

# FAFSA SIMPLIFICATION

The **FAFSA Simplification Act** represents a significant overhaul to federal student aid starting with the 2024-25 award year. There are major changes coming including expanded eligibility for federal student aid and a more streamlined application process. **As a result, the new FAFSA form will be available in December 2023, not in October.** The exact date is yet to be determined.

**The Student Aid Index (SAI) will replace the Expected Family Contribution (EFC).** The SAI is similar to the EFC but has some key differences:

- **Range:** The lowest EFC is \$0. The minimum SAI will be -\$1,500.
- **Pell Grant eligibility:** The FAFSA Simplification Act will expand access to Pell Grants and consider the federal poverty level and a student's family size when determining eligibility. The Student Aid Index will be used to determine Pell Grant eligibility for students who don't immediately qualify for them based on their income alone.
- **Number of family members in college:** The new SAI formula no longer considers this.
- **Family farms and small businesses:** Those that were excluded under the EFC are now included for the SAI calculation.

## Other Key Changes:

- **Who completes the FAFSA may change for some families.** Under the current FAFSA, students whose parents are divorced or separated report the income of the parent they spend the most time with. The new FAFSA will use the information for the parent who contributes the most financial support, regardless of whether or not the student lives with them. If parents contribute equally, the adjusted gross income (AGI) of the highest earner will be used.
- **A direct data share with the IRS** will replace what is currently known as the IRS Data Retrieval Tool (DRT).
- **Each contributor to the FAFSA** (student, student spouse, parent(s) and/or stepparent) will need an account (FSA ID) and will be required to provide consent to use their Federal Tax Information (FTI) on the FAFSA, even if they did not file a U.S. tax return.
  - Contributor is a new term for 2024-2025.
  - If the student or any of their contributors do not provide consent, the student is not eligible for Federal Student Aid.
- **Foster, homeless, and unaccompanied youth** - as well as applicants who cannot provide parental information - will be able to complete the form with a provisional independent student determination and receive a calculated SAI.

## What can students do now to prepare?

- Create an account (FSA ID) at [studentaid.gov](https://studentaid.gov).
- Get an early estimate of their financial aid using the Federal Student Aid Estimator at [studentaid.gov/aid-estimator](https://studentaid.gov/aid-estimator).
- Learn more about FAFSA Simplification at [www.alfredstate.edu/financial-aid#simplification](https://www.alfredstate.edu/financial-aid#simplification).
- NYS residents can review information on the TAP Grant and apply starting November 1, 2023 at [www.hesc.ny.gov/tap](https://www.hesc.ny.gov/tap).

Who is my contributor?

My birth parent(s)/legally adoptive parent(s) are married (not divorced)

My parents filed joint (Only one parent needs an FSA ID)

My parents filed separately (Both parents need an FSA ID)

My parents live together, unmarried (Both parents need an FSA ID)

My parent is single or widowed

My parent is widowed (only this parent needs an FSA ID)

My parent(s) is/are single (parent who supports student financially over 50% needs FSA ID)

Parent 1 (i.e., mom) supports student financially over 50%

Parent 1 is not remarried (this parent needs FSA ID)

Parent 1 is remarried

Parent 2 (i.e., dad) supports student financially over 50%

Parent 2 is not remarried (this parent needs FSA ID)

Parent 2 is remarried

My birth parent(s)/legally adoptive parent(s) are divorced OR remarried

My parent/step-parent filed joint (Only Parent 1 needs an FSA ID)

My parent/step-parent filed separately (Both Parent 1 & step-parent need an FSA ID)

My parent/step-parent filed joint (Only Parent 2 needs an FSA ID)

My parent/step-parent filed separately (Both Parent 2 & step-parent need an FSA ID)