

24-25 FAFSA Simplification

New Terminology

Contributor

Any individual who is required to provide information on a student's FAFSA form, including the student, the student's spouse, a biological or adopted parent, or the parent's spouse.

Consent

Each applicant and any applicable contributor will be required to provide consent to have their Federal Tax Information (FTI) included in the FAFSA, even if they did not file a U.S. tax return.

SAI

Student Aid Index (SAI) replaces the Expected Family Contribution (EFC) as a formal evaluation of a student's financial resources.

FTI

Federal Tax Information (FTI) is the data and information related to federal tax paying and is transferred directly from the IRS.

FAFSA Submission Summary

Replaces the Student Aid Report (SAR)

GUIDING YOU THROUGH THE BETTER FAFSA



What's New?

There are significant changes to the Free Application for Federal Student Aid (FAFSA) beginning with the 2024-25 application. Due to these changes, the 2024-25 FAFSA will not launch on October 1st. **The anticipated launch date of the 2024-25 FAFSA will be December 2023.**

Why is the FAFSA changing?

The [FAFSA Simplification Act](#) was passed by Congress to streamline the financial aid process for students and families, and is a sweeping redesign of the processes and systems used to award federal student aid. The new FAFSA will feature fewer questions, fewer requirements, and retrieve tax information using a direct data exchange from the IRS.

What does this mean for students and families?

Some of the key changes that will affect students and families completing the FAFSA are as follows:

- The Estimated Family Contribution (EFC) has been replaced by the Student Aid Index (SAI). The SAI is a different way to determine aid eligibility.

Quick Reference

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- The FAFSA Simplification Act expands the Federal Pell Grant to more students and will link eligibility to family size and the federal poverty level.
- Schools will use the SAI to determine eligibility for federal financial aid programs. The Broward Technical Colleges will also use the SAI to determine financial need for need-based institutional funding.
- SAI removes the number of family members in college. This may reduce need-based aid eligibility for current students with siblings in college.
- For students whose parents are separated or divorced, the guidance on which parent income to report has changed from the parent with whom the student resides to the parent who provides the most financial support.
- Parents without a social security number will be able to apply for an FSA ID. This will speed up FAFSA processing time as they will be able to submit the form online, rather than having to print, sign and mail their application.
- Students who qualify for a dependency override due to homelessness no longer need to re-certify their dependency status each year unless their situation changes.

Who are Contributors on the FAFSA 2024-25?

Contributor is a new term introduced on the 2024-25 FAFSA form. It refers to any individual required to provide information on a FAFSA form, i.e., the student, the student's spouse, a biological or adopted parent, or the parent's spouse (stepparent).

A Contributor is NOT a grandparent, foster parent, legal guardian, widowed stepparent, aunt, uncle, or sibling unless they have legally adopted the student.

A Contributor on the FAFSA form does not imply responsibility for the student's educational costs.

How are Contributors determined?

The student's answers on the FAFSA will determine which contributors, if any, will be required to provide information.

What information is required when inviting a Contributor to complete the FAFSA?

The following information is required when inviting a contributor:

- Legal name from their social security card;
- Date of birth;
- Social Security Number (SSN);
- Mailing address if they don't have an SSN; and
- Email address.

Important Note

Even if a student or contributor does not have a social security number, didn't file taxes, or filed taxes outside of the U.S., they still need to provide consent.



Contributors

What are the steps a Contributor must follow?

1. Contributor receives an email informing them that they have been identified as a contributor;
2. Contributor creates an FSA ID on [StudentAid.gov](https://studentaid.gov) if they do not already have one;
3. Contributor reviews the information about completing their section of the FAFSA; and
4. Contributor provides the required personal information, financial information and consent and approval.

What if I am a Contributor and don't want to provide my information on the student's FAFSA?

Being a contributor does NOT imply financial responsibility. However, if a required contributor refuses to provide their information, it will result in an incomplete FAFSA form, and the student will not be eligible for federal student aid.

What if my parents are divorced? Who is the contributor to my FAFSA?

Students that live with a single, divorced, or widowed parent and receive the majority of their support from that parent, will report only that parent on the FAFSA.

The parent included on the FAFSA as a contributor must be the parent that provides the greater portion of the student's financial support. If the primary parent is remarried, the income of that parent's spouse (stepparent) will also be required.

Frequently Asked Questions

Why does the 2024-25 FAFSA require consent from students and contributors?

The [FUTURE Act](#) made providing consent for the exchange of FTI a requirement for receiving federal student aid. Students must agree to:

- Have their federal tax information transferred directly into the FAFSA form via a direct data exchange with the IRS;
- Have their federal tax information used to determine the student's eligibility for federal student aid; and
- Allow the U.S. Department of Education to share the federal tax information with postsecondary institutions and state higher education agencies for use in awarding and administering financial aid.

What if I don't want to provide consent as a student or a required contributor?

- If a student or required contributor does not provide consent to have their federal tax information transferred into the FAFSA form, the student will not be eligible for federal student aid—even if the tax information is manually entered into the FAFSA form.
- Information about how the federal tax information will be used and the consequences of not providing consent will be included on the FAFSA form.
- Legal parents must provide consent to transfer federal tax information, even if one of the parents didn't file or had no income. If parents fail to provide consent, the student will not be eligible to receive federal student aid.



FSA ID

What is an FSA ID and who needs a Federal Student Aid (FSA) ID?

1. An FSA ID consists of a username and password that provides access to Federal Student Aid's online system and serves as an electronic signature on the FAFSA.
2. All students and contributors must create an FSA ID on StudentAid.gov to complete the FAFSA form online.
3. Even if a contributor does not have a social security number, they can still obtain an FSA ID using their ITIN to fill out their portion of the student's FAFSA form online.

Do parents and students need to wait until the 2024-25 FAFSA opens in December to create an FSA ID?

No. The FSA ID process is not changing. We encourage students and parents to create their FSA ID and have it ready before the FAFSA application opens.

How do I or other contributors create an FSA ID?

To [create an FSA ID](#), you will need your social security number, full name, and date of birth. You will also need to create a memorable username and password, and complete challenge questions and answers so you can retrieve your account information in the event you forget it. You will be required to provide your email address or mobile phone number when you create your FSA ID. Students and parents cannot share email addresses or mobile phone numbers.

This [Federal Student Aid video](#) can help create a step-by-step FSA ID.

Do parents without social security numbers also need to have an FSA ID?

Yes. Starting with the 2024-25 FAFSA, parents and/or spouses who are not U.S. Citizens or Eligible Noncitizens can use their Individual Taxpayer Identification Number (ITIN) to create an FSA ID.

Will parents and students need to create a new FSA ID if they have had an FSA ID in the past?

No. You can [retrieve your existing FSA ID](#) if you forgot your username and password.

If a parent does not want to or refuses to create an FSA ID, is there an alternative for that parent to provide consent, such as mailing a wet signed consent page?

Starting with the 2024-25 FAFSA, a separate signature page will no longer exist. There are two options for contributors to provide consent who do not want to or refuse to create an FSA ID:

1. The first option entails the student applying using the paper FAFSA and obtaining wet signatures from all contributors, including parents.
2. The second option entails the student completing their section and self-reporting information for the parent section on the FAFSA form. When the student submits their FAFSA form without the parent's signature, it will be placed in rejected status by the FAFSA Processing System (FPS). The parent can then provide their signature and consent on a paper copy of the FAFSA Submission Summary. This method is not recommended due to the complexity and increased processing time.

Why do I have to set up two-step verification for my StudentAid.gov Account?

Two-step verification, a form of multi-factor authentication (MFA), helps protect your StudentAid.gov account from fraud.

Does each contributor need a unique phone number or email for multi-factor authentication?

Yes! A student and parent cannot use the same phone number for multi-factor authentication.

What is the impact if the student and parent already have an FSA ID?

None. Just ensure the FSA ID is verified and ready to use when the 2024-25 FAFSA opens sometime in December 2023.

My parent remarried. Is the parent's spouse required to get an FSA ID as well?

If the parent you indicated on the FAFSA is the parent who is remarried, it'll depend on how they filed taxes. If they filed jointly, only one parent needs an FSA ID. If they filed separately, both the parent and stepparent will need their own FSA ID.

Do both parents need to create an FSA ID?

This depends on the family's situation. For example, if a student has married parents filing taxes separately, both parents will need to create an FSA ID.

What if my parents are not in the United States?

Your parents' citizenship status does not affect your eligibility for federal aid. They cannot create an FSA ID, but you can complete the FAFSA on paper and ask for their signatures. For FAFSA purposes, you must provide your parents' income, no matter where they reside.



How do I report the asset value of my small business or farm on the FAFSA?

The asset value or net worth is the current value, as of today, minus debts used to secure the asset. When calculating net worth, use 0 for items with a negative value. You can also consult your accountant or other financial professional to estimate the amounts to report on the FAFSA.

My parent is self-employed - do they still need to say they own a business?

Being self-employed is normally reported as business income on a tax return, but it will depend on the type of work as to whether or not your parent will have to report any assets associated with their business.

I amended my taxes. Will my Federal Tax Information (FTI) be linked to my FAFSA, or will I have to provide a 1040X to the school?

Starting with the 2024-25 FAFSA, when a student, spouse, parent, and/or stepparent provides consent, the IRS's Federal Tax Information (FTI) will include the information from an amended tax return.

Consent, Taxes & Financial Data

Why do I have to provide consent when completing the 2024-25 FAFSA?

The FUTURE Act requires that every contributor on the FAFSA provide consent to share their Federal Tax Information (FTI) on the application so that the IRS can share this information with Federal Student Aid (FSA). All parties whose FTI is included on a student's FAFSA form must provide consent each year.

What happens if I, as a student, or a spouse or parent, don't want to provide consent on the FAFSA?

If a student, spouse, or parent does not provide consent on the FAFSA, the Student Aid Index (SAI) will not be calculated, and the student will not be eligible for any federal aid.

If my parent that is remarried provides more support than the parent I reside with, does the stepparent have to provide their tax information?

Yes. If the parent providing more financial support is remarried, the stepparent's tax information is required.

Can I self-report my income on FAFSA?

After you provide consent on the FAFSA, if the IRS cannot transfer your Federal Tax Information (FTI) to your FAFSA application, the application will allow you to self-report it. Self-reporting one's tax information on the FAFSA does not override the requirement for each contributor to provide consent on the FAFSA form. There are two pieces - you need to provide consent, and we need to have your tax information, either directly from the IRS or self-reported manually on the FAFSA form.

If a parent does not want to or refuses to create an FSA ID, is there an alternative for that parent to provide consent, such as mailing a wet signed consent page?

There is no longer a separate signature page, and there will not be a consent signature option on paper.

Will students still be able to use the IRS Data Retrieval Tool (DRT)?

Starting with the 2024-25 FAFSA, the DRT will no longer exist. Once the student, spouse, and/or parent provides consent to the FUTURE Act Direct Data Exchange (FA-DDX), the Federal Tax Information (FTI) will be linked directly to the application from the IRS.

Can non-custodial parents be contributors if they have not claimed the child on their taxes?

Starting with the 2024-25 FAFSA, students will determine which parent to report based on which parent provides the most financial support. It is ok if the parent selected as a contributor does not claim the student on their tax return.

If a parent of a dependent student is a non-filer and has zero wages, do they have to provide consent?

Yes. Any individual who is a contributor to the FAFSA application must provide consent regardless of their tax filing status.

What happens if a contributor provides consent but does not sign the application?

Beginning in 2024-25, there will be only two options for filing a FAFSA form: electronically, through [StudentAid.gov](https://studentaid.gov), or by submitting a paper FAFSA. However, be aware, once an application is started online, all parties must complete it online. That means if a signature is missing, the contributor must obtain an FSA ID, access the application online and complete their required section.

In what situations will there be a match with the IRS, but the IRS will not provide information?

Fraud or identity theft are the most likely reasons for the IRS not providing tax information to the applicant or the contributor.



What is the Student Aid Index (SAI)?

Student Aid Index (SAI) is replacing the term Expected Family Contribution (EFC). The SAI brings a change in the methodology used to determine aid.

The SAI is a number used to determine eligibility for need-based aid. It is calculated using information the student (and contributors, if required) provides on the FAFSA form. The SAI will replace the Expected Family Contribution (EFC) starting with the 2024–25 award year. A student's SAI can be a negative number.

If students have a negative SAI, will they receive a higher Pell Grant?

Students with a negative or 0 SAI will be eligible for the maximum Pell Grant. The difference is that the -1500 SAI indicates the student has a higher need than the student with a 0 SAI.

Important Note

The formula for determining a student's need remains the same, except that the EFC has been replaced by the SAI. The formula is Cost of Attendance (COA) minus Student Aid Index (SAI) minus Other Financial Assistance (OFA) equals Need.

Student Aid Index (SAI) & Pell Grant

What is the main difference between the SAI and EFC?

The SAI represents a change in the methodology used to determine aid, such as:

- Child support received will now count as an asset instead of income.
- Family farms and small businesses will now count as assets.
- The number of family members in college will no longer be considered in the needs analysis formula.
- Family size will now align with what is reported on the student/parent's tax returns.

If the family size is manually adjusted, will the SAI be calculated based on the number from the tax return or the number that was manually adjusted?

It will be based on the family size that the family reported, if different from the tax return. However, students may be required to provide additional information if selected for verification.

What if I had a low income and was not required to file taxes?

According to the [IRS tax year 2022, these are the thresholds by filing status](#). If a student or contributor were not required to file a federal income tax return for 2022, the student will automatically receive a Student Aid Index (SAI) equal to -1500.

How is Pell Grant eligibility determined?

- **Maximum Pell Grant** - Students ability to receive a maximum Pell Grant is based on annually published federal poverty guidelines, adjusted gross income, state of legal residence, family size, and tax filing status. Students qualifying for a maximum Pell Grant will have a Student Aid Index (SAI) between -1500 and 0.
- **SAI Calculated Pell Grant** - Students who do not qualify for a maximum Pell Grant may still be eligible if their calculated SAI is less than the maximum Pell Grant award for the award year. An SAI calculated Pell Grant is determined by subtracting the student's calculated SAI from the annual published Max Pell, then rounding to the nearest \$5.
- **Minimum Pell Grant** - Students ability to receive a minimum Pell Grant is based on annually published federal poverty guidelines, adjusted gross income, state of legal residence and family size.

Why are assets different on the 2024-25 FAFSA?

For the 2024–25 award year, some financial information previously considered income will be considered assets. Also, some information, like a family's small business, will no longer be excluded from asset reporting.

