



# 2024-25 FAFSA SIMPLIFICATION

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# LAUNCH OF THE 2024–25 FAFSA® FORM

- ▶ There are major changes and improvements coming to the 2024–25 *Free Application for Federal Student Aid* (FAFSA®) form. As a result, the new form will be available in December 2023, not Oct. 1
- ▶ The launch date will apply only for the 2024–25 FAFSA form
- ▶ The changes to the FAFSA form for the 2024–25 aid year include:
  - ▶ Expanded eligibility for federal student aid
  - ▶ A more streamlined application process

# WHAT ISN'T CHANGING?

- ▶ The FAFSA will continue to be required for federal aid consideration
  - ▶ Will continue to be used for state and institutional need-based aid determination
  - ▶ Will remain an annual application that continuing students will need to complete each year
- ▶ Dependency status questions that determine if parents must provide information on the students FAFSA remain the same
- ▶ The FAFSA will request tax information from the prior-prior tax year
  - ▶ 2024-25 requires 2022 tax information
- ▶ Degree-seeking students will be eligible for federal student loans assuming they complete the FAFSA
  - ▶ Have not reached annual or aggregate limits,
  - ▶ Are enrolled at least half-time
  - ▶ Are not in default on previous federal student loans

# CHANGES AFFECTING ALL APPLICANTS

- ▶ The maximum number of questions will be reduced from 108 to 46 for most students
- ▶ Depending on their circumstances, some students will need to answer even fewer questions due to the dynamic skip logic built into the application
- ▶ Income and tax information will be expedited

# INCOME AND TAX DATA

- ▶ Previously, income and tax information was provided by using the IRS Data Retrieval Tool (DRT)
  - ▶ Data was transferred from the IRS to the FAFSA
  - ▶ If the DRT was not used, income and tax information could be entered manually
- ▶ Beginning with 2024-2025, all persons listing tax information on the FAFSA will be required to use the IRS Direct Data Exchange (DDX) to share income and tax information or confirm non-filing status

# FAFSA CONTRIBUTORS

- ▶ All those reporting income and tax data on the FAFSA will need to have an FSA ID if they don't have one already
- ▶ FAFSA contributors include
  - ▶ The student
  - ▶ Student's spouse (if the student is married)
  - ▶ Parent, and other parent (if the parent reported on the FAFSA is married)
- ▶ If married individuals filed their taxes separately, both spouses will need to obtain an FSA ID

# STUDENT AID INDEX (SAI)

- ▶ The FAFSA previously calculated an Estimated Family Contribution (EFC) to determine eligibility for financial aid
  - ▶ The EFC ranged from 0-999999
- ▶ Beginning with the 2024-25 FAFSA Student Aid Index (SAI) will replace the EFC
  - ▶ The SAI, unlike the EFC, can be negative with the minimum SAI being -1500.

# CHANGES AFFECTING SOME APPLICANTS

## ▶ **Divorced or Separated Parent Information on the FAFSA**

- ▶ Students will need to include the parental data of the parent who provided the most financial support in the previous 12 months
- ▶ If this parent has remarried, both the parent and stepparent's information is required
- ▶ If both biological parents provide equal support, the parental data of the parent who earned more should be included

## ▶ **Number of Students in College No Longer Factored**

- ▶ Previously, EFC was prorated based on the number of household members in college
- ▶ The question remains on the 2024-25 FAFSA but will not be calculated in the SAI

## ▶ **Inclusion of family farms and small businesses**

- ▶ In past years, the value of a family farm or a small business with fewer than 100 employees was not reported
  - ▶ Beginning with the 2024-2025 FAFSA, the net worth of each will be part of the FAFSA calculation

## ▶ **Automatic Pell Grants based on income and household size**

- ▶ The FAFSA Simplification Act extends the Federal Pell Grant to more students and links eligibility to family size and the [federal poverty level](#)
- ▶ Families making less than 175% and single parents making less than 225% of the [federal poverty level](#) will see their students receive a maximum Federal Pell Grant award
- ▶ Minimum Pell Grants will be guaranteed to students from households below 275%, 325%, 350%, or 400% of the poverty level, depending on household structure
- ▶ Pell awards between the maximum and minimum amounts will be determined by SAI



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# WHAT CAN I DO RIGHT NOW?

- ▶ Since the FAFSA will open later this year, it is important to take action as soon as possible
  - ▶ Obtain an FSA ID prior to filing the FAFSA
    - ▶ All students and parents will need an FSA ID
    - ▶ If parents file their taxes separately, they will both need an FSA ID
    - ▶ If parents file taxes jointly, then they only need one between the two of them
- ▶ The FAFSA will request tax information from the prior-prior tax year
  - ▶ Families with significant reductions in income levels should contact the Financial Aid office to request a special circumstances review
- ▶ Apply for an FSA ID to file the FAFSA at <https://studentaid.gov/fsa-id/create-account/launch>