FAFSA Changes for 2024-2025

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Our Agenda

• Changes to FAFSA
• Background on the application redesign
• Next steps
Why Change now?

- FAFSA Simplification Act of 2021
- FUTURE Act of 2020
- Biggest change in Financial Aid since 1992
What is definitely changing?

• For 2024-25, when the FAFSA opens
  • Sometime in December (likely the end of December)
  • UM may not get records from Federal Student Aid until late January / early February

• How to complete the FAFSA
  • Role-based
  • Invitation to “contributors”
  • All contributors must provide consent to share tax information

• The way in which FSA determines your eligibility for Federal financial aid

• All families will have to link to the IRS for tax data (filers and non-filers)

• Federal EFC (Estimated Family Contribution) become SAI (Student Aid Index)
What is not changing?

• The need for a FAFSA to apply for need-based aid for 2024-25
• UM’s commitment to you
  • Assuming no change in your family’s financial circumstances, your need-based grant from UM (and your merit scholarship) will remain the same
    • Students need to make Satisfactory Academic Progress
• The priority deadline remains February 1
• We still hope to have financial aid offer letters to you in late May
What might be changing?

- If parents are divorced or separated, which parent completes the FAFSA.
- If parents are small business or farm owners, these assets are now reported on the FAFSA.
- If a family has more than 1 child in college, the Federal formula no longer divides your parent contribution.
- For families with Foreign Income Exclusion, this income will now be added back.
- For some families, Pell grant may be added, removed, or reduced based on the above changes.
Role-based FAFSA and Contributors

- Student should start the application at studentaid.gov
- Student completes their section and “invites” their parent(s) or spouse
- All parties must have their own FSA ID
- Each contributor completes their own section of the FAFSA
- FAFSA must be submitted within 45 days of the start of the application or it will be deleted
FSA ID

• Combination of username and password used to access all FSA web information
• Student must have one, spouse (if married) must have one, and one or both parents must have one (depending on tax filing status)
• Must be obtained at least 3 to 5 days before completing the FAFSA
• If you already have one, it can still be used
• Parents without an SSN will be able to obtain one (in December)
Which Parent Files the FAFSA / Needs an FSA ID?

Are your biological or adoptive parents married to each other?  

- Yes: Your parents’ marital status is married (not separated), and both of your parents’ information must be included on the FAFSA® form. If your parents did not file taxes jointly, then both of your parents are contributors. Their individual information, consent and approval, and signatures will be required on the FAFSA® form. If your parents filed taxes jointly, only one parent is required as a contributor and will report information for both parents.

Do your biological or adoptive parents live together?  

- Yes: Your parents’ marital status is married (not separated), and both of your parents’ information must be included on the FAFSA® form. If your parents did not file taxes jointly, then both of your parents are contributors. Their individual information, consent and approval, and signatures will be required on the FAFSA® form.

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

- Yes: The individual information, consent and approval, and signature of the parent who provided more financial support over the past 12 months will be required on the FAFSA® form, and this parent will be identified as a contributor.

- No: The individual information, consent and approval, and signature of the parent who has the greater income or assets will be required on the FAFSA® form, and this parent will be identified as a contributor.

Has this parent married/remarried?  

- Yes: Your parent’s marital status is married/remarried. Your stepparent will also be identified as a contributor on the FAFSA® form if they didn’t file their taxes jointly with your parent.

- No: Your parent’s marital status is single (never married), separated, divorced, or widowed. An additional parent will not be identified as contributor.

Note: Dependent students are required to report parent information on the FAFSA® form, and in most cases, a parent will be identified as a contributor for these students. All contributors are required to provide their information, signature, and consent and approval to have their federal tax information transferred directly from the IRS into the FAFSA form. Being a contributor on the FAFSA form does not mean an obligation to pay for the student’s education.
What is a Contributor?

- New definition of someone who provides their tax information in order to determine eligibility for financial aid
- Does *not mean* that a contributor is required to pay for college
- Each contributor must provide consent to share their tax information
Changes in the Federal Financial Aid Formula

- No longer providing an adjustment for multiple children in college
- All businesses (including farms) are now included in the reporting of assets
- Child support received is now an asset
- Most types of untaxed income not on the tax return are ignored
- Tax information will automatically be brought over from the IRS (with limited exceptions)
  - Foreign income earners
  - PR Tax returns
  - Change in marital status since filing
- Special cases of Rollovers and Foreign Income Exclusion
From EFC to SAI

- Federal Expected Family Contribution (FM EFC) becomes Student Aid Index (SAI)
- SAI can be as low as -1500
- Institutional EFC remains as is (no changes)
For UM, our Commitment to You DOES NOT CHANGE

• For our UM grant analysis, we will still adjust for multiple children in college
• Commitment to hold UM grant and scholarship to previous year’s amount if no change in family circumstance and academic requirements are met (SAP)
• If there is a significant change in family’s financial situation, the option for a request for review (with CSS Profile and 2022/2023 complete tax information)
Questions

• Stay tuned – no need to check in now
• We will announce FAFSA launch once we are aware of it!
• After FAFSA launch, reach out to ‘Canes Central with questions
• Keep in mind, receipt of information by us may be delayed, but we will honor your original filing date (even if we don’t receive your FAFSA until after February 1)