

STUDENT AID INDEX (SAI)

Part 1 – Dependent Students

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Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

BETTER FAFSA® BETTER FUTURE SERIES

- ✓ 6/6: Better FAFSA® Better Future Overview and Timeline
- ✓ 6/8: Protecting Federal Tax Information (FTI) at Your Institution
- ✓ 6/13: ISIR vs. ISIR
- ✓ 6/15: Professional Judgment, Dependency Status, and Verification
- ✓ 6/20: Q&A Session 1
- ☐ 6/22: Student Aid Index Part 1
- ☐ 6/27: Student Aid Index Part 2
- ☐ 7/6: Pell Minimum, Maximum, and In Between
- ☐ 7/11: The FAA's Role in FAFSA Simplification
- ☐ 7/13: Q&A Session 2
- ☐ Summer: FAFSA Demonstration

AGENDA

1. Student Aid Index (SAI) overview
2. Formula A—dependent student calculation
3. Resources
4. Questions

STUDENT AID INDEX (SAI) OVERVIEW

2024–25 NEED ANALYSIS CHANGES

Student Aid Index (SAI) replaces
Expected Family Contribution (EFC)

Estimated Financial Assistance (EFA)
becomes Other Financial Assistance (OFA)

Need Calculation = COA – SAI – OFA

STUDENT AID INDEX FORMULA (1 of 2)

Reduces number
of income items
and allowances
against income

Changes items
included as
assets

Changes family
size definition
and removes
number in
college

STUDENT AID INDEX FORMULA (2 of 2)

Allows for
negative SAI up
to -1,500

No allowance to
prorate SAI for
periods other
than nine
months

Implements
separate Pell
Grant eligibility
determination

CHANGES TO INCOME DATA

Expected Family Contribution (EFC)	Student Aid Index (SAI)
<ul style="list-style-type: none"> • AGI (tax filers) or income earned from work (non-tax filers) • Deductible payments to SEP/SIMPLE/KEOGH/Other • Tax-exempt interest • Untaxed portions of IRA distributions and pensions (excluding rollovers) • Payments to tax-deferred pension and retirement savings plans • Child support received • Housing, food, and other allowances paid to members of the military, clergy, and others • Veterans noneducation benefits • Other untaxed income • Money received by or paid on student's behalf 	<ul style="list-style-type: none"> • AGI • Deductible payments to SEP/SIMPLE/KEOGH/Other • Tax-exempt interest • Untaxed portions of IRA distributions and pensions (excluding rollovers) • Foreign income exclusion

CHANGES TO ALLOWANCES AGAINST INCOME

Expected Family Contribution (EFC)	Student Aid Index (SAI)
<ul style="list-style-type: none"> • Taxable college grant and scholarship aid reported as income • Education credits • Taxable earnings from need-based employment • U.S. income tax paid (or foreign equivalent) • Income protection allowance • Employment expense allowance • Social Security tax allowance • Child support paid • Combat pay or special combat pay • Cooperative education employment earnings • State and other tax allowance 	<ul style="list-style-type: none"> • Taxable college grant and scholarship aid reported as income • Education credits • Federal Work-Study • U.S. income tax paid (or foreign equivalent) • Income protection allowance • Employment expense allowance • Payroll tax allowance

CHANGES TO ASSET INFORMATION

Expected Family Contribution (EFC)	Student Aid Index (SAI)
<p>Contribution from Assets</p> <ul style="list-style-type: none"> • Cash, savings, and checking • Net worth of investments, including real estate (excluding primary residence) • Adjusted net worth of business and/or farm (excluding businesses with fewer than 100 full-time employees or family farms) 	<p>Contribution from Assets</p> <ul style="list-style-type: none"> • Annual child support received • Cash, savings, checking, time deposits, and money market funds • Net worth of investments, including real estate (excluding primary residence) • Adjusted net worth of business and/or farm
<p>Allowance against Assets</p> <ul style="list-style-type: none"> • Education savings and asset protection allowance 	<p>Allowance against Assets</p> <ul style="list-style-type: none"> • Asset protection allowance

2024–25 FAMILY SIZE

Dependent Students	Independent Students
<ul style="list-style-type: none"> • Student • Student’s parents, even if student not living with them • Student’s siblings if <ul style="list-style-type: none"> • live with student’s parents or live elsewhere to attend college, and • receive and continue to receive more than half their support from student’s parents during award year • Other persons if <ul style="list-style-type: none"> • live with student’s parents • receive and continue to receive more than half their support from student’s parents during award year 	<ul style="list-style-type: none"> • Student • Student’s spouse, if applicable • Student’s dependent children if <ul style="list-style-type: none"> • live with student • receive and continue to receive more than half their support from student during award year • Other persons <ul style="list-style-type: none"> • live with student • receive and continue to receive more than half their support from student during award year

THREE SAI FORMULAS



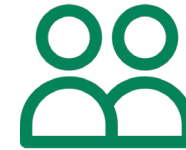
FORMULA A

Dependent Students



FORMULA B

Independent students
without dependent(s)
other than a spouse

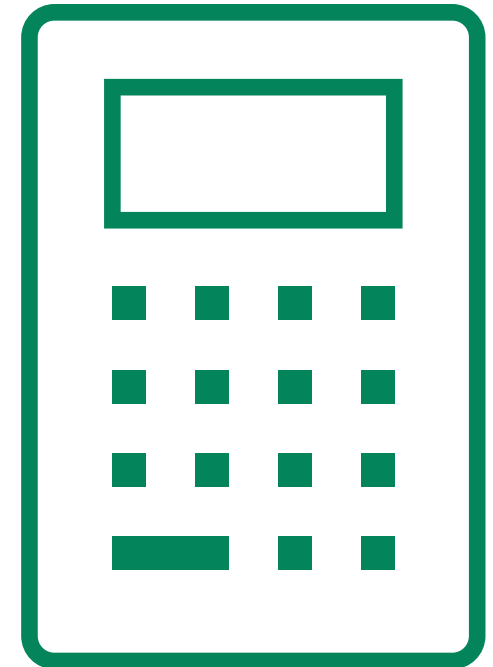


FORMULA C

Independent students
with dependent(s)
other than a spouse

SAI CALCULATION ROUNDING RULES

- ✓ Carry each calculation to three decimal places
- ✓ Round to nearest whole number
- ✓ Round upward for results .500 to .999
- ✓ Round downward for results .001 to .499
- ✓ Round each intermediate value



FORMULA A — DEPENDENT STUDENTS CALCULATION

STUDENT A's 2024–25 FAFSA® INFORMATION (1 of 2)

Which parent demographic and income data will we use to calculate the SAI?

PARENT DEMOGRAPHICS

Marital status = Married

Family size = 7

Number in college = 1

Age of older parent = 53

State of legal residence = IL

Tax filing status = Married filing jointly

PARENT INCOME

AGI = \$291,463

Parent 1 earned income = \$175,254

Parent 2 earned income = \$92,903

Taxes Paid = \$63,515

Tax-exempt interest = \$523

~~Child support received = \$12,000*~~

*No longer income

STUDENT A's 2024–25 FAFSA® INFORMATION (2 of 2)

Which parent assets and student data will we use to calculate the SAI?

PARENT ASSETS

Cash, savings, checking = \$78,934

Investments net worth = \$107,856

Business/farm net worth = \$175,000
(10 FTE employees)

Child support received = \$12,000

STUDENT DATA

Tax filing status = Non-filer

Federal Work-Study = \$2,000

Cash, savings, checking, etc. = \$12,983

STUDENT AID INDEX

Formula A – Dependent Student

Student Aid Index (SAI)

Parents' Contribution (line 19)		
Student's Contribution from Income (line 30)	+	
Student's Contribution from Assets (line 36)	+	
37. Student Aid Index (sum of lines 19, 30, and 36)	=	SAI
<ul style="list-style-type: none"> • If negative and < -1,500, adjust to -1,500 (e.g., if -2,000 set to -1,500) • If negative and >= -1,500, do not adjust (e.g., if -1,000 leave as -1,000) 		

PARENT CONTRIBUTION FROM INCOME

PARENT INCOME ADDITIONS

Parent Income Additions		
a. Parents' AGI		291,463
b. Parents' Deductible Payments to IRA/KEOGH/Other	+	—
c. Parents' Tax-Exempt Interest Income	+	523
d. Parents' Untaxed Portions of IRA Distributions and Pensions (Excluding rollovers; if less than zero, put zero)	+	—
e. Parents' Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, put zero)	+	—
1. Total Parent Income Additions (sum of lines a, b, c, d, and e)	=	291,986

PARENT INCOME OFFSETS AND TOTAL INCOME

Parent Income Offsets		
f. Parents' Taxable College Grant and Scholarship Aid (reported as income)		—
g. Parents' Education Credits	+	—
h. Parents' Federal Work-study (FWS)	+	—
2. Total Parent Income Offsets (sum of lines f, g, and h)	=	0
3. Total Parent Income (line 1 minus line 2)		
<ul style="list-style-type: none"> Total Parent Income Additions – Total Parent Income Offsets May be a negative number 	=	291,986

ALLOWANCES AGAINST PARENTS' INCOME (1 of 4)

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		63,515
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1) (If less than zero, put zero)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2) (If less than zero, put zero)	+	
6. Income Protection Allowance (Table A2) <ul style="list-style-type: none"> Use the calculated Family Size to determine the IPA 	+	
7. Employment Expense Allowance (EEA) <ul style="list-style-type: none"> The lesser of: <ul style="list-style-type: none"> 35% of parents' combined earned income, OR \$4,000. 	+	
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

TABLE A1. PAYROLL TAX ALLOWANCE (1 of 2)

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	If Parent filed as Married-Filed Joint Return (MFJ): <ul style="list-style-type: none"> • 1.45% of parents' combined earned income up to \$250,000, (+) plus • 2.35% of parents' combined earned income over \$250,000

Calculation

Combined earned income: \$175,254 (parent 1) + \$92,903 (parent 2) = \$268,157

a) $\$268,157 - \$250,000 = \$18,157$ (combined earned income over \$250,000)

b) $\$250,000 \times 0.0145$ (1.45%) = \$3,625

c) $\$18,157 \times 0.0235$ (2.35%) = \$426.689 (round to \$427)

d) $\$3,625 + \$427 = \mathbf{\$4,052}$

ALLOWANCES AGAINST PARENTS' INCOME (2 of 4)

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		63,515
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1) (If less than zero, put zero)	+	4,052
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2) (If less than zero, put zero)	+	
6. Income Protection Allowance (Table A2) • Use the calculated Family Size to determine the IPA	+	
7. Employment Expense Allowance (EEA) • The lesser of: ○ 35% of parents' combined earned income, OR ○ \$4,000.	+	
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

TABLE A1. PAYROLL TAX ALLOWANCE (2 of 2)

Tax Rate Program	Tax Rate
<p>Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate</p>	<p>If Parent:</p> <ul style="list-style-type: none"> For those reporting a single parental income, 6.2% of parent’s total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If parent’s total earned income exceeds \$147,000, then input \$9,114*. For those reporting two parental incomes or whose parents filed a joint return, 6.2% of parents total earned income up to Contributions and Benefit Base of \$294,000 for Tax Year 2022. If parents’ total earned income exceeds \$294,000, then input \$18,228*.

Calculation

Total earned income = \$268,157

$\$268,157 \times 0.062$ (6.2%) = \$16,625.734 (rounded to **\$16,626**)


ALLOWANCES AGAINST PARENTS' INCOME (3 of 4)

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		63,515
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1) (If less than zero, put zero)	+	4,052
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2) (If less than zero, put zero)	+	16,626
6. Income Protection Allowance (Table A2) • Use the calculated Family Size to determine the IPA	+	
7. Employment Expense Allowance (EEA) • The lesser of: ○ 35% of parents' combined earned income, OR ○ \$4,000.	+	
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

TABLE A2. INCOME PROTECTION ALLOWANCE

Table A2. Income Protection Allowance

Family Size (including student)	Income Protection Allowance Amount
2	\$23,330
3	\$29,040
4	\$35,870
5	\$42,320
6	\$49,500

 Note: For each additional household member, add \$5,590.

Calculation

Family size = 7

$$\$49,500 + \$5,590 = \$55,090$$

ALLOWANCES AGAINST PARENTS' INCOME (4 of 4)

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		63,515
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1) (If less than zero, put zero)	+	4,052
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2) (If less than zero, put zero)	+	16,626
6. Income Protection Allowance (Table A2) • Use the calculated Family Size to determine the IPA	+	55,090
7. Employment Expense Allowance (EEA) • The lesser of: ○ 35% of parents' combined earned income, OR ○ \$4,000.		
		$\$268,157 \times 0.35 = \$93,854.95$
	+	4,000
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	143,283

PARENTS' AVAILABLE INCOME

Parents' Available Income (PAI)		
Total Parent Income (line 3)		291,986
Total Parent Allowances Against Income (line 8)	-	143,283
9. Parent Available Income (line 3 minus line 8)	=	148,703
<ul style="list-style-type: none"> • May be a negative number 		

PARENT CONTRIBUTION FROM ASSETS

PARENT CONTRIBUTION FROM ASSETS (1 of 3)

10. Annual child support received for the last complete calendar year		12,000
11. Cash, savings, checking accounts, time deposits, and money market funds	+	78,934
12. Net worth of investments <ul style="list-style-type: none"> Includes: real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits. If negative, enter zero 	+	107,856
13. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3. 	+	
14. Net worth (sum of lines 10, 11, 12, and 13)	=	
15. Asset Protection Allowance (APA) (Table A4)	-	
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> (Line 14 minus line 15) times line 16 If negative, enter zero 	=	

TABLE A3. ADJUST NET WORTH OF BUSINESS/FARM

Table A3. Business/Farm Net Worth Adjustment

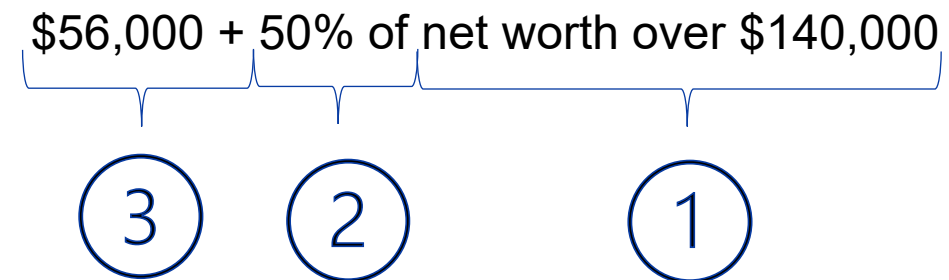
If the net worth of a business or farm is ____	Then the adjusted net worth is ____
Less than \$1	\$0
\$1 to \$140,000	40% of net worth of business/farm
\$140,001 to \$415,000	\$56,000 + 50% of net worth over \$140,000
\$415,001 to \$695,500	\$193,500 + 60% of net worth over \$415,000
\$695,001 or more	\$361,500 + 100% of net worth over \$695,000



Calculation

Business net worth = \$175,000

- 1) $\$175,000 - \$140,000 = \$35,000$
- 2) $\$35,000 \times 0.50 \text{ (50\%)} = \$17,500$
- 3) $\$56,000 + \$17,500 = \mathbf{\$73,500}$



PARENT CONTRIBUTION FROM ASSETS (2 of 3)

10. Annual child support received for the last complete calendar year		12,000
11. Cash, savings, checking accounts, time deposits, and money market funds	+	78,934
12. Net worth of investments <ul style="list-style-type: none"> Includes: real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits. If negative, enter zero 	+	107,856
13. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3. 	+	73,500
14. Net worth (sum of lines 10, 11, 12, and 13)	=	272,290
15. Asset Protection Allowance (APA) (Table A4)	-	
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> (Line 14 minus line 15) times line 16 If negative, enter zero 	=	

TABLE A4. ASSET PROTECTION ALLOWANCE (APA)


Table A4: Asset Protection Allowance (Parents Only)

Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent	Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent
25 or less	\$0	\$0	46	\$6,300	\$2,400
26	400	100	47	6,500	2,500
27	700	300	48	6,600	2,500
28	1,100	400	49	6,800	2,600
29	1,500	600	50	7,000	2,700
30	1,800	700	51	7,100	2,700
31	2,200	800	52	7,300	2,800
32	2,600	1,000	53	7,500	2,900



Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent
53	7,500	2,900

PARENT CONTRIBUTION FROM ASSETS (3 of 3)

10. Annual child support received for the last complete calendar year		12,000
11. Cash, savings, checking accounts, time deposits, and money market funds	+	78,934
12. Net worth of investments <ul style="list-style-type: none"> Includes: real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits. If negative, enter zero 	+	107,856
13. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3. 	+	73,500
14. Net worth (sum of lines 10, 11, 12, and 13)	=	272,290
15. Asset Protection Allowance (APA) (Table A4)	-	7,500
16. Asset Conversion Rate (12%) $\$272,290 - \$7,500 \text{ (APA)} = \$264,790 \times 0.12$	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> (Line 14 minus line 15) times line 16  If negative, enter zero 	=	31,775

TOTAL PARENT CONTRIBUTION

TOTAL PARENT CONTRIBUTION (1 of 2)

Total Parent Contribution

Parent Adjusted Available Income (PAAI)		
Parents' Available Income (line 9)		148,703
Parents' Contribution from Assets (line 17)	+	31,775
18. Parent Adjusted Available Income (PAI plus PCA)		
<ul style="list-style-type: none"> • May be a negative number 	=	180,478
Parents' Contribution (PC)		
19. Parents' Contribution (Table A5)		
<ul style="list-style-type: none"> • Adjust PAAI (line 18) using Table A5. 	=	

TABLE A5. PARENTS' CONTRIBUTION FROM AAI

If the parents' AAI is _____	Then the parents' contribution from AAI is _____
Less than -\$6,820	-\$1,500
-\$6,820 to \$17,400	22% of AAI
\$17,401 to \$21,800	\$3,828 + 25% of AAI over \$17,400
\$21,801 to \$26,200	\$4,928 + 29% of AAI over \$21,800
\$26,201 to \$30,700	\$6,204 + 34% of AAI over \$26,200
\$30,701 to \$35,100	\$7,734 + 40% of AAI over \$30,700
\$35,101 or more	\$9,494 + 47% of AAI over \$35,100



Calculation

AAI = \$180,478

1) $\$180,478 - \$35,100 = \$145,378$

2) $\$145,378 \times 0.47 \text{ (47\%)} = \$68,327.66$

3) $\$9,494 + \$68,328 = \$77,822$

\$9,494 + 47% of AAI over \$35,100

3

2

1

TOTAL PARENT CONTRIBUTION (2 of 2)

Total Parent Contribution

Parent Adjusted Available Income (PAAI)		
Parents' Available Income (line 9)		148,703
Parents' Contribution from Assets (line 17)	+	31,775
18. Parent Adjusted Available Income (PAI plus PCA)		
<ul style="list-style-type: none"> • May be a negative number 	=	180,478
Parents' Contribution (PC)		
19. Parents' Contribution (Table A5)		
<ul style="list-style-type: none"> • Adjust PAAI (line 18) using Table A5. 	=	77,822

STUDENT CONTRIBUTION FROM INCOME

STUDENT INCOME ADDITIONS

Student Income Additions		
a. Student AGI		—
b. Student Deductible Payments to IRA/KEOGH/Other	+	—
c. Student Exempt Interest Income	+	—
d. Student Untaxed Portions of IRA Distributions and Pensions (Excluding rollovers; if less than zero, put zero)	+	—
e. Student Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, put zero)	+	—
20. Total Student Income Additions (sum of lines a, b, c, d, and e)	=	0

STUDENT INCOME OFFSETS

Student Income Offsets		
f. Student College Grant and Scholarship Aid (reported as income)		—
g. Student Education Credits	+	—
h. Student Federal Work-study (FWS)	+	2,000
21. Total Student Income Offsets (sum lines f, g, and h)	=	2,000
22. Total Student Income (line 20 minus line 21)		Line 20 = \$0
<ul style="list-style-type: none"> Total Student Income Additions – Total Student Income Offsets May be a negative number 	=	-2,000

ALLOWANCES AGAINST STUDENT INCOME

Allowances Against Student Income		
23. Student U.S. Income Tax Paid or Foreign Equivalent	Non-tax filer = \$0 taxes paid	—
24. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1; if negative, enter zero)		+
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2; if negative, enter zero)		+
25. Income Protection Allowance		+ 9,410
26. Allowance for parents' negative adjusted available income		
a. If line 18 is negative, enter line 18 as a positive number.		
b. If line 18 is zero or positive, enter zero.	Line 18 = 180,478	+ 0
27. Total Student Allowances Against Income (sum lines 23, 24a, 24b, 25, and 26)		= 9,410

STUDENT'S CONTRIBUTION FROM INCOME

Student's Contribution from Income		
Total Student Income (line 22)		-2,000
Total Student Allowances Against Income (line 27)	-	9,410
28. Student Available Income (line 22 minus line 27)		
<ul style="list-style-type: none"> • May be a negative number 	=	-11,410
29. Assessment of Student Available Income (50%)	$-11,410 \times 0.50 = -5,705$	0.50
30. Student's Contribution from Income (line 28 times line 29)		
<ul style="list-style-type: none"> • If negative and $< -1,500$, adjust to $-1,500$ (e.g., if $-2,000$ set to $-1,500$) • If negative and $\geq -1,500$, do not adjust (e.g., if $-1,000$ leave as $-1,000$) 	=	-1,500



STUDENT CONTRIBUTION FROM ASSETS

STUDENT CONTRIBUTION FROM ASSETS

31. Cash, savings, checking accounts, time deposits, and money market funds		12,983
32. Net worth of investments <ul style="list-style-type: none"> Includes: real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits. If negative, enter zero 	+	—
33. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3. 	+	—
34. Net worth (sum of lines 31, 32, and 33)	=	12,983
35. Asset Conversion Rate (20%)	$12,983 \times 0.20 = 2,596.60$	x 0.20
36. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 34 times line 35 If negative, enter zero 	=	2,597

STUDENT AID INDEX (SAI)

STUDENT AID INDEX

Student Aid Index (SAI)

Parents' Contribution (line 19)		77,822
Student's Contribution from Income (line 30)	+	-1,500
Student's Contribution from Assets (line 36)	+	2,597
37. Student Aid Index (sum of lines 19, 30, and 36)	=	78,919
<ul style="list-style-type: none"> • If negative and $< -1,500$, adjust to $-1,500$ (e.g., if $-2,000$ set to $-1,500$) • If negative and $\geq -1,500$, do not adjust (e.g., if $-1,000$ leave as $-1,000$) 		

FORMULA A

2023–24 EFC vs. 2024–25 SAI

2024-25 DATA USED FOR 2023–24 EFC CALCULATION (1 of 2)

PARENT DEMOGRAPHICS

Marital status = Married

Household size = 7

Number in college = 1

Age of older parent = 53

State of legal residence = IL

Tax filing status = Married filing jointly

PARENT INCOME

AGI = \$291,463

Parent 1 earned income = \$175,254

Parent 2 earned income = \$92,903

Taxes Paid = \$63,515

Tax-exempt interest = \$523

Child support received = \$12,000

Payments to retirement savings = \$13,408

2024-25 DATA USED FOR 2023–24 EFC CALCULATION (2 of 2)

PARENT ASSETS

Cash, savings, checking, etc. = \$78,934

Investments net worth = \$107,856

STUDENT DATA

Tax filing status = Non-filer

AGI = \$0

Taxed paid = \$0

Earned income = \$5,200

(includes \$2,000 Federal Work-Study)

Cash, savings, checking, etc. = \$12,983

EFC vs. SAI COMPARISON

Intermediate values / EFC / SAI	2023–24 EFC Formula A	2024–25 SAI Formula A
Parents' Available Income	168,927	148,703
Parents' Contribution from Assets	22,415	31,775
Parent Contribution	82,291	77,822
Student's Contribution from (Available) Income	0	-1,500
Student's Contribution from Assets	2,597	2,597
Expected Family Contribution (EFC)	84,888	—
Student Aid Index (SAI)	—	78,919

RESOURCES

RESOURCES

[2024–25 DRAFT Pell Eligibility and SAI Guide](#)

(Updated May 19, 2023)

2024-25 DRAFT Pell Eligibility and SAI Guide

Introduction

The intent of this document is to provide a preliminary introduction to the new calculation for federal student aid eligibility using the Student Aid Index beginning in the 2024-25 award year. This draft guide represents anticipated implementation of the Student Aid Index (SAI) at the time of publication. A final SAI formula guide will be published in the future to the Knowledge Center website.

FAFSA Simplification and the Consolidated Appropriations Act of 2021

In 2020, the FAFSA Simplification Act was enacted into law as part of the Consolidated Appropriations Act of 2021. The FAFSA Simplification Act represents a significant overhaul of federal student aid, including the Free Application for Federal Student Aid (FAFSA®) form, need analysis, and many policies and procedures for schools that participate in the Title IV programs.

Replacing the Expected Family Contribution (EFC) with the Student Aid Index (SAI)

Not only will students and families see a different measure of their ability to pay for college, but they will also experience a change in the methodology used to determine aid. The new need analysis formula removes the number of family members in college from the calculation, allows a minimum SAI of -1,500, and implements separate eligibility determination criteria for Federal Pell Grants.

Expanding Access to Pell Grants

The FAFSA Simplification Act extends the Federal Pell Grant to more students and links eligibility to family size and the federal poverty level. This builds on changes implemented in the 2023-24 award year including incarcerated students regaining the ability to receive a Federal Pell Grant and restoration of Federal Pell Grant lifetime eligibility to students whose school closed while they were enrolled or if the school is found to have misled the student.

Streamlining the FAFSA Form

Where possible, the law mandates that FSA use data received directly from the Internal Revenue Service (IRS) to calculate Federal Pell Grant eligibility and the SAI. This data exchange has been made possible by the Fostering Undergraduate Talent by Unlocking Resources for Education Act (FUTURE Act), which FSA will implement alongside FAFSA simplification. The FAFSA Simplification Act also removes questions about Selective Service registration and drug convictions and adds questions about applicants' sex and race/ethnicity.

KNOWLEDGE CENTER

[FAFSA Simplification Information](#)

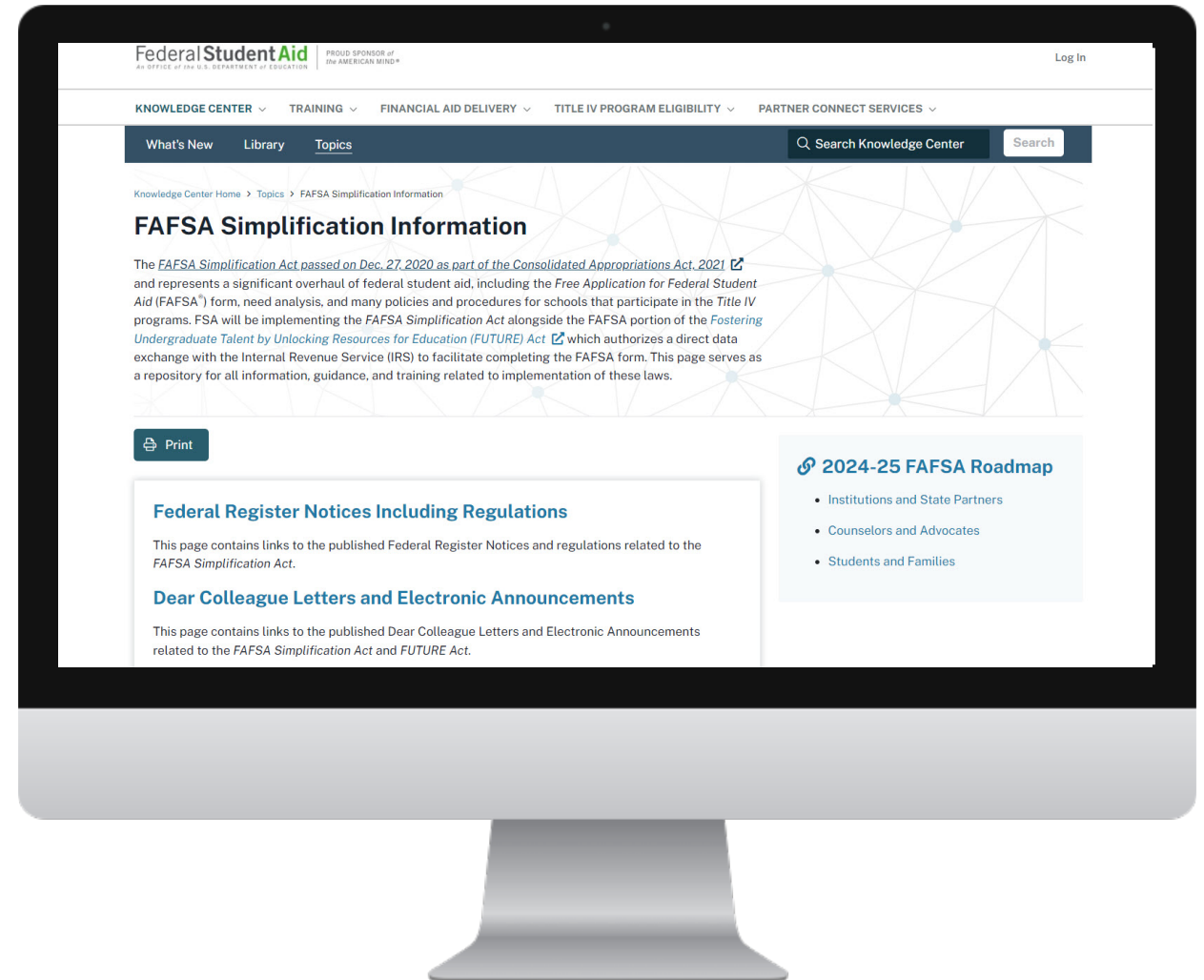
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STUDENT AID INDEX – PART 2

TUESDAY, JUNE 27

Join us on June 27 for Student Aid Index – Part 2 when we will calculate the SAI for independent students using Formulas B and C.

For a complete list of upcoming webinars, visit the [FSA Training Center](#).



FEEDBACK SURVEY



<https://www.surveymonkey.com/r/WWSAI1>

Survey open until June 22, 2024

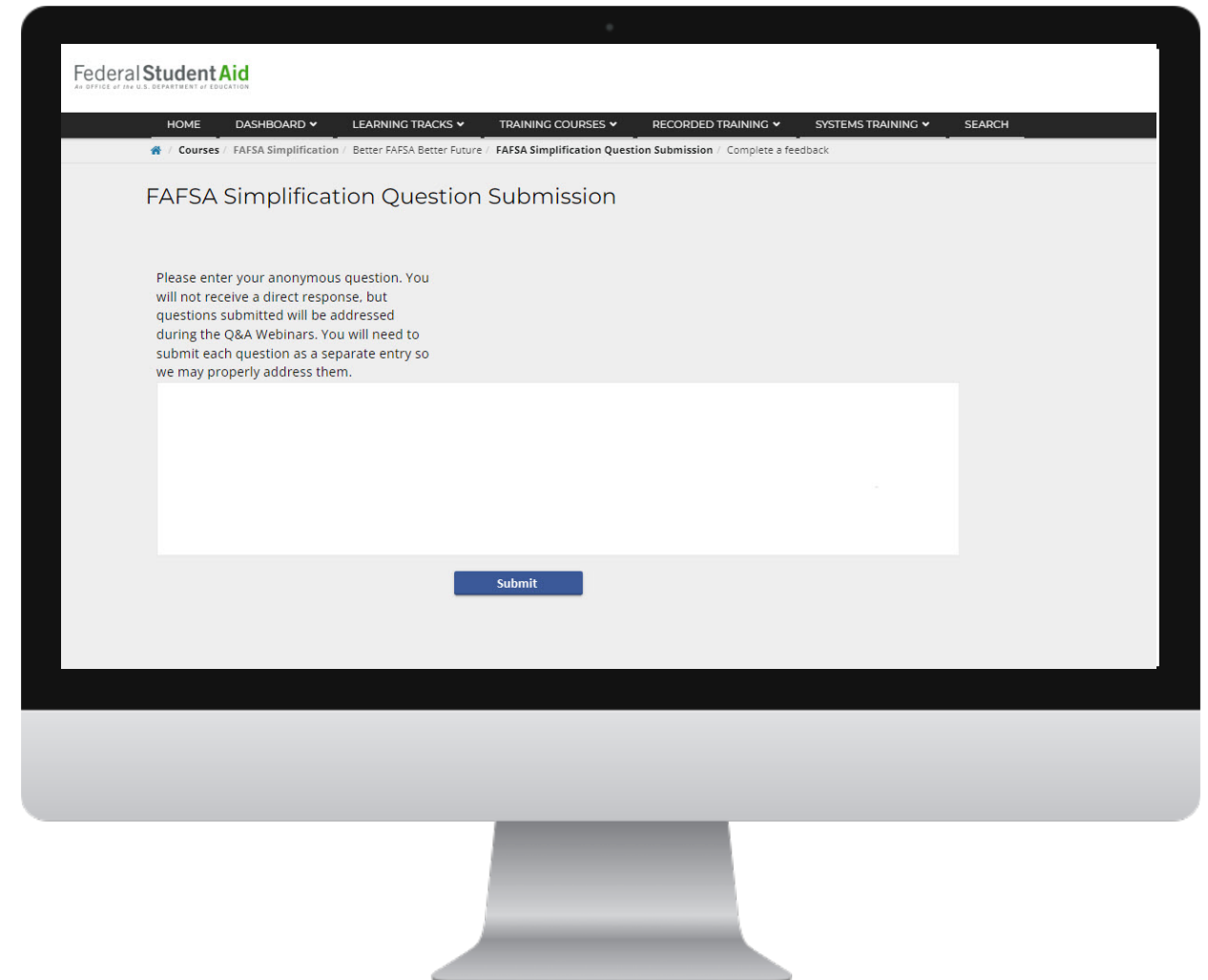
QUESTIONS?



HAVE MORE QUESTIONS?

You may submit questions not answered during today's webinar on the FSA Training Center's [FAFSA Simplification Training and Resources page](#).

We will address as many submitted questions as possible during our dedicated Q&A webinar on July 13.



**THANK
YOU!**

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