

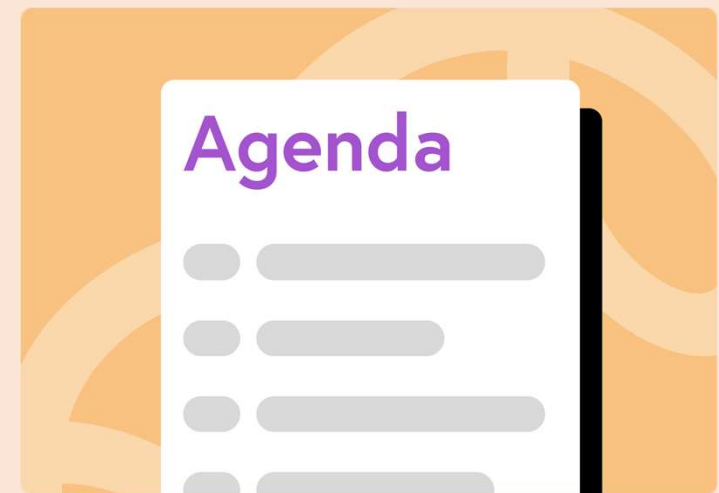


FAFSA Changes for 2024-2025

Daniel T. Barkowitz
AVP Financial Assistance and Student Employment

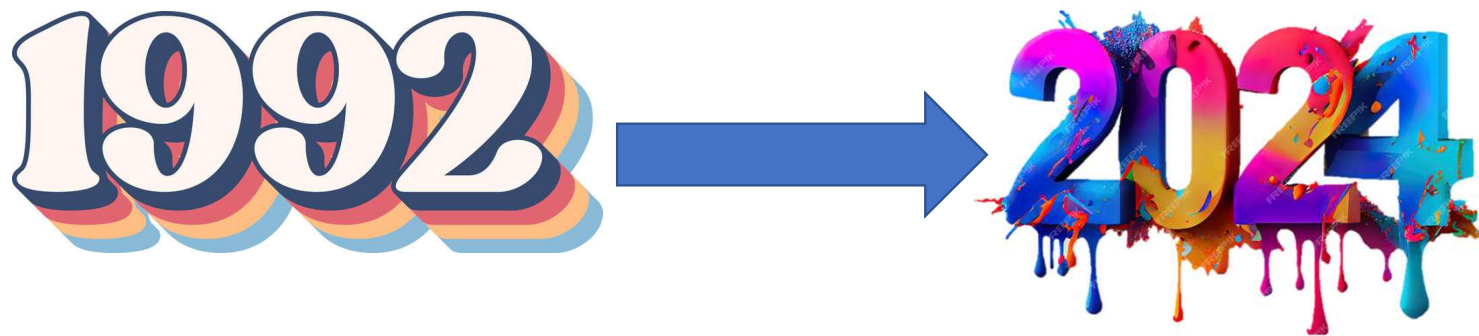
Our Agenda

- 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.



studentaid.gov/apply-for-aid/afsa

An official website of the United States government.

Help Center Submit a Complaint English | Español

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

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

2023-24 FAFSA® Form

Use the 2023-24 FAFSA® form to apply for college financial aid for 7/1/23-6/30/24.

Start 2023-24 Form

2024-25 FAFSA® Form Coming in December

Apply for aid for 7/1/24-6/30/25 on the 2024-25 form in December.

Returning to the 2023-24 FAFSA® form?

Correct info | Add a school

View your *Student Aid Report* (SAR)

Log In

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

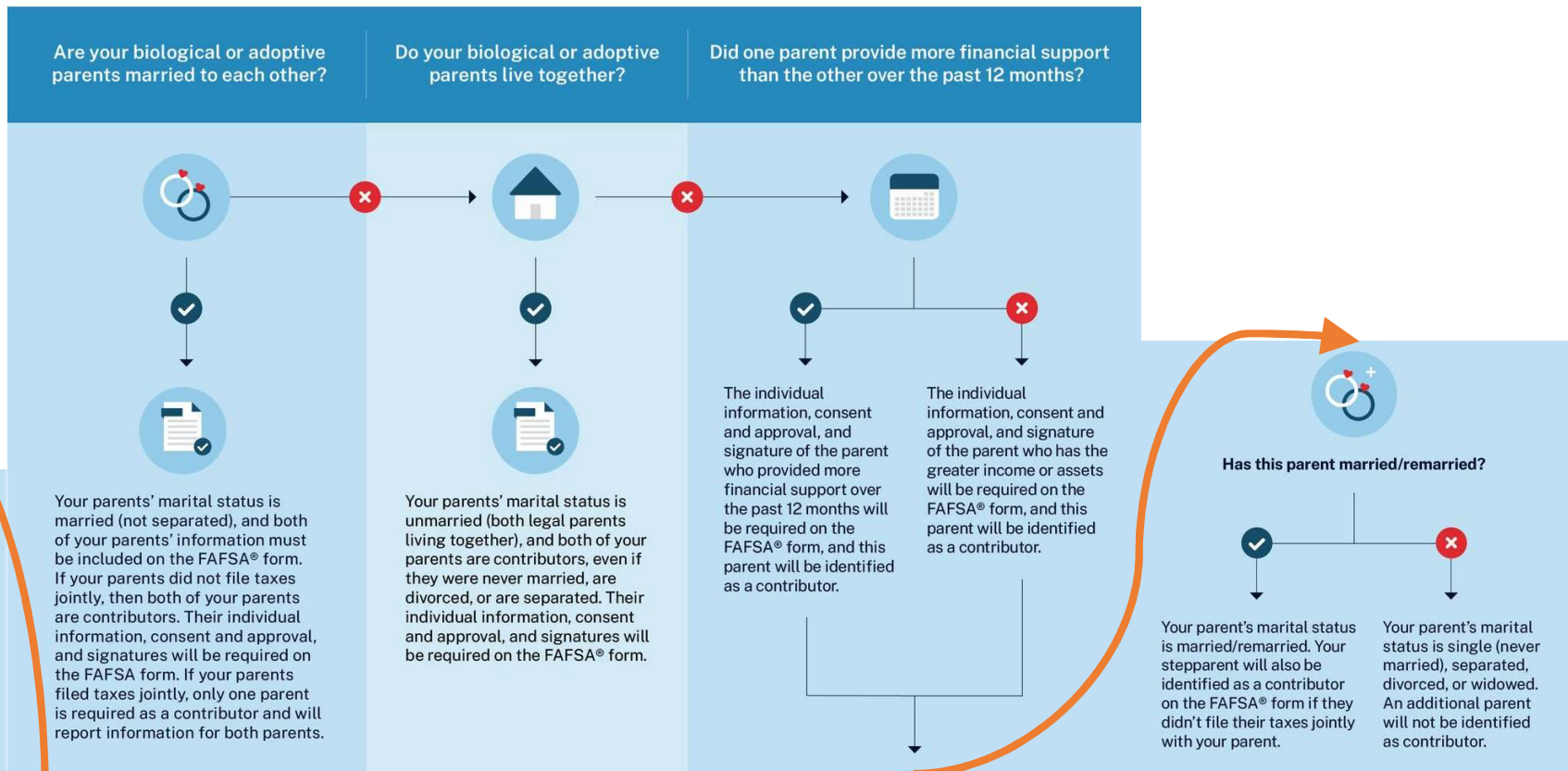
FSA ID

- 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)

**GOT YOUR
FSA ID YET?**



Which Parent Files the FAFSA / Needs an FSA ID?



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?

The screenshot shows the FAFSA 2024-25 website interface. At the top, there is a navigation bar with 'Federal Student Aid' and 'AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION'. Below this, there are dropdown menus for 'FAFSA', 'Loans & Grants', 'Repayment', and 'Loan Forgiveness'. A search icon, a notification bell, and a user profile icon labeled 'Raya' are also visible. The main content area is titled 'Understanding the FAFSA Form' and is the second of four steps. The current section is 'Contributors to the FAFSA Form'. It features two columns of information:

- Parents or Spouses:** Accompanied by an icon of a woman and a child. The text states: "Your answers on the FAFSA form will determine if any contributors need to be identified. These contributors will complete their own sections of the form and are asked to provide personal and financial information, but will not become financially responsible for your education."
- How to Invite:** Accompanied by an icon of a person. The text states: "Contributors will need to log in with their own FSA ID to provide their information. To invite a contributor to your FAFSA form, you'll need to provide their name, date of birth, Social Security number, and email address."

At the bottom of the page, there is a link for 'Information or Documents You May Need' and two buttons: 'Previous' and 'Continue'.

- 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

Form **1040** Department of the Treasury—Internal Revenue Service **2022** U.S. Individual Income Tax Return OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying surviving spouse (QSS)

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial _____ Last name _____ Your social security number _____

If joint return, spouse's first name and middle initial _____ Last name _____ Spouse's social security number _____

Home address (number and street). If you have a P.O. box, see instructions. _____ Apt. no. _____

City, town, or post office. If you have a foreign address, also complete spaces below. _____ State _____ ZIP code _____

Foreign country name _____ Foreign province/state/county _____ Foreign postal code _____ You Spouse

Digital Assets At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) Yes No

Standard Deduction Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: Were born before January 2, 1958 Are blind Spouse: Was born before January 2, 1958 Is blind

Dependents (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions):	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Income

1a Total amount from Form(s) W-2, box 1 (see instructions)		1a
b Household employee wages not reported on Form(s) W-2		1b
c Tip income not reported on line 1a (see instructions)		1c
d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		1d
e Taxable dependent care benefits from Form 2441, line 26		1e
f Employer-provided adoption benefits from Form 8839, line 29		1f
g Wages from Form 8919, line 6		1g
h Other earned income (see instructions)		1h
i Nontaxable combat pay election (see instructions)	<input type="checkbox"/>	1i
z Add lines 1a through 1h		1z
2a Tax-exempt interest	2a	2b Taxable interest
3a Qualified dividends	3a	b Ordinary dividends
4a IRA distributions	4a	b Taxable amount
5a Pensions and annuities	5a	b Taxable amount
6a Social security benefits	6a	b Taxable amount
c If you elect to use the lump-sum election method, check here (see instructions)	<input type="checkbox"/>	7
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here		8
8 Other income from Schedule 1, line 10		9
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income		10
10 Adjustments to income from Schedule 1, line 26		11 Subtract line 10 from line 9. This is your adjusted gross income
11 Standard deduction or itemized deductions (from Schedule A)		12
13 Qualified business income deduction from Form 8995 or Form 8995-A		14 Add lines 12 and 13
14 Add lines 12 and 13		15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income

Standard Deduction for—

- Single or Married filing separately, \$12,950
- Married filing jointly or Qualifying surviving spouse, \$25,900
- Head of household, \$19,400
- If you checked any box under Standard Deduction, see instructions.

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form **1040** (2022)

From EFC to SAI



EFC now Student Aid Index.



The SAI will be used to calculate need.



A negative SAI will identify the neediest students.

- 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)

