lesser of: <ul style="list-style-type: none"> <li>▪ 35% of parents' combined income, OR</li> <li>▪ \$4,730</li> </ul> </li> </ul>	+	

8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	
<b>Parents' Available Income (PAI)</b>		
Total Parent Income (line 3)		
Total Parent Allowances Against Income (line 8)	-	
9. Parent Available Income (line 3 minus line 8) • May be a negative number	=	

<b>Parent Contribution from Assets</b>		
10. Annual child support received for the last complete calendar year		
11. Cash, savings, and checking accounts	+	
12. Net worth of current investments • Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits • If negative, enter zero	+	
13. Adjusted net worth of businesses and/or investment farms (Table A3) • Net worth of businesses and/or investment farms multiplied by the applicable adjustment in Table A3	+	
14. Net worth (sum of lines 10, 11, 12, and 13)	=	
15. Asset Protection Allowance (APA) (Table A4)	-	
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) • (Line 14 minus line 15) times line 16 • If negative, enter zero	=	

<b>Total Parent Contribution</b>		
<b>Parent Adjusted Available Income (PAAI)</b>		
Parents' Available Income (line 9)		
Parents' Contribution from Assets (line 17)	+	
18. Parent Adjusted Available Income (line 9 plus line 17) • May be a negative number	=	
<b>Parents' Contribution</b>		
19. Parents' Contribution (Table A5) • Adjust PAAI (line 18) using Table A5	=	

<b>Student Contribution from Income</b>		
<b>Student Income Additions</b>		
a. Student AGI		
b. Student Deductible Payments to IRA/KEOGH/Other	+	
c. Student Exempt Interest Income	+	
d. Student Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)	+	
e. Student Untaxed Portions of Pensions (Subtract Pension rollover; if total is less than zero, enter zero)	+	
f. Student Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
20. Total Student Income Additions (sum of lines a, b, c, d, e, and f)	=	
<b>Student Income Offsets</b>		
g. Student College Grant and Scholarship Aid (reported as income)		
h. Student Education Credits	+	
i. Student Federal Work-study (FWS)	+	
21. Total Student Income Offsets (sum of lines g, h, and i)	=	
22. Total Student Income (line 20 minus line 21)		
<ul style="list-style-type: none"> <li>• Total Student Income Additions – Total Student Income Offsets</li> <li>• May be a negative number</li> </ul>	=	
<b>Allowances Against Student Income</b>		
23. Student U.S. Income Tax Paid (or Foreign Equivalent)		
24. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	
25. Income Protection Allowance	+	11,130
26. Allowance for parents' negative adjusted available income		
<ul style="list-style-type: none"> <li>a. If line 18 is negative, enter line 18 as a positive number</li> <li>b. If line 18 is zero or positive, enter zero</li> </ul>	+	
27. Total Student Allowances Against Income (sum lines 23, 24a, 24b, 25, and 26)	=	
<b>Student's Contribution from Income</b>		
Total Student Income (line 22)		

Total Student Allowances Against Income (line 27)	-	
28. Student Available Income (line 22 minus line 27) May be a negative number	=	
29. Assessment of Student Available Income	x	0.50
30. Student's Contribution from Income (line 28 times line 29) <ul style="list-style-type: none"> <li>If negative and &lt; -1,500, adjust to -1,500 (e.g., if -2,000 set to -1,500)</li> <li>If negative and &gt;= -1,500, do not adjust (e.g., if -1,000 leave as -1,000)</li> </ul>	=	

<b>Student Contribution from Assets</b>		
31. Cash, savings, and checking accounts		
32. Net worth of current investments <ul style="list-style-type: none"> <li>Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits</li> <li>If negative, enter zero</li> </ul>	+	
33. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> <li>Net worth of business and/or farm multiplied by the applicable adjustment in Table A3</li> </ul>	+	
34. Net worth (sum of lines 31, 32, and 33)	=	
35. Asset Conversion Rate (20%)	X	0.20
36. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> <li>Line 34 times line 35</li> <li>If negative, enter zero</li> </ul>	=	

<b>Student Aid Index (SAI)</b>		
Parents' Contribution (line 19)		
Student's Contribution from Income (line 30)	+	
Student's Contribution from Assets (line 36)	+	
37. Student Aid Index (sum of lines 19, 30, and 36) <ul style="list-style-type: none"> <li>If negative and &lt; -1,500, adjust to -1,500 (e.g., if -2,000 set to -1,500)</li> <li>If negative and &gt;= -1,500, do not adjust (e.g., if -1,000 leave as -1,000)</li> </ul>	=	

## Supplementary Tables for Formula A – Dependent Students

**Note for Table A1:** When calculating for more than one taxpayer (e.g., the parent and parent spouse did not file MFJ) the following rounding rules apply: calculation should be carried to three decimal places only. Once the parent and parent spouse calculated results are added together, round to the nearest whole numbers using standard rounding rules defined.

**Table A1: Payroll Tax Allowance**

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	<p>If Parent filed as Single, HoH or Qualifying Surviving Spouse:</p> <ul style="list-style-type: none"> <li>• 1.45% of parent income earned from work up to \$200,000, (+) plus</li> <li>• 2.35% of parent income earned from work over \$200,000</li> </ul> <p>If Parent filed as Married-Filed Joint Return (MFJ):</p> <ul style="list-style-type: none"> <li>• 1.45% of parents' combined income earned from work up to \$250,000, (+) plus</li> <li>• 2.35% of parents' combined income earned from work over \$250,000</li> </ul> <p>If Parent filed as Married-Filed Separate Return (MFS):</p> <ul style="list-style-type: none"> <li>• 1.45% of parent income earned from work up to \$125,000, (+) plus</li> <li>• 1.45% of parent spouse's income earned from work up to \$125,000, (+) plus</li> <li>• 2.35% of parent income earned from work over \$125,000 (+) plus</li> <li>• 2.35% of parent spouse's income earned from work over \$125,000</li> </ul> <p>If Dependent Student:</p> <ul style="list-style-type: none"> <li>• 1.45% of dependent student income earned from work up to \$200,000, (+) plus</li> <li>• 2.35% of dependent student income earned from work over \$200,000.</li> </ul> <p><b>Note:</b> In scenarios where spouses have filed different tax returns (e.g., one spouse filed TFS = Single, the other TFS = MFS, etc.), the calculation is performed individually and then the results are added together following the rounding logic noted above.</p>
Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate	<p>If Parent:</p> <ul style="list-style-type: none"> <li>• For those reporting a single parental income, 6.2% of parent's total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If parent's total earned income exceeds \$147,000, then input \$9,114*.</li> <li>• For those reporting two parental incomes or whose parents filed a joint return, 6.2% of parents total earned income up to Contributions and Benefit Base of \$294,000 for Tax Year 2022. If parents' total earned income exceeds \$294,000, then input \$18,228*.</li> </ul> <p>If Dependent Student:</p> <ul style="list-style-type: none"> <li>• 6.2% of student's total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If the student's total earned income exceeds \$147,000, then input \$9,114*.</li> </ul>

\*Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program limits the amount of earnings subject to taxation for a given year. The same annual limit also applies when those earnings are used in a benefit



computation. This limit changes each year with changes in the national average wage index. For earnings in 2022, this base is \$147,000.

The OASDI tax rate for wages paid in 2022 is set by statute at 6.2 percent for employees and employers, each. Thus, an individual with wages equal to or larger than \$147,000 would contribute \$9,114 to the OASDI program in 2022.

For more information visit: <https://www.ssa.gov/oact/cola/cbb.html>.

**Table A2: Income Protection Allowance**

Family Size (including student)	Income Protection Allowance Amount
2	\$27,600
3	\$34,350
4	\$42,430
5	\$50,060
6	\$58,560

Note: For each additional household member, add \$6,610.

**Table A3: Businesses/Investment Farms Net Worth Adjustment**

If the net worth of businesses/investment farms is ____	Then the adjusted net worth is ____
Less than \$1	\$0
\$1 to \$165,000	40% of net worth of business/farm
\$165,001 to \$490,000	\$66,000 + 50% of net worth over \$165,000
\$490,001 to \$820,000	\$228,500 + 60% of net worth over \$490,000
\$820,001 or more	\$426,500 + 100% of net worth over \$820,000

**Table A4: Asset Protection Allowance (Parents Only)**

Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent	Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent
25 or less	\$0	\$0	46	\$0	\$0
26	\$0	\$0	47	\$0	\$0
27	\$0	\$0	48	\$0	\$0
28	\$0	\$0	49	\$0	\$0
29	\$0	\$0	50	\$0	\$0
30	\$0	\$0	51	\$0	\$0
31	\$0	\$0	52	\$0	\$0
32	\$0	\$0	53	\$0	\$0
33	\$0	\$0	54	\$0	\$0

Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent	Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent
34	\$0	\$0	55	\$0	\$0
35	\$0	\$0	56	\$0	\$0
36	\$0	\$0	57	\$0	\$0
37	\$0	\$0	58	\$0	\$0
38	\$0	\$0	59	\$0	\$0
39	\$0	\$0	60	\$0	\$0
40	\$0	\$0	61	\$0	\$0
41	\$0	\$0	62	\$0	\$0
42	\$0	\$0	63	\$0	\$0
43	\$0	\$0	64	\$0	\$0
44	\$0	\$0	65 or older	\$0	\$0
45	\$0	\$0			

\* Determine the age of the older parent listed in FAFSA/FAFSA Submission Summary and # as of 12/31/2023. If no parent date of birth is provided, use age 45.

\*\* Use the two-parent allowance when the parent indicator is married.

**Table A5: Parents' Contribution from Adjusted Available Income**

If the parents' AAI is ____	Then the parents' contribution from AAI is ____
Less than -\$6,820	-\$1,500
-\$6,820 to \$20,600	22% of AAI
\$20,601 to \$25,800	\$4,532 + 25% of AAI over \$20,600
\$25,801 to \$31,000	\$5,832 + 29% of AAI over \$25,800
\$31,001 to \$36,300	\$7,340 + 34% of AAI over \$31,000
\$36,301 to \$41,500	\$9,142 + 40% of AAI over \$36,300
\$41,501 or more	\$11,222 + 47% of AAI over \$41,500

## Formula B – Independent Students Without Depend- ent(s) Other than a Spouse

SAI = Student’s Contribution from Income + Student’s Contribution from Assets

<b>Student Contribution from Income</b>		
<b>Student (and Spouse) Income Additions</b>		
a. Student (and Spouse) AGI	█	
b. Student (and Spouse) Deductible Payments to IRA/KEOGH/Other	+	
c. Student (and Spouse) Tax-Exempt Interest Income	+	
d. Student (and Spouse) Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)	+	
e. Student (and Spouse) Untaxed Portions of Pensions (Subtract Pension rollover; if total is less than zero, enter zero)	+	
f. Student (and Spouse) Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
1. Total Student (and Spouse) Income Additions (sum of lines a, b, c, d, e, and f)	=	
<b>Student (and Spouse) Income Offsets</b>		
g. Student (and Spouse) College Grant and Scholarship Aid	█	
h. Student (and Spouse) Education Credits	+	
i. Student (and Spouse) Federal Work-study (FWS)	+	
2. Total Student (and Spouse) Income Offsets (sum of lines g, h, and i)	=	
3. Total Student (and Spouse) Income (line 1 minus line 2)		
• Total Student (and Spouse) Income Additions – Total Student (and Spouse) Income Offsets		
• May be a negative number	=	
<b>Allowances Against Student (and Spouse) Income</b>		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)	█	
5. Payroll Tax Allowance (Table B1)	█	
a. Medicare’s Hospital Insurance (HI) Program Tax Rate (Table B1: Step 1)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table B1: Step 2)	+	
6. Income Protection Allowance (IPA)		
• If the student indicator is unmarried: \$17,310		
• If the student indicator is married: \$27,750	+	

7. Employment Expense Allowance (EEA) <ul style="list-style-type: none"> <li>If the student indicator is unmarried: \$0</li> <li>If the student indicator is married, the lesser of: <ul style="list-style-type: none"> <li>35% of the student and student's spouse combined earned income, OR</li> <li>\$4,730</li> </ul> </li> </ul>	+	
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	
<b>Student's Contribution from Income</b>		
Total Student (and Spouse) Income (line 3)		
Total Student (and Spouse) Allowances Against Income (line 8)	-	
9. Student Available Income (StAI; line 3 minus line 8) <ul style="list-style-type: none"> <li>May be a negative number</li> </ul>	=	
10. Assessment of Student Available Income (50%)	x	0.50
11. Student's Contribution from Income (line 9 times line 10)	=	

<b>Student Contribution from Assets</b>		
12. Annual child support received for the last complete calendar year		
13. Cash, savings, and checking accounts	+	
14. Net worth of current investments <ul style="list-style-type: none"> <li>Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits</li> <li>If negative, enter zero</li> </ul>	+	
15. Adjusted net worth of businesses and/or investment farms (Table B2) <ul style="list-style-type: none"> <li>Net worth of businesses and/or investment farms multiplied by the applicable adjustment in Table B2</li> </ul>	+	
16. Net worth (sum of lines 12, 13, 14, and 15)	=	
17. Asset Protection Allowance (Table B3)	-	
18. Discretionary Net Worth <ul style="list-style-type: none"> <li>Line 16 minus line 17</li> </ul>	=	
19. Asset Conversion Rate (20%)	x	0.20
20. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> <li>Line 18 times line 19</li> <li>If negative, enter zero</li> </ul>	=	

<b>Student Aid Index</b>
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Student Contribution from Income (line 11) <ul style="list-style-type: none"> <li>• May be a negative number</li> </ul>		
Student Contribution from Assets (line 20)	+	
21. Student Aid Index (SAI; sum of lines 11 and 20) <ul style="list-style-type: none"> <li>• If negative, and &lt; -1,500, adjust to -1,500 (e.g., If negative 2,000 set to -1,500)</li> <li>• If negative, and &gt;= -1,500, do not adjust (e.g., If -1,000 leave as -1,000)</li> </ul>	=	

## Supplementary Tables for Formula B – Independent Students Without Dependent(s) Other than a Spouse

**Note for Table B1:** When calculating for more than one taxpayer (e.g., the student and student spouse did not file MFJ) the following rounding rules apply: calculation should be carried to three decimal places only. Once the student and student spouse calculated results are added together, round to the nearest whole numbers using standard rounding rules defined.

**Table B1: Payroll Tax Allowance**

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	<p>If Student filed as Single, HoH or Qualifying Surviving Spouse:</p> <ul style="list-style-type: none"> <li>• 1.45% of student earned income up to \$200,000, (+) plus</li> <li>• 2.35% of student earned income over \$200,000</li> </ul> <p>If Student filed as Married-Filed Joint Return (MFJ):</p> <ul style="list-style-type: none"> <li>• 1.45% of student and student spouse's combined earned income up to \$250,000, (+) plus</li> <li>• 2.35% of student and student spouse's combined earned income over \$250,000</li> </ul> <p>If Student filed as Married-Filed Separate Return (MFS):</p> <ul style="list-style-type: none"> <li>• 1.45% of student earned income up to \$125,000, (+) plus</li> <li>• 1.45% of student spouse's earned income up to \$125,000, (+) plus</li> <li>• 2.35% of student earned income over \$125,000 (+) plus</li> <li>• 2.35% of student spouse's earned income over \$125,000</li> </ul> <p><b>Note:</b> In scenarios where spouses have filed different tax returns (e.g., one spouse filed TFS = Single, the other TFS = MFS, etc.), the calculation is performed individually and then the results are added together following the rounding logic noted above.</p>
Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate	<p>For independent students without a spouse or those who only report a single tax return, 6.2% of total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If student's total earned income exceeds \$147,000, then input \$9,114*.</p> <p>For those reporting both student and student spouse income or who are married and filed a joint return, 6.2% of total student and student spouse earned income up to Contributions and Benefit Base of \$294,000 for Tax Year 2022. If the student and student spouse total earned income exceeds \$294,000, then input \$18,228*.</p>

\*Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program limits the amount of earnings subject to taxation for a given year. The same annual limit also applies when those earnings are used in a benefit computation. This limit changes each year with changes in the national average wage index. For earnings in 2022, this base is \$147,000.

The OASDI tax rate for wages paid in 2022 is set by statute at 6.2 percent for employees and employers, each. Thus, an individual with wages equal to or larger than \$147,000 would contribute \$9,114 to the OASDI program in 2022.

For more information visit: <https://www.ssa.gov/oact/cola/cbb.html>.

**Table B2: Businesses/Investment Farms Net Worth Adjustment**

<b>If the net worth of businesses/investment farms is ____</b>	<b>Then the adjusted net worth is ____</b>
Less than \$1	\$0
\$1 to \$165,000	40% of net worth of business/farm
\$165,001 to \$490,000	\$66,000 + 50% of net worth over \$165,000
\$490,001 to \$820,000	\$228,500 + 60% of net worth over \$490,000
\$820,001 or more	\$426,500 + 100% of net worth over \$820,000

**Table B3: Asset Protection Allowance**

<b>Age of student as of 12/31/2023</b>	<b>Allowance for married student</b>	<b>Allowance for unmarried student</b>	<b>Age of student as of 12/31/2023</b>	<b>Allowance for married student</b>	<b>Allowance for unmarried student</b>
25 or less	\$0	\$0	46	\$0	\$0
26	\$0	\$0	47	\$0	\$0
27	\$0	\$0	48	\$0	\$0
28	\$0	\$0	49	\$0	\$0
29	\$0	\$0	50	\$0	\$0
30	\$0	\$0	51	\$0	\$0
31	\$0	\$0	52	\$0	\$0
32	\$0	\$0	53	\$0	\$0
33	\$0	\$0	54	\$0	\$0
34	\$0	\$0	55	\$0	\$0
35	\$0	\$0	56	\$0	\$0
36	\$0	\$0	57	\$0	\$0
37	\$0	\$0	58	\$0	\$0
38	\$0	\$0	59	\$0	\$0
39	\$0	\$0	60	\$0	\$0
40	\$0	\$0	61	\$0	\$0
41	\$0	\$0	62	\$0	\$0
42	\$0	\$0	63	\$0	\$0
43	\$0	\$0	64	\$0	\$0
44	\$0	\$0	65 or older	\$0	\$0
45	\$0	\$0			

## Formula C – Independent Students with Dependent(s) Other than a Spouse

SAI = Student’s Contribution from Adjusted Available Income

<b>Student Contribution from Income</b>		
<b>Student (and Spouse) Income Additions</b>		
a. Student (and Spouse) AGI		
b. Student (and Spouse) Deductible Payments to IRA/KEOGH/Other	+	
c. Student (and Spouse) Tax-Exempt Interest Income	+	
d. Student (and Spouse) Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)	+	
e. Student (and Spouse) Untaxed Portions of Pensions (Subtract Pension rollover; if total is less than zero, enter zero)	+	
f. Student (and Spouse) Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
1. Total Student (and Spouse) Income Additions (sum of lines a, b, c, d, e, and f)	=	
<b>Student (and Spouse) Income Offsets</b>		
g. Student (and Spouse) College Grant and Scholarship Aid		
h. Student (and Spouse) Education Credits	+	
i. Student (and Spouse) Federal Work-study (FWS)	+	
2. Total Student (and Spouse) Income Offsets (sum of lines g, h, and i)	=	
3. Total Student (and Spouse) Income (line 1 minus line 2)		
• Total Student (and Spouse) Income Additions – Total Student (and Spouse) Income Offsets		
• May be a negative number	=	
<b>Allowances Against Student (and Spouse) Income</b>		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		
5. Payroll Tax Allowance (Table C1)		
a. Medicare’s Hospital Insurance (HI) Program Tax Rate (Table C1: Step 1)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table C1: Step 2)	+	
6. Income Protection Allowance (IPA)		
• See Table C2 if the student indicator is married with dependents		
• Table C3 if the student indicator is unmarried with dependents	+	
7. Employment Expense Allowance (EEA)	+	



<ul style="list-style-type: none"> <li>If the student indicator is unmarried, the lesser of: <ul style="list-style-type: none"> <li>35% of the student earned income, OR</li> <li>\$4,730</li> </ul> </li> <li>If the student indicator is married, the lesser of: <ul style="list-style-type: none"> <li>35% of the student and student's spouse combined earned income, OR</li> <li>\$4,730</li> </ul> </li> </ul>		
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	
<b>Student's Available Income (StAI)</b>		
Total Student (and Spouse) Income (line 3)		
Total Student (and Spouse) Allowances Against Income (line 8)	-	
9. Student Available Income (StAI; line 3 minus line 8) <ul style="list-style-type: none"> <li>May be a negative number</li> </ul>	=	

<b>Student Contribution from Assets</b>		
10. Annual child support received for the last complete calendar year		
11. Cash, savings, and checking accounts	+	
12. Net worth of current investments <ul style="list-style-type: none"> <li>Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits</li> <li>If negative, enter zero</li> </ul>	+	
13. Adjusted net worth of businesses and/or investment farms (Table C4) <ul style="list-style-type: none"> <li>Net worth of businesses and/or investment farms multiplied by the applicable adjustment in Table C4</li> </ul>	+	
14. Net worth (sum of lines 10, 11, 12, and 13)	=	
15. Asset Protection Allowance (APA; Table C5)	-	
16. Discretionary Net Worth <ul style="list-style-type: none"> <li>Line 14 minus line 15</li> </ul>	=	
17. Asset Conversion Rate (7%)	x	0.07
18. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> <li>Line 16 times line 17</li> <li>If negative, enter zero</li> </ul>	=	

<b>Student Aid Index</b>		
Student Available Income (line 9)		

<ul style="list-style-type: none"> <li>• May be a negative number</li> </ul>		
Student Contribution from Assets (line 18)	+	
19. Student Adjusted Available Income (AAI; sum of lines 9 and 18) <ul style="list-style-type: none"> <li>• May be a negative number</li> </ul>	=	
20. Total Student Contribution from AAI (Table C6)	=	
Student Aid Index (SAI) <ul style="list-style-type: none"> <li>• If line 20 is positive, SAI = line 20</li> <li>• If line 20 is negative, and &lt; -1,500, adjust to -1,500 (e.g., If negative 2,000 set to -1,500)</li> <li>• If line 20 is negative, and &gt;= -1,500, do not adjust (e.g., If -1,000 leave as -1,000)</li> </ul>	=	

## Supplementary Tables for Formula C – Independent Students with Dependent(s) Other than a Spouse

**Note for Table C1:** When calculating for more than one taxpayer (e.g., the student and student spouse did not file MFJ) the following rounding rules apply: calculation should be carried to three decimal places only. Once the student and student spouse calculated results are added together, round to the nearest whole numbers using standard rounding rules defined.

**Table C1: Payroll Tax Allowance**

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	<p>If Student filed as Single, HoH or Qualifying Surviving Spouse:</p> <ul style="list-style-type: none"> <li>• 1.45% of student earned income up to \$200,000, (+) plus</li> <li>• 2.35% of student earned income over \$200,000</li> </ul> <p>If Student filed as Married-Filed Joint Return (MFJ):</p> <ul style="list-style-type: none"> <li>• 1.45% of student and student spouse's combined earned income up to \$250,000, (+) plus</li> <li>• 2.35% of student and student spouse's combined earned income over \$250,000</li> </ul> <p>If Student filed as Married-Filed Separate Return (MFS):</p> <ul style="list-style-type: none"> <li>• 1.45% of student earned income up to \$125,000, (+) plus</li> <li>• 1.45% of student spouse's earned income up to \$125,000, (+) plus</li> <li>• 2.35% of student earned income over \$125,000 (+) plus</li> <li>• 2.35% of student spouse's earned income over \$125,000</li> </ul> <p><b>Note:</b> In scenarios where spouses have filed different tax returns (e.g., one spouse filed TFS = Single, the other TFS = MFS, etc.), the calculation is performed individually and then the results are added together following the rounding logic noted above.</p>
Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate	<p>For independent students without a spouse or those who only report a single tax return, 6.2% of total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If student's total earned income exceeds \$147,000, then input \$9,114*.</p> <p>For those reporting both student and student spouse income or who are married and filed a joint return, 6.2% of total student and student spouse earned income up to Contributions and Benefit Base of \$294,000 for Tax Year 2022. If the student and student spouse total earned income exceeds \$294,000, then input \$18,228*.</p>

\*Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program limits the amount of earnings subject to taxation for a given year. The same annual limit also applies when those earnings are used in a benefit computation. This limit changes each year with changes in the national average wage index. For earnings in 2022, this base is \$147,000.

The OASDI tax rate for wages paid in 2022 is set by statute at 6.2 percent for employees and employers, each. Thus, an individual with wages equal to or larger than \$147,000 would contribute \$9,114 to the OASDI program in 2022.

For more information visit: <https://www.ssa.gov/oact/cola/cbb.html>.

**Table C2: Income Protection Allowance – Married with Dependents**

<b>Family Size (including Student)</b>	<b>Income Protection Allowance Amount</b>
3	\$54,580
4	\$67,400
5	\$79,530
6	\$93,010

**Note:** For each additional household member, add \$10,510.

**Table C3: Income Protection Allowance – Single with Dependents**

<b>Family Size (including Student)</b>	<b>Income Protection Allowance Amount</b>
2	\$51,960
3	\$64,700
4	\$79,880
5	\$94,260
6	\$110,230

**Note:** For each additional household member, add \$12,460.

**Table C4: Businesses/Investment Farms Net Worth Adjustment**

<b>If the net worth of businesses/investment farms is ____</b>	<b>Then the adjusted net worth is ____</b>
Less than \$1	\$0
\$1 to \$165,000	40% of net worth of business/farm
\$165,001 to \$490,000	\$66,000 + 50% of net worth over \$165,000
\$490,001 to \$820,000	\$228,500 + 60% of net worth over \$490,000
\$820,001 or more	\$426,500 + 100% of net worth over \$820,000

**Table C5: Asset Protection Allowance**

Age of student as of 12/31/2023	Allowance for married student	Allowance for unmarried student	Age of student as of 12/31/2023	Allowance for married student	Allowance for unmarried student
25 or less	\$0	\$0	46	\$0	\$0
26	\$0	\$0	47	\$0	\$0
27	\$0	\$0	48	\$0	\$0
28	\$0	\$0	49	\$0	\$0
29	\$0	\$0	50	\$0	\$0
30	\$0	\$0	51	\$0	\$0
31	\$0	\$0	52	\$0	\$0
32	\$0	\$0	53	\$0	\$0
33	\$0	\$0	54	\$0	\$0
34	\$0	\$0	55	\$0	\$0
35	\$0	\$0	56	\$0	\$0
36	\$0	\$0	57	\$0	\$0
37	\$0	\$0	58	\$0	\$0
38	\$0	\$0	59	\$0	\$0
39	\$0	\$0	60	\$0	\$0
40	\$0	\$0	61	\$0	\$0
41	\$0	\$0	62	\$0	\$0
42	\$0	\$0	63	\$0	\$0
43	\$0	\$0	64	\$0	\$0
44	\$0	\$0	65 or older	\$0	\$0
45	\$0	\$0			

**Table C6: Assessment from Adjusted Available Income**

If the AAI is ____	Then the contribution from AAI is _____
Less than -\$6,820	-\$1,500
-\$6,820 to \$20,600	22% of AAI
\$20,601 to \$25,800	\$4,532 + 25% of AAI over \$20,600
\$25,801 to \$31,000	\$5,832 + 29% of AAI over \$25,800
\$31,001 to \$36,300	\$7,340 + 34% of AAI over \$31,000
\$36,301 to \$41,500	\$9,142 + 40% of AAI over \$36,300
\$41,501 or more	\$11,222 + 47% of AAI over \$41,500

# Step 3: Determine Minimum Pell Grant Eligibility

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Use the Minimum Pell Grant criteria to identify additional applicants eligible for a Pell Grant. Under HEA Sec. 401(b)(1)(C), a student is eligible for a Minimum Pell Grant if any of the following is true:

## Dependent Student

- **Minimum Pell Indicator = 1:** The student's parent **is** a single parent and has an AGI less than or equal to 325% of the poverty guideline for the applicant's family size and state of legal residence; or
- **Minimum Pell Indicator = 2:** The student's parent **is not** a single parent and has an AGI less than or equal to 275% of the poverty guideline for the applicant's family size and state of legal residence.

## Independent Student

- **Minimum Pell Indicator = 3:** The student **is** a single parent, and the AGI is less than or equal to 400% of the poverty guideline for the applicant's family size and state of legal residence; or
- **Minimum Pell Indicator = 4:** The student **is** a parent and **is not** a single parent, and the AGI is less than or equal to 350% of the of the poverty guideline for the applicant's family size and state of legal residence; or
- **Minimum Pell Indicator = 5:** The student **is not** a parent, and the student's (and spouse's if applicable) AGI is less than or equal to 275% of the poverty guideline for the applicant's family size and state of legal residence.

**Note:** The Minimum Pell Indicator (1, 2, 3, 4, or 5) will be returned on the ISIR, if applicable.

For additional information on state of legal residence and poverty guidelines, see *Step 1: Determine Maximum Pell Grant Eligibility*.

## SAI for Minimum Pell Grant Recipients

Students eligible for a Minimum Pell Grant under one of these eligibility criteria retain the SAI calculated in *Step 2: Calculate Student Aid Index*. All other aid should be packaged using the calculated SAI.

# Federal Pell Grant Flag

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The Federal Pell Grant Flag, used to determine if the student is eligible for a Pell Award, is set to Y when the following occurs.

**Table 2: 1Pell Grant Flag**

If	Then
Graduate Flag is blank OR Pursuing Teach Certification is "Yes" AND Any of the following are true: SAI is non-blank AND less than or equal to Maximum Pell SAI minus the Minimum Pell SAI OR SAI is non-blank AND Minimum Pell Indicator is non-blank, OR Children of Fallen Heroes Indicator is "Eligible for CFH" OR "Eligible Due to Grandfather" OR Iraq Afghanistan Service Grant Indicator is "Eligible for IASG" OR "Eligible Due to Grandfathering"	Pell Grant = Yes

**Note:** If the applicant's SAI is greater than zero, the student's schedule Pell Grant award is calculated by subtracting the SAI from the maximum scheduled Pell Grant award amount for the year. Use the Maximum and Minimum Pell amounts as defined in the [GEN-24-01 2024-2025 Federal Pell Grant maximum and Minimum Award Amounts Dear Col-league Letter](#).

# Appendix A: Acronyms

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**Table 3: Acronyms**

<b>Acronym</b>	<b>Definition</b>
AAI	Adjusted Available Income
AGI	Adjusted Gross Income
APA	Asset Protection Allowance
EEA	Employment Expense Allowance
EFC	Expected Family Contribution
EITC	Earned Income Tax Credit Received During Tax Year
FAA	Financial Aid Administrator
FAFSA	Free Application for Federal Student Aid
FTI	Federal Tax Information
FUTURE Act	Fostering Undergraduate Talent by Unlocking Resources for Education Act
FWS	Federal Work-study
HEA	Higher Education Act
HHS	Department of Health and Human Services
HI	Hospital Insurance
HoH	Head of Household
IPA	Income Protection Allowance
IRA	Individual Retirement Account
IRS	Internal Revenue Service
ISIR	Institutional Student Information Record
N/A	Not Applicable
OASDI	Old-age, survivors, and disability insurance



PAAI	Parent Adjusted Available Income
PAI	Parents' Available Income
PCA	Parent Contribution from Assets
SAI	Student Aid Index
SCA	Student Contribution from Assets
SLR	State of Legal Residence
StAI	Student Available Income
TFS	Tax Filing Status
U.S.	United States

# Appendix B:

## Dependency Status

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Dependency (independent or dependent) status determines which eligibility criteria is used to evaluate for Maximum or Minimum Pell Grant eligibility. It also drives which SAI formula to use for a student applicant.

Under HEA 480(d), a student is automatically determined to be independent for federal student aid purposes if he or she meets one or more of the following criteria:

- The student was born before January 1, 2001.
- The student is married or remarried (but not separated or divorced) as of the date of the application.
- At the beginning of the 2024-25 school year, the student will be enrolled in a master's or doctoral degree program (e.g., MA, MBA, MD, JD, PhD, EdD, or graduate certificate).
- The student is currently serving on active duty in the U.S. Armed Forces or is a National Guard or Reserves enlistee called into federal active duty for purposes other than training.
- The student is a veteran of the U.S. Armed Forces.
- The student has or will have one or more children or other people who live with and receive more than half of their support from the student, now and through the last day of the award year.
- At any time since the student turned age 13, both student's parents were deceased, or the student was in foster care or was a dependent or ward of the court.
- As determined by a court in the student's state of legal residence, the student is now, or was upon reaching the age of majority, an emancipated minor (that is, released from control by his or her parent or guardian).
- As determined by a court in the student's state of legal residence, the student is now, or was upon reaching the age of majority, in legal guardianship.
- On or after July 1, 2023, the student was determined homeless or at risk of becoming homeless by one of the following:
  - Director or designee of an emergency or transitional shelter, street outreach program, homeless youth drop-in center, or other program serving those experiencing homelessness
  - Student's high school or school district
  - Director or designee of project supported by a federal TRIO or GEAR UP program grant
  - Financial Aid Administrator

## Students with Unusual Circumstances

For students who do not meet any of the above criteria but who have documented unusual circumstances, an FAA can, by professional judgment and on a case-by-case basis, override their dependency status from dependent to independent. For information about dependency overrides, see the Application and Verification Guide, which is part of the Federal Student Aid Hand-

book and can be found on the Knowledge Center Web site. Additional guidance on the implementation of unusual circumstances under the FAFSA Simplification Act is also available in [Dear Colleague Letter GEN-22-15](#), published on November 4, 2022.

## Provisionally Independent Students

Beginning with the 2024-25 award year, applicants who indicate on the FAFSA form that they do not meet the above criteria to be considered an independent student but have an unusual circumstance, or who indicated that they are an unaccompanied homeless youth but do not have a determination from an authorized official, will be processed as provisionally independent. These students will receive a provisional SAI, which is calculated using the same formulas as a standard SAI but cannot be used to pay Federal student aid. Applicants who are provisionally independent will be directed to contact the financial aid office at their school for further guidance.

- If a FAFSA application is rejected, then no SAI will be calculated.
- If a provisionally independent student only has one FAFSA application rejected, then a provisional SAI will be calculated. If a provisionally independent student has a reject other than REJECT 1, then a provisional SAI will not be calculated.

# Appendix C: Family Size

Under FAFSA Simplification, family size (formerly “household size”) now aligns with the number of exemptions claimed on an individual’s tax return.

## Calculated Family Size

Family size can be calculated using IRS exemptions only or IRS exemptions with applied assumptions if all input sources required to calculate the family size indicate to use the IRS exemption information. Inputs to family size are:

- Dependency status;
- Married indicator;
- IRS tax filing status; and
- IRS reported exemptions.\*

\*In scenarios where a taxpayer’s tax Filing Status = NO (did not file taxes), then the non-tax filer exemptions would be set to zero (0) for the purposes of the family size calculation. If the calculation appears to be missing the student, then an additional exemption of one (1) is added to the total for the purposes of the family size calculation.

**Table 4: Family Size Indicator**

<b>Dependent Students</b>	
<b>If</b>	<b>Then</b>
Parent Married Indicator = Married, AND Parent Tax Filing Status or Parent Spouse Tax Filing Status = Married Filing Jointly (MFJ), AND Parent Exemptions or Parent Spouse Exemptions + (plus) Student Exemptions > 2	Parent Family Size = [Parent Exemptions or Parent Spouse Exemptions + Student Exemptions]
Parent Married Indicator = Married, AND Parent Tax Filing Status or Parent Spouse Tax Filing Status = MFJ, AND Parent Exemptions or Parent Spouse Exemptions + (plus) Student Exemptions is <= 2	Parent Family Size = [Parent Exemptions or Parent Spouse Exemptions + Student Exemptions]  Assumed Parent Family Size = [Parent Exemptions or Parent Spouse Exemptions + Student Exemptions] + 1 (assumed student) = <b>3</b>
Parent Married Indicator = Married, AND Parent Tax Filing Status ≠ MFJ, AND Parent Spouse Tax Filing Status ≠ MFJ, AND	Parent Family Size = [Parent Exemptions + Parent Spouse Exemptions + Student Exemptions]

<b>Dependent Students</b>	
<b>If</b>	<b>Then</b>
Parent Exemptions + Parent Spouse Exemptions + Student Exemptions > 2	
Parent Married Indicator = Married, AND Parent Tax Filing Status ≠ MFJ, AND Parent Spouse Tax Filing Status ≠ MFJ, AND Parent Exemptions + Parent Spouse Exemptions + Student Exemptions ≤ 2	Parent Family Size = [Parent Exemptions + Parent Spouse Exemptions + Student Exemptions]  Assumed Parent Family Size = [Parent Exemptions or Parent Spouse Exemptions + Student Exemptions] + 1 (assumed student) = 3
Parent Married Indicator = Unmarried, AND Parent Exemptions + Student Exemptions ≥ 2	Parent Family Size = [Parent Exemptions + Student Exemptions]
Parent Married Indicator = Unmarried, AND Parent Exemptions + Student Exemptions < 2	Parent Family Size = [Parent Exemptions + Student Exemptions]  Assumed Parent Family Size = [Parent Exemptions or Parent Spouse Exemptions + Student Exemptions] + 1 (assumed student) = 2

<b>Independent Students</b>	
<b>If</b>	<b>Then</b>
Student Married Indicator = Married, AND student Tax Filing Status = MFJ, AND Student Exemptions is > 1	Student Family Size = [Student Exemptions]
Student Married Indicator = Married, AND student Tax Filing Status = MFJ, AND Student Exemptions ≤ 1	Student Family Size = [Student Exemptions]  Assumed Student Family Size = [Student Exemptions] + 1 (assumed student) = 2
Student Married Indicator = Married, AND Student Tax Filing Status ≠ MFJ, AND Student Exemptions + Student Spouse Exemptions ≥ 2	Student Family Size = [Student Exemptions + Student Spouse Exemptions]
Student Married Indicator = Married, AND Student Tax Filing Status ≠ MFJ,	Student Family Size = [Student Exemptions + Student Spouse Exemptions]

Independent Students	
If	Then
AND Student Exemptions + Student Spouse Exemptions < 2	Assumed Student Family Size = [Student Exemptions + Student Spouse Exemptions] + 1 (assumed student) = <b>2</b>
Student Married Indicator = Unmarried, AND Student Exemptions >= 1	Student Family Size = [Student Exemptions]
Student Married Indicator = Unmarried, AND Student Exemptions < 1	Student Family Size = [Student Exemptions]  Assumed Student Family Size = [Student Exemptions] + 1 (assumed student) = <b>1</b>

## Self-Reported Family Size

For individuals without a calculated family size or for whom the calculated family size is inaccurate, family size can be self-reported by the applicant. The following persons are included in the family size.

Table 5: Self-Reported Family Size

Dependent Students	Independent Students
<ul style="list-style-type: none"> <li>• The student</li> <li>• The student's parents, even if the student is not living with them. Exclude a parent who has died or is not living in the household because of separation or divorce. Include a parent who is on active duty in the U.S. Armed Forces apart from the family.</li> <li>• The student's siblings if the following are true:               <ul style="list-style-type: none"> <li>○ They live with the student's parents (or live apart because of college enrollment);</li> <li>○ They receive more than half of their support from the student's parents; and</li> <li>○ They will continue to receive more than half their support from the student's parents during the award year.</li> </ul> </li> <li>• Other persons if the following are true:               <ul style="list-style-type: none"> <li>○ They live with the student's parents;</li> <li>○ They receive more than half of their support from the student's parents; and</li> <li>○ They will continue to receive more than half their support from the student's parents during the award year.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• The student</li> <li>• The student's spouse, if applicable</li> <li>• The student's dependent children if the following are true:               <ul style="list-style-type: none"> <li>○ They live with the student (or live apart because of college enrollment);</li> <li>○ They receive more than half of their support from the student; and</li> <li>○ They will continue to receive more than half their support from the student during the award year.</li> </ul> </li> <li>• Other persons if the following are true:               <ul style="list-style-type: none"> <li>○ They live with the student;</li> <li>○ They receive more than half of their support from the student; and</li> <li>○ They will continue to receive more than half their support from the student during the award year.</li> </ul> </li> </ul>

The provided criteria for “dependent children” or “other persons” align with the requirement that family size align with whom the parent (or student, if dependent) could claim as a dependent on a U.S. tax return if the parent (or student, if dependent) were to file a U.S tax return at the time of completing the 2024-2025 FAFSA. As a result, unborn children should not be included in the family size.

## Hierarchy Rules

In instances where the family size is calculated, and there is both a Calculated Family Size and a Self-Reported Family Size provided, the Self-Reported Family Size value must be used in the SAI calculation.

If more than one family size value is provided on the ISIR, the following hierarchy rules were applied. If the Updated Family Size is non-blank it is used in the calc, then if assumed family size is non-blank it is used, otherwise the FTI exemptions are used. As a reminder: Family size is not used in the SAI calculation when Maximum Pell Indicator = 1.

If any taxpayer data used in the SAI calculation indicates to use only self-reported information (e.g., one spouse uses IRS and the other spouse indicates use self-reported income or if dependent, and the dependent student indicates use only self-reported income information even if both parents use IRS data) then the Family Size used in the SAI calculation must be the Self-Reported Family Size captured on the FAFSA.

## Family Size FAQs

1. **When will the “assumed family size” field [ID 329 or ID 330] be populated on the ISIR?**
  - a. The “assumed family size” field is populated **only** when the exemptions [ID 865, ID 885, ID 905, or ID 925] added together do not appear to have included the student (applicant)
  - b. If the student appears to be included in the exemptions, then the SAI calculation uses the exemptions as the family size.
2. **What is the difference between the “updated family size” field [ID 61 or ID183] and the “assumed family size” [ID 329 or ID 330] field?**
  - a. The “updated family size” field is one that the parent (if dependent) or student (if independent) has self-reported on the FAFSA; whereas as noted above the “assumed family size” is one that is calculated if the exemptions from the IRS appear to have excluded the student
3. **Will there ever be an instance where there may be more than one family size? If so, what is the hierarchy?**
  - a. Yes – if more than one field is populated on the ISIR, the hierarchy is as follows:
    - i. **Updated family size** [ID61 or ID183]
      1. if the updated family size field is populated, then this field is always used as the family size in the SAI calculation
    - ii. **Assumed family size** [ID329 or ID330]
      1. if updated family size field is null and the assumed family size field is populated, the assumed family size field is used as the family size in the SAI calculation
    - iii. **Exemptions** [ID 865, ID 885, ID 905, or ID 925]

1. If neither updated family size nor assumed family size fields are populated, then the exemptions are used as the family size in the SAI calculation
- 4. Is there ever an instance where a family size isn't used in the SAI calculation?**
- a. Yes – if **Maximum Pell Indicator = 1** [ID 22], then a family size was not used in the SAI calculation at all.



# Appendix D: Non-Tax Filer vs. Tax Filer

Determine individually the student, parent, parent spouse or student spouse non-tax filer or tax filer qualification prior to executing the SAI calculation. Use the following rules to determine a taxpayer’s qualification:

**Table 6: Non-Tax Filer vs. Tax Filer Status**

<b>Dependent Students</b>	
<b>If</b>	<b>Then</b>
<p>The parent tax Filing Status = NO (IRS response code 214, did not file taxes) and self-reported income is not provided OR The parent self-reported the following: Filed 1040 or 1040NR is “2” <b>No</b> AND Filed a Non-U.S. Tax Return is <b>any</b> of the following:</p> <ul style="list-style-type: none"> <li>• “4” Did not and will not file a U.S. tax return – earned U.S. income below the tax filing threshold</li> <li>• “5” Did not and will not file a U.S. tax return – reasons other than low income</li> <li>• “6” Did not and will not file any tax return – no earned income AND State of Legal Residence is “PR”, “AS”, “GU”, “MP”, “VI”, OR any of the 50 states</li> </ul>	Set the parent to <b>Non-Tax Filer</b>
<p>The parent tax Filing Status = YES (IRS response code 200) OR The parent self-reported the following: Filed 1040 or 1040NR is “1” <b>Yes</b> OR Filed a Non-U.S. Tax Return is <b>any</b> of the following:</p> <ul style="list-style-type: none"> <li>• “1” Filed or will file a tax return with Puerto Rico or another U.S. territory</li> <li>• “2” Filed or will file a foreign tax return</li> <li>• “3” Did not and will not file a foreign tax return – earned income in a foreign country or employee of an international organization that did not require tax filing</li> <li>• “6” Did not and will not file any tax return – no earned income AND State of Legal Residence is NOT “PR”, “AS”, “GU”, “MP”, “VI”, OR any of the 50 states</li> </ul>	Set the parent to <b>Tax Filer</b>

<p>The parent spouse tax Filing Status = NO (IRS response code 214, did not file taxes) and self-reported income is not provided</p> <p>OR</p> <p>The parent spouse self-reported the following:          Filed 1040 or 1040NR is “2” <b>No</b> AND Filed a Non-U.S. Tax Return is <b>any</b> of the following:</p> <ul style="list-style-type: none"> <li>• “4” Did not and will not file a U.S. tax return – earned U.S. income below the tax filing threshold</li> <li>• “5” Did not and will not file a U.S. tax return – reasons other than low income</li> <li>• “6” Did not and will not file any tax return – no earned income</li> </ul>	<p>Set the parent spouse to <b>Non-Tax Filer</b></p>
<p>The parent spouse tax Filing Status = YES (IRS response code 200)</p> <p>OR</p> <p>If the parent spouse self-reported the following:          Filed 1040 or 1040NR is “1” <b>Yes</b> OR Filed a Non-U.S. Tax Return is <b>any</b> of the following:</p> <ul style="list-style-type: none"> <li>• “1” Filed or will file a tax return with Puerto Rico or another U.S. territory</li> <li>• “2” Filed or will file a foreign tax return</li> <li>• “3” Did not and will not file a foreign tax return – earned income in a foreign country or employee of an international organization that did not require tax filing</li> </ul>	<p>Set the parent spouse to <b>Tax Filer</b></p>
<p>The student tax Filing Status = NO (IRS response code 214, did not file taxes) and self-reported income is not provided</p> <p>OR</p> <p>The student self-reported the following:          Filed 1040 or 1040NR is “2” <b>No</b> AND Filed a Non-U.S. Tax Return is “2” <b>No</b></p>	<p>Set the student to <b>Non-Tax Filer</b></p>
<p>The student tax Filing Status = YES (IRS response code 200)</p> <p>OR</p> <p>The student self-reported the following:          Filed 1040 or 1040NR is “1” <b>Yes</b> OR Filed a Non-U.S. Tax Return is “1” <b>Yes</b></p>	<p>Set the student to <b>Tax Filer</b></p>

<b>Independent Students</b>	
<b>If</b>	<b>Then</b>

<p>The student tax Filing Status = NO (IRS response code 214, did not file taxes) and self-reported income is not provided OR The student self-reported the following: Filed 1040 or 1040NR is “2” <b>No</b> AND Filed a Non-U.S. Tax Return is “2” <b>No</b></p>	<p>Set the student to <b>Non-Tax Filer</b></p>
<p>The student tax Filing Status = YES (IRS response code 200) OR The student self-reported the following: Filed 1040 or 1040NR is “1” <b>Yes</b> OR Filed a Non-U.S. Tax Return is “1” <b>Yes</b></p>	<p>Set the student to <b>Tax Filer</b></p>
<p>The student spouse tax Filing Status = NO (IRS response code 214, did not file taxes) and self-reported income is not provided OR The student spouse self-reported the following: Filed 1040 or 1040NR is “2” <b>No</b> AND Filed a Non-U.S. Tax Return is “2” <b>No</b></p>	<p>Set the student spouse to <b>Non-Tax Filer</b></p>
<p>The student spouse tax Filing Status = YES (IRS response code 200) OR The student spouse self-reported the following: Filed 1040 or 1040NR is “1” <b>Yes</b> OR Filed a Non-U.S. Tax Return is “1” <b>Yes</b></p>	<p>Set the student spouse to <b>Tax Filer</b></p>

If status is tax filer, the following additional variable inputs in the appendices below may need to be determined prior to executing the SAI calculation.

**Note:** For *Step 1*, only the parents of dependent students need to both qualify as non-filers to meet Maximum Pell 1 logic; for independent students, both the student and spouse, if applicable, need to so qualify.

# Appendix E: Applicants or Contributors Required to Provide Assets

The student or parent is required to provide assets if they meet the following criteria:

Table 7: 2Required to Provide Assets Check

Independent Students	
If	Then
<p>The Independent Student is required to provide assets if the Student Federal Benefits: None of the above is "1" Yes AND <b>any</b> of the following are true:</p> <ul style="list-style-type: none"> <li>• {Student Manual Entry Required} AND <b>any</b> of the following: <ul style="list-style-type: none"> <li>• Student AGI is greater than or equal to \$60,000 OR</li> <li>• Student filed a Schedule A, B, D, E, F or H is "1" Yes OR</li> <li>• Student Schedule C Amount is greater than \$10,000 OR less than negative \$10,000</li> </ul> </li> <li>OR</li> <li>• Student FTIM Indicator "Required to Provide Assets" is "TRUE",</li> <li>OR</li> <li>• Student FTIM Indicator "AGI Threshold Exceeded" is "TRUE",</li> <li>OR</li> <li>• {Student Spouse is Contributor}, Student Spouse data has been provided, AND any of the following are true: <ul style="list-style-type: none"> <li>• {Student Spouse Manual Entry Required} AND <b>any</b> of the following: <ul style="list-style-type: none"> <li>○ Student Spouse AGI is greater than or equal to \$60,000 OR</li> <li>○ Student Spouse filed a Schedule A, B, D, E, F or H is "1" Yes OR</li> <li>○ Student Spouse Schedule C Amount is greater than \$10,000 OR less than negative \$10,000,</li> </ul> </li> <li>OR</li> <li>• Student Spouse FTIM Indicator "Required to Provide Assets" is "TRUE",</li> <li>OR</li> <li>• {Student Manual Entry Required} AND {Student Spouse Manual Entry Required} AND Student AGI + Student Spouse AGI is greater than OR equal to \$60,000</li> </ul> </li> </ul>	<p>Independent Student Required to Provide Assets</p>

## Dependent Students

If	Then
<p>The Parent AND Dependent Student are required to provide assets when <b>any</b> of the following are true:</p> <ul style="list-style-type: none"> <li>• Parent State of Legal Residence is any of the following (Canadian Provinces/Foreign Country): “AB”, “BC”, “FC”, “MB”, “NB”, “NL”, “NT”, “NS”, “NU”, “ON”, “PE”, “QC”, “SK”, “YT”, “PW”, “MH”, “FM”</li> <li>OR</li> <li>• Parent Filed Non-U.S. Tax Return is “2” Filed or will file a foreign tax return OR “3” Did not and will not file a foreign tax return – earned income in a foreign country or employee of an international organization that did not require tax filing</li> <li>OR</li> <li>• Parent Spouse or Partner Filed Non-U.S. Tax Return is “2” Filed or will file a foreign tax return OR “3” Did not and will not file a foreign tax return – earned income in a foreign country or employee of an international organization that did not require tax filing”</li> <li>OR</li> <li>• Parent Federal Benefits: None of the above is “1” Yes AND any of the following are true: <ul style="list-style-type: none"> <li>• {Parent Manual Entry Required} AND any of the following: <ul style="list-style-type: none"> <li>○ Parent AGI is greater than or equal to \$60,000 OR</li> <li>○ Parent filed a Schedule A, B, D, E, F, or H is “1” Yes OR</li> <li>○ Parent Schedule C Amount is greater than \$10,000 OR less than negative \$10,000</li> </ul> </li> <li>OR</li> <li>• Parent FTIM Indicator “Required to Provide Assets” is “TRUE”,</li> </ul> </li> <li>OR</li> <li>• Parent FTIM Indicator “AGI Threshold Exceeded” is “TRUE”,</li> <li>OR</li> <li>• {Parent Spouse or Partner is Contributor}, Parent Spouse or Partner data has been provided and the following are true: <ul style="list-style-type: none"> <li>• {Parent Spouse or Partner Manual Entry Required} AND any of the following: <ul style="list-style-type: none"> <li>○ Parent Spouse or Partner AGI is greater than or equal to \$60,000 OR</li> <li>○ Parent Spouse or Partner filed a Schedule A, B, D, E, F or H is “1” Yes OR</li> <li>○ Parent Spouse or Partner Schedule C Amount is greater than \$10,000 OR less than negative \$10,000</li> </ul> </li> </ul> </li> </ul>	<p>Parent/Dependent Student Required to Provide Assets</p>

Dependent Students	
If	Then
OR <ul style="list-style-type: none"> <li>• Parent Spouse or Partner FTIM Indicator “Required to Provide Assets” is “TRUE”,</li> </ul> OR <ul style="list-style-type: none"> <li>• {Parent Manual Entry Required} AND {Parent Spouse or Partner Manual Entry Required} AND Parent AGI + Parent Spouse or Partner AGI is greater than OR equal to \$60,000</li> </ul>	

**Note:** the FTIM Indicator values are defined in Volume 5 of the FAFSA Specification Guide.

# Appendix F: Determining Married Status Indicator

The married indicator is used in the SAI calculation for several variable steps. The married indicator is set using the following inputs:

- Dependency status
- Marital status

**Table 8: Married Status Indicator**

<b>Dependent Students</b>	
<b>If</b>	<b>Then</b>
Parents' marital status is Married, Remarried, or Unmarried and both legal parents living together	Set the parent married indicator to <b>Married</b>
Parents' marital status is Single (Never Married), Divorced, Separated, or Widowed	Set the parent married indicator to <b>Unmarried</b>

<b>Independent Students</b>	
<b>If</b>	<b>Then</b>
Student marital status is Single, Divorced, Separated*, or Widowed	Set the student married indicator to <b>Unmarried</b>
Student marital status is Married or Remarried	Set the student married indicator to <b>Married</b>

**\*Note:** A key change with FAFSA Simplification is that a "separated" student is no longer considered married for the purpose of determining dependency status.

# Appendix G: Determining “Single Parent” Status Indicator as defined by FAFSA Simplification

## Has Dependents Indicator Logic

For the SAI calculation to use the correct look-up tables or determine if an independent student qualifies as a single parent, the Has Dependents indicator must first be determined. Inputs to Has Dependents indicator are:

- Student Married Indicator
- Student Family Size

**Table 9: Has Dependents Indicator**

Independent Students	
If	Then
Student Married Indicator = Married, AND Student Family Size >= 3	Has Dependents Indicator = TRUE
Student Married Indicator = Unmarried, AND Student Family Size >= 2	Has Dependents Indicator = TRUE
Student Married Indicator = Married, AND Student Family Size = 2	Has Dependents Indicator = FALSE
Student Married Indicator = Unmarried, AND Student Family Size = 1	Has Dependents Indicator = FALSE

## Single Parent Status Indicator Logic

Determine the Single Parent indicator to identify which Maximum and Minimum Pell AGI threshold percentage rate to use in the SAI calculation for Maximum Pell indicator 2 or 3 or the Minimum Pell indicator 1–4. Inputs to determine single parent indicator are:

- Dependency status
- Married indicator
- Has dependents indicator (Independent only)
- Tax filing status
- Earned income credit (EITC) response\*.

\*Note: If the Self-Reported EITC Response = [blank] or not provided, presume Response = NO for purposes of the SAI calculation.



**Table 10: Single Parent Status Indicator**

<b>Dependent Students</b>		
<b>If</b>	<b>Then</b>	<b>Else</b>
Parent Married Indicator = Un-married, AND Parent Tax Filing Status = Head of Household, OR Parent Tax Filing Status = Qualifying Surviving Spouse, OR Parent Self-Reported Parent Earned Income Tax Credit Received During Tax Year (EITC) Response = YES	Parent Single Parent Indicator = TRUE	Parent Single Parent Indicator = FALSE

<b>Independent Students</b>		
<b>If</b>	<b>Then</b>	<b>Else</b>
Student Married Indicator = Un-married, AND Has Dependents Indicator = TRUE, AND Student Tax Filing Status = Head of Household, OR Student Tax Filing Status = Qualifying Surviving Spouse, OR Student Self-Reported Earned Income Tax Credit Received During Tax Year (EITC) Response = YES	Student Single Parent Indicator = TRUE	Student Single Parent Indicator = FALSE

# Appendix H: Determining Income Source Information

An SAI is calculated using any of the following variations, per contributor:

- Using only FTI income data (FTI data indicates the data was received from the IRS)
- Using some FTI income data and some self-reported income data (combo) OR using some FTI income data and non-tax filer (combo\*), or
- Using only self-reported income data\*\*

\*In scenarios where the SAI calculation needs to use a combination of a tax filer (has income) and a non-tax filer (e.g., *has no income – did not file taxes or self-reported did not file taxes*) only the tax filer income information is used for look-up tables, etc. with one exception as noted above – the family size calculation if using IRS exemptions only.

\*\*The FAFSA may also determine that none of the IRS information should be used or ignored. If this occurs, the Use Self-reported Income Data Only indicator will be set to TRUE on the ISIR and the SAI is calculated using only self-reported income information.

FAFSA will determine the source of the information to use in the SAI calculation. Based on initial checks with the IRS, FAFSA uses the results to determine if the user must provide self-reported income information due to conflicts or if they are a non-U.S. tax filer and need to report foreign income.

As a rule, any self-reported income information at field level should replace IRS Federal Tax Information (FTI) data at field level in an SAI calculation. For example, if on the ISIR both the FTI data field and the self-reported data field is populated (e.g., *IRS AGI and self-reported AGI fields*), the self-reported field is what is used in the SAI calculation.

## Rules when contributor MUST provide self-reported income information:

If any of the following are true, FAFSA will require the FAFSA contributor to provide self-reported income data which will be used in the SAI calculation and ignore any IRS FTI data:

Table 11: 3Contributor Must Provide Self-Reported Income

Independent Students	
If	Then
Manual entry is required for the Student when {Student Tax Filer} AND any of the following conditions are true: There is an IRS outage or system error, OR Student Consent to Retrieve and Disclose FTI is “2” Not Granted or blank, OR	Manual entry is required for the Student

<b>Independent Students</b>	
<b>If</b>	<b>Then</b>
<p>Student SSA Match Status is NOT “4” Full Match OR (SSA Match Status is “9” Not Needed AND Transunion Match Status is NOT “6” Full Match),</p> <p>OR</p> <p>Student Marital Status is {Is Single Student} AND Student FTIM Indicator “No Additional Consents Appear to be Needed– Married [Tax Filing Status = Married – Filing Jointly]” = TRUE,</p> <p>OR</p> <p>Student Marital Status is {Is Married Student} AND Student FTIM Indicator “No Additional Consents Appear to be Needed– Married [Tax Filing Status = Married – Filing Jointly]” = TRUE AND Student Filed Joint Return with Current Spouse is “2” No OR Blank,</p> <p>OR</p> <p>Student FTIM Indicator “Check for Foreign tax indicator [IRS response code 214]” = TRUE,</p> <p>OR</p> <p>Student FTIM Indicator “Must provide taxes manually [IRS response code 206 or 212]” = TRUE,</p> <p>OR</p> <p>Student FTIM Indicator “Unable to confirm tax identity [IRS response code 203]” = TRUE</p>	
<p>Manual entry is required for the Student Spouse when {Student Spouse Tax Filer} AND any of the following conditions are true:</p> <p>There is an IRS outage or system error,</p> <p>OR</p> <p>Student Spouse Consent to Retrieve and Disclose FTI is “2” Not Granted or blank,</p> <p>OR</p> <p>Student Spouse SSA Match Status is NOT “4” Full Match OR (SSA Match Status is “9” Not Needed AND Transunion Match Status is NOT “6” Full Match),</p> <p>OR</p> <p>Student Spouse FTIM Indicator “No Additional Consents Appear to be Needed– Married [Tax Filing Status = Married – Filing Jointly]” = TRUE,</p> <p>OR</p> <p>Student Spouse FTIM Indicator “Check for Foreign tax indicator [IRS response code 214]” = TRUE,</p> <p>OR</p> <p>Student Spouse FTIM Indicator “Must provide taxes manually [IRS response code 206 or 212]” = TRUE,</p> <p>OR</p>	<p>Manual entry is required for the Student Spouse</p>

<b>Independent Students</b>	
<b>If</b>	<b>Then</b>
Student Spouse FTIM Indicator “Unable to confirm tax identity [IRS response code 203]” = TRUE	

<b>Dependent Students</b>	
<b>If</b>	<b>Then</b>
<p>If the Dependency Model is “D” Dependent, manual entry is required for the Parent when {Parent Tax Filer} AND any of the following conditions are true:</p> <ul style="list-style-type: none"> <li>There is an IRS outage or system error,</li> <li>OR</li> <li>Parent Consent to Retrieve and Disclose FTI is “2” Not Granted or blank,</li> <li>OR</li> <li>Parent SSA Match Status is NOT “4” Full Match OR (SSA Match Status is “9” Not Needed AND Transunion Match Status is NOT “6” Full Match),</li> <li>OR</li> <li>Parent Marital Status is {Is Single Parent} AND Parent FTIM Indicator “No Additional Consents Appear to be Needed– Married Tax Filing Status = Married – Filing Jointly” = TRUE,</li> <li>OR</li> <li>Marital Status is {Is Married Parent} AND Parent FTIM Indicator “No Additional Consents Appear to be Needed– Married Tax Filing Status = Married – Filing Jointly” = TRUE AND Parent Filed Joint Return with Current Spouse is “2” No OR Blank,</li> <li>OR</li> <li>Parent FTIM Indicator “Check for Foreign tax indicator [IRS response code 214]” = TRUE,</li> <li>OR</li> <li>Parent FTIM Indicator “Must provide taxes manually [IRS response code 206 or 212]” = TRUE,</li> <li>OR</li> <li>Parent FTIM Indicator “Unable to confirm tax identity [IRS response code 203]” = TRUE</li> </ul>	Manual entry is required for the Parent
<p>Manual entry is required for the Parent Spouse or Partner when {Parent Spouse or Partner Tax Filer} AND any of the following conditions are true:</p> <ul style="list-style-type: none"> <li>There is an IRS outage or system error,</li> <li>OR</li> <li>Parent Spouse or Partner Consent to Retrieve and Disclose FTI is “Not Granted” or blank,</li> <li>OR</li> </ul>	Manual entry is required for the Parent Spouse

## Dependent Students

If	Then
<p>Parent Spouse or Partner SSA Match Status is NOT “4” Full Match OR (SSA Match Status is “9” Not Needed” AND Transunion Match Status is NOT “6” Full Match),</p> <p>OR</p> <p>Parent Spouse or Partner FTIM Indicator “No Additional Consents Appear to be Needed– Married [Tax Filing Status = Married – Filing Jointly]” = TRUE,</p> <p>OR</p> <p>Parent Spouse or Partner FTIM Indicator “Check for Foreign tax indicator [IRS response code 214]” = TRUE,</p> <p>OR</p> <p>Parent Spouse or Partner FTIM Indicator “Must provide taxes manually [IRS response code 206 or 212]” = TRUE,</p> <p>OR</p> <p>Parent Spouse or Partner FTIM Indicator “Unable to confirm tax identity [IRS response code 203]” = TRUE</p>	

## Rules when contributor DOES NOT provide self-reported income information:

If any of the following are true, FAFSA will not require the FAFSA contributor to provide self-reported income data in the SAI calculation and will indicate use IRS FTI data:

**Table 12: Contributor Does Not Provide Self-Reported Income**

<b>Independent Students</b>	
<b>If</b>	<b>Then</b>
<p>Manual entry is NOT required for the Student when either of the following are true:</p> <p>Student Consent to Retrieve and Disclose FTI is "Granted", AND Student SSA Match Status is "Full Match" OR (SSA Match Status is "Not Needed" AND Transunion Match Status is "Full Match"), AND Student FTIM indicator is "Check for Foreign tax indicator [IRS response code 214]" = FALSE, AND Student FTIM indicator is "Must provide taxes manually [IRS response code 206 or 212]" indicator = FALSE, AND Student FTIM indicator is "Unable to confirm tax identity [IRS response code 203]" indicator = FALSE</p> <p>AND any of the following are true:</p> <p>Student FTIM Indicator "No additional consents appear to be needed [Tax Filing Status = Single, HoH, Qualifying Surviving Spouse]" = TRUE, OR Student FTIM Indicator "Additional Consents May be Required – Married [Tax Filing Status = Married – Filing Separately]" = TRUE, OR Student FTIM Indicator "No additional consents appear to be needed – Married [Tax Filing Status = Married – Filing Jointly]" = TRUE AND Student Marital Status is {Is Married Student} AND Student Filed Joint Return with Current Spouse is "Yes"</p> <p>OR</p> <p>Student Consent to Retrieve and Disclose FTI is "Granted", AND Student SSA Match Status is "Full Match" OR (SSA Match Status is "Not Needed" AND Transunion Match Status is "Full Match"),</p>	<p>Manual entry is NOT required for the Student</p>

<b>Independent Students</b>	
<b>If</b>	<b>Then</b>
<p>AND  (Student FTIM indicator is “Check for Foreign tax indicator [IRS response code 214]” = TRUE) AND (Student Filed 1040 or 1040NR is “No” AND Student Filed a Non-U.S. Tax Return is “No”),</p> <p>AND  Student FTIM indicator is “Must provide taxes manually [IRS response code 206 or 212]” indicator = FALSE,</p> <p>AND  Student FTIM indicator is “Unable to confirm tax identity [IRS response code 203]” indicator = FALSE</p> <p>AND any of the following are true:</p> <p style="padding-left: 40px;">Student FTIM Indicator “No additional consents appear to be needed [Tax Filing Status = Single, HoH, Qualifying Surviving Spouse]” = TRUE,</p> <p style="padding-left: 40px;">OR</p> <p style="padding-left: 40px;">Student FTIM Indicator “Additional Consents May be Required – Married [Tax Filing Status = Married – Filing Separately]” = TRUE,</p> <p style="padding-left: 40px;">OR</p> <p style="padding-left: 40px;">Student FTIM Indicator “No additional consents appear to be needed – Married [Tax Filing Status = Married – Filing Jointly]” = TRUE AND Student Marital Status is {Is Married Student} AND Student Filed Joint Return with Current Spouse is “Yes”</p>	
<p>If {Student Spouse is contributor}, manual entry is NOT required for the Student Spouse when either of the following are true:</p> <p style="padding-left: 40px;">Student Spouse Consent to Retrieve and Disclose FTI is "Granted",</p> <p>AND</p> <p style="padding-left: 40px;">Student Spouse SSA Match Status is “Full Match” OR (SSA Match Status is "Not Needed" AND Transunion Match Status is "Full Match"),</p> <p>AND</p> <p style="padding-left: 40px;">Student Spouse FTIM indicator is “Check for Foreign tax indicator [IRS response code 214]” = FALSE,</p> <p>AND</p> <p style="padding-left: 40px;">Student Spouse FTIM indicator is “Must provide taxes manually [IRS response code 206 or 212]” indicator = FALSE,</p> <p>AND</p> <p style="padding-left: 40px;">Student Spouse FTIM indicator is “Unable to confirm tax identity [IRS response code 203]” indicator = FALSE,</p> <p>AND</p> <p style="padding-left: 40px;">Student Spouse FTIM Indicator “No additional consents appear to be needed – Married [Tax Filing Status = Married –</p>	<p>Manual entry is NOT required for the Student Spouse</p>

## Independent Students

If	Then
<p>Filing Jointly]" = FALSE</p> <p>AND any of the following are true:</p> <p style="padding-left: 40px;">Student Spouse FTIM Indicator "No additional consents appear to be needed [Tax Filing Status = Single, HoH, Qualifying Surviving Spouse]" = TRUE,</p> <p style="padding-left: 40px;">OR</p> <p style="padding-left: 40px;">Student Spouse FTIM Indicator "Additional Consents May be Required – Married [Tax Filing Status = Married – Filing Separately]" = TRUE</p> <p>OR</p> <p>Student Spouse Consent to Retrieve and Disclose FTI is "Granted",</p> <p>AND</p> <p>Student Spouse SSA Match Status is "Full Match" OR (SSA Match Status is "Not Needed" AND Transunion Match Status is "Full Match"),</p> <p>AND</p> <p>(Student Spouse FTIM indicator is "Check for Foreign tax indicator [IRS response code 214]" = TRUE) AND (Student Spouse Filed 1040 or 1040NR is "No" AND Student Spouse Filed a Non-U.S. Tax Return is "No"),</p> <p>AND</p> <p>Student Spouse FTIM indicator is "Must provide taxes manually [IRS response code 206 or 212]" indicator = FALSE,</p> <p>AND</p> <p>Student Spouse FTIM indicator is "Unable to confirm tax identity [IRS response code 203]" indicator = FALSE,</p> <p>AND</p> <p>Student Spouse FTIM Indicator "No additional consents appear to be needed – Married [Tax Filing Status = Married – Filing Jointly]" = FALSE</p> <p>AND any of the following are true:</p> <p style="padding-left: 40px;">Student Spouse FTIM Indicator "No additional consents appear to be needed [Tax Filing Status = Single, HoH, Qualifying Surviving Spouse]" = TRUE,</p> <p style="padding-left: 40px;">OR</p> <p style="padding-left: 40px;">Student Spouse FTIM Indicator "Additional Consents May be Required – Married [Tax Filing Status = Married – Filing Separately]" = TRUE</p>	



## Dependent Students

If	Then
<p>If the Dependency Model is “Dependent”, manual entry is NOT required for the Parent when either of the following are true:</p> <p>Parent Consent to Retrieve and Disclose FTI is "Granted", AND Parent SSA Match Status is “Full Match” OR (SSA Match Status is "Not Needed" AND Transunion Match Status is "Full Match"), AND Parent FTIM indicator is “Check for Foreign tax indicator [IRS response code 214]” = FALSE, AND Parent FTIM indicator is “Must provide taxes manually [IRS response code 206 or 212]” indicator = FALSE, AND Parent FTIM indicator is “Unable to confirm tax identity [IRS response code 203]” indicator = FALSE</p> <p>AND any of the following are true:</p> <p>Parent FTIM Indicator “No additional consent appear to be needed [Tax Filing Status = Single, HoH, Qualifying Surviving Spouse]” = TRUE, OR Parent FTIM Indicator “Additional Consents May be Required – Married [Tax Filing Status = Married – Filing Separately]” = TRUE, OR Parent FTIM Indicator “No additional consents appear to be needed – Married [Tax Filing Status = Married – Filing Jointly]” = TRUE AND Parent Marital Status is {Is Married Parent} AND Parent Filed Joint Return with Current Spouse is “Yes”</p> <p>OR</p> <p>Parent Consent to Retrieve and Disclose FTI is "Granted" Parent SSA Match Status is “Full Match” OR (SSA Match Status is "Not Needed" AND Transunion Match Status is "Full Match"), AND Parent FTIM indicator is “Check for Foreign tax indicator [IRS response code 214]” = TRUE, AND Parent FTIM indicator is “Must provide taxes manually [IRS response code 206 or 212]” indicator = FALSE, AND Parent FTIM indicator is “Unable to confirm tax identity [IRS response code 203]” indicator = FALSE,</p>	<p>Manual entry is NOT required for the Parent</p>

## Dependent Students

If	Then
<p>AND any of the following are true:</p> <p>Parent FTIM Indicator “No additional consent appear to be needed [Tax Filing Status = Single, HoH, Qualifying Surviving Spouse]” = TRUE,  OR  Parent FTIM Indicator “Additional Consents May be Required – Married [Tax Filing Status = Married – Filing Separately]” = TRUE,  OR  Parent FTIM Indicator “No additional consents appear to be needed – Married [Tax Filing Status = Married – Filing Jointly]” = TRUE AND Parent Marital Status is {Is Married Parent} AND Parent Filed Joint Return with Current Spouse is “Yes”,  OR  Parent Filed 1040 or 1040NR is “No” AND Parent Filed a Non-U.S. Tax Return is any of the following:</p> <ul style="list-style-type: none"> <li>• Did not and will not file a foreign tax return – earned income in a foreign country or employee of an international organization that did not require tax filing</li> <li>• Did not and will not file a U.S. tax return – earned U.S. income below the tax filing threshold</li> <li>• Did not and will not file a U.S. tax return – reasons other than low income</li> <li>• Did not and will not file any tax return – no earned income</li> </ul>	
<p>If {Other Parent is contributor}, manual entry is NOT required for the Other Parent when either of the following are true:</p> <p>Other Parent Consent to Retrieve and Disclose FTI is "Granted",  AND  Other Parent SSA Match Status is “Full Match” OR (SSA Match Status is "Not Needed" AND Transunion Match Status is "Full Match"),  AND  Other Parent FTIM indicator is “Check for Foreign tax indicator [IRS response code 214]” = FALSE  AND  Other Parent FTIM indicator is “Must provide taxes manually [IRS response code 206 or 212]” indicator = FALSE,  AND  Other Parent FTIM indicator is “Unable to confirm tax identity [IRS response code 203]” indicator = FALSE,  AND</p>	<p>Manual entry is NOT required for the Parent Spouse</p>

## Dependent Students

If	Then
<p>Other Parent FTIM Indicator “No additional consents appear to be needed – Married [Tax Filing Status = Married – Filing Jointly]” = FALSE</p> <p>AND any of the following are true:</p> <p style="padding-left: 40px;">Other Parent FTIM Indicator “No additional consent appear to be needed [Tax Filing Status = Single, HoH, Qualifying Surviving Spouse]” = TRUE,</p> <p style="padding-left: 40px;">OR</p> <p style="padding-left: 40px;">Other Parent FTIM Indicator “Additional Consents May be Required – Married [Tax Filing Status = Married – Filing Separately]” = TRUE</p> <p>OR</p> <p>Other Parent Consent to Retrieve and Disclose FTI is “Granted”,</p> <p>AND</p> <p>Other Parent SSA Match Status is “Full Match” OR (SSA Match Status is “Not Needed” AND Transunion Match Status is “Full Match”),</p> <p>AND</p> <p>Other Parent FTIM indicator is “Check for Foreign tax indicator [IRS response code 214]” = TRUE,</p> <p>AND</p> <p>Other Parent FTIM indicator is “Must provide taxes manually [IRS response code 206 or 212]” indicator = FALSE,</p> <p>AND</p> <p>Other Parent FTIM indicator is “Unable to confirm tax identity [IRS response code 203]” indicator = FALSE,</p> <p>AND</p> <p>Other Parent FTIM Indicator “No additional consents appear to be needed – Married [Tax Filing Status = Married – Filing Jointly]” = FALSE</p> <p>AND any of the following are true:</p> <p style="padding-left: 40px;">Other Parent FTIM Indicator “No additional consents appear to be needed [Tax Filing Status = Single, HoH, Qualifying Surviving Spouse]” = TRUE,</p> <p style="padding-left: 40px;">OR</p> <p style="padding-left: 40px;">Other Parent FTIM Indicator “Additional Consents May be Required – Married [Tax Filing Status = Married – Filing Separately]” = TRUE,</p> <p style="padding-left: 40px;">OR</p> <p style="padding-left: 40px;">Other Parent Filed 1040 or 1040NR is “No” AND Other Parent Filed a Non-U.S. Tax Return is any of the following:</p>	

## Dependent Students

If	Then
<ul style="list-style-type: none"><li>• Did not and will not file a foreign tax return – earned income in a foreign country or employee of an international organization that did not require tax filing</li><li>• Did not and will not file a U.S. tax return – earned U.S. income below the tax filing threshold</li><li>• Did not and will not file a U.S. tax return – reasons other than low income</li><li>• Did not and will not file any tax return – no earned income</li></ul>	

# Appendix I: Additional Resources

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## [FAFSA Specifications Guide](#)

The FAFSA Specifications Guide is designed to meet the reference needs of financial aid administrators (FAA), programmers and data processing staff who want to incorporate electronic Free Application for Federal Student Aid (FAFSA) functionality into their institutional systems.

## [FAFSA Simplification Act Changes for Implementation in 2024-25](#)

This document summarizes changes to requirements under Title IV of the Higher Education Act resulting from the FAFSA Simplification Act that will become effective for the 2024-25 Award Year.

## [EExpress Resources](#)

EExpress resources are associated with the Windows software/PC application that processes, packages, and manages Title IV student financial aid records.

# Appendix J: ISIR Input Field IDs Used in SAI Calculation

Included in the table below is a list of ISIR output fields that may be used in the SAI Calculation by Role. If more than one ID is listed under a role in the role column, the first ID maps to the ISIRs manual (or self-reported) field(s) followed by the ISIRs FTI ID field(s) (if applicable). If there is only one ID listed, it will either map to the manual (self-reported) OR FTI ID field section of the ISIR.

**Table 13: SAI Worksheet/4ISIR Input Field ID Mapping**

SAI Worksheet ISIR Input Fields	Student	Parent	Parent Spouse	Student Spouse
Tax Filing Status	88 863	198 903	238 923	148 883
AGI	95 864	205 904	245 924	155 884
Exemptions	865	905	925	885
Income earned from work (IEFW)	89 867	199 907	239 927	149 887
Deductible Payments to IRA/KEOGH/Other	98 871	208 911	247 931	157 891
Tax-Exempt Interest Income	90 872	200 912	240 932	150 892
Untaxed Portions of IRA Distributions	91 870	201 910	241 930	151 890
IRA Rollover	92	202	242	152
Untaxed Portions of Pensions	93 873	203 913	243 933	153 893
Pension Rollover	94	204	244	154
Foreign Income Exclusion (reported on U.S. Tax Return)	103	213	251	161
Taxable College Grant and Scholarship Aid (reported as income)	102	212		
Education Credits	99 869	209 909	248 929	158 889
Federal Work-study (FWS)	302	304	305	303
U.S. Income Tax Paid (or Foreign Equivalent)	96 868	206 908	246 928	156 888
Annual child support received for the last complete calendar year		214		
Cash, savings, and checking accounts	105	215		
Net worth of current investments	106	216		

SAI Worksheet ISIR Input Fields	Student	Parent	Parent Spouse	Student Spouse
Adjusted net worth of businesses and/or investment farm	107	217		
Assumed (Calculated with Assumptions) Family Size	329	330		
Updated (Manual/Self-reported) Family Size	61	183		
Earned Income Tax Credit Received During Tax Year (EITC)	97	207		

**Note:** the full list of ISIR fields and IDs are defined in Volume 4 of the FAFSA Specification Guide.