

STUDENT AID INDEX (SAI)

Part 2 – Independent Students

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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 B—Independent students **without** dependents other than a spouse calculation
3. Formula C—Independent students **with** dependents other than a spouse calculation
4. Resources
5. 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



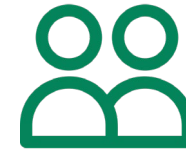
FORMULA A

Dependent Students



FORMULA B

Independent students
without dependent(s)
other than a spouse



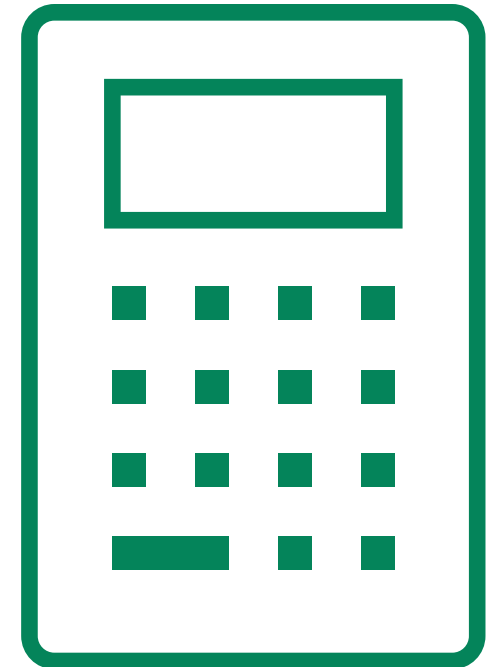
FORMULA C

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



FORMULAS B AND C INDEPENDENT STUDENTS CALCULATIONS

FORMULA B— INDEPENDENT STUDENTS WITHOUT DEPENDENT(S) OTHER THAN A SPOUSE CALCULATION

STUDENT B's 2024–25 FAFSA® INFORMATION

Which student demographic, income, and asset data will we use to calculate the SAI?

DEMOGRAPHICS

Marital status = Single

Family size = 1

Student's age = 25

State of legal residence = FL

Tax filing status = Single

INCOME AND ASSETS

AGI = \$37,089

Earned income = \$37,062

Taxes Paid = \$2,690

Lifetime Learning Credit = \$864

Cash, savings, checking = \$2,700

STUDENT AID INDEX

Student Aid Index

Student Contribution from Income (line 11) <ul style="list-style-type: none"> • May be a negative number 		
Student Contribution from Assets (line 20)	+	
21. Student Aid Index (SAI) <ul style="list-style-type: none"> • If negative, and $< -1,500$, adjust to $-1,500$ (e.g., If negative 2,000 set to $-1,500$) • If negative, and $\geq -1,500$, do not adjust (e.g., If $-1,000$ leave as $-1,000$) 	=	SAI

STUDENT CONTRIBUTION FROM INCOME

STUDENT (AND SPOUSE) INCOME ADDITIONS

Student (and Spouse) Income Additions		
a. Student (and Spouse) AGI		37,089
b. Student (and Spouse) Deductible Payments to IRA/KEOGH/Other	+	—
c. Student (and Spouse) Exempt Interest Income	+	—
d. Student (and Spouse) Untaxed Portions of IRA Distributions and Pensions (Excluding rollovers; if less than zero, put zero)	+	—
e. Student (and Spouse) Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, put zero)	+	—
1. Total Student (and Spouse) Income Additions (sum of lines a, b, c, d, and e)	=	37,089

STUDENT (AND SPOUSE) INCOME OFFSETS

Student (and Spouse) Income Offsets		
f. Student (and Spouse) College Grant and Scholarship Aid		—
g. Student (and Spouse) Education Credits	+	864
h. Student (and Spouse) Federal Work-study (FWS)	+	—
2. Total Student (and Spouse) Income Offsets (sum lines f, g, and h)	=	864
3. Total Student (and Spouse) Income (line 1 minus line 2)		
<ul style="list-style-type: none"> Total Student (and Spouse) Income Additions – Total Student (and Spouse) Income Offsets 		
<ul style="list-style-type: none"> May be a negative number 		
(Line 1) 37,089 — 864 = 36,225	=	36,225

ALLOWANCES AGAINST STUDENT (AND SPOUSE) INCOME (1 of 3)

Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		2,690
5. Payroll Tax Allowance (Table B1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table B1: Step 1; if negative, enter zero)	+	
b. Old-age, survivors, and disability insurance (OASDI) Tax Rate (Table B1: Step 2; if negative, enter zero)	+	
6. Income Protection Allowance (IPA) <ul style="list-style-type: none"> If the student is not married (single, separated or divorced/widowed): \$14,630 If the student is married (married/remarried): \$23,460 	+	
7. Employment Expense Allowance (EEA) <ul style="list-style-type: none"> If the student is not married (single, separated or divorced/widowed): \$0 If the student is married (married/remarried), the lesser of: <ul style="list-style-type: none"> 35% of the student and student's spouse combined earned income, OR \$4,000 	+	
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6 and 7)	=	

TABLE B1. PAYROLL TAX ALLOWANCE (1 of 2)

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	If Student filed as Not Married (e.g., single, head of household, or qualifying widow(er)): <ul style="list-style-type: none"> • 1.45% of student earned income up to \$200,000, (+) plus • 2.35% of student earned income over \$200,000

Calculation
 Earned income = \$37,062
 $37,062 \times 0.0145$ (1.45%) = 537.399 (rounded to **537**)

ALLOWANCES AGAINST STUDENT (AND SPOUSE) INCOME (2 of 3)

Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		2,690
5. Payroll Tax Allowance (Table B1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table B1: Step 1; if negative, enter zero)	+	537
b. Old-age, survivors, and disability insurance (OASDI) Tax Rate (Table B1: Step 2; if negative, enter zero)	+	
6. Income Protection Allowance (IPA) <ul style="list-style-type: none"> If the student is not married (single, separated or divorced/widowed): \$14,630 If the student is married (married/remarried): \$23,460 	+	
7. Employment Expense Allowance (EEA) <ul style="list-style-type: none"> If the student is not married (single, separated or divorced/widowed): \$0 If the student is married (married/remarried), the lesser of: <ul style="list-style-type: none"> 35% of the student and student's spouse combined earned income, OR \$4,000 	+	
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6 and 7)	=	

TABLE B1. PAYROLL TAX ALLOWANCE (2 of 2)

Tax Rate Program	Tax Rate
Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate	For independent students without a spouse or those who only report a single tax return, 6.2% of total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If student's total earned income exceeds \$147,000, then input \$9,114*.

Calculation

Total earned income = \$37,062

$\$37,062 \times 0.062$ (6.2%) = \$2,297.844 (rounded to **\$2,298**)

ALLOWANCES AGAINST STUDENT (AND SPOUSE) INCOME (3 of 3)

Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		2,690
5. Payroll Tax Allowance (Table B1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table B1: Step 1; if negative, enter zero)	+	537
b. Old-age, survivors, and disability insurance (OASDI) Tax Rate (Table B1: Step 2; if negative, enter zero)	+	2,298
6. Income Protection Allowance (IPA)		
<ul style="list-style-type: none"> ● If the student is not married (single, separated or divorced/widowed): \$14,630 ● If the student is married (married/remarried): \$23,460 	+	14,630
7. Employment Expense Allowance (EEA)		
<ul style="list-style-type: none"> ● If the student is not married (single, separated or divorced/widowed): \$0 ● If the student is married (married/remarried), the lesser of: <ul style="list-style-type: none"> ○ 35% of the student and student's spouse combined earned income, OR ○ \$4,000 	+	0
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6 and 7)	=	20,155

STUDENT'S CONTRIBUTION FROM INCOME

Student's Contribution from Income		
Total Student (and Spouse) Income (line 3)		36,225
Total Student (and Spouse) Allowances Against Income (line 8)	-	20,155
9. Student Available Income (StAI; line 3 minus line 8) • May be a negative number	=	16,070
10. Assessment of Student Available Income (50%)	$16,070 \times 0.50 = 8,035$	x 0.50
11. Student's Contribution from Income (line 9 times line 10)	=	8,035

STUDENT CONTRIBUTION FROM ASSETS

STUDENT CONTRIBUTION FROM ASSETS (1 of 2)

12. Annual child support received for the last complete calendar year		—
13. Cash, savings, checking accounts, time deposits, and money market funds	+	2,700
14. 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 	+	—
15. Adjusted net worth of business and/or farm (Table B2) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table B2 	+	—
16. Net worth (sum of lines 12, 13, 14, and 15)	=	2,700
17. Asset Protection Allowance (Table B3)	-	
18. Discretionary Net Worth <ul style="list-style-type: none"> Line 16 minus line 17 	=	
19. Asset Conversion Rate (20%)	x	0.20
20. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 18 times line 19 If negative, enter zero 	=	

TABLE B3. ASSET PROTECTION ALLOWANCE (APA)

Age of student as of 12/31/2023	Allowance married student	Allowance for unmarried student	Age of student as of 12/31/2023	Allowance married student	Allowance for unmarried student
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

STUDENT CONTRIBUTION FROM ASSETS (2 of 2)

12. Annual child support received for the last complete calendar year		—
13. Cash, savings, checking accounts, time deposits, and money market funds	+	2,700
14. 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 	+	—
15. Adjusted net worth of business and/or farm (Table B2) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table B2 	+	—
16. Net worth (sum of lines 12, 13, 14, and 15)	=	2,700
17. Asset Protection Allowance (Table B3)	-	0
18. Discretionary Net Worth <ul style="list-style-type: none"> Line 16 minus line 17 	=	2,700
19. Asset Conversion Rate (20%)	$2,700 \times 0.20 = 540$	x 0.20
20. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 18 times line 19 If negative, enter zero 	=	540

STUDENT AID INDEX (SAI)

STUDENT AID INDEX

Student Aid Index

Student Contribution from Income (line 11) <ul style="list-style-type: none"> • May be a negative number 		8,035
Student Contribution from Assets (line 20)	+	540
21. Student Aid Index (SAI) <ul style="list-style-type: none"> • If negative, and $< -1,500$, adjust to $-1,500$ (e.g., If negative 2,000 set to $-1,500$) • If negative, and $\geq -1,500$, do not adjust (e.g., If $-1,000$ leave as $-1,000$) 	=	8,575

FORMULA B

2023–24 EFC vs. 2024–25 SAI

2024-25 DATA USED FOR 2023–24 EFC CALCULATION

DEMOGRAPHICS

Marital status = Single

Household size = 1

Student's age = 25

State of legal residence = FL

Tax filing status = Single

INCOME AND ASSETS

AGI = \$37,089

Earned income = \$37,062

Taxes Paid = \$2,690

Lifetime Learning Credit = \$864

Payments to retirement savings = \$1,853

Cash, savings, checking, etc. = \$2,700

EFC vs. SAI COMPARISON

Intermediate values / EFC / SAI	2023–24 EFC Formula B	2024–25 SAI Formula B
Student's Contribution from Income	10,176	8,035
Student's Contribution from Assets	540	540
Expected Family Contribution (EFC)	10,716	—
Student Aid Index (SAI)	—	8,575

FORMULA C— INDEPENDENT STUDENTS WITH DEPENDENT(S) OTHER THAN A SPOUSE CALCULATION

STUDENT C's 2024–25 FAFSA® INFORMATION

Which student (and spouse) demographic, income, and asset data will we use to calculate the SAI?

DEMOGRAPHICS

Marital status = Married

Family size = 3

Number in college = 1

Student's age = 30

State of legal residence = CO

Tax filing status = Married filing jointly

INCOME AND ASSETS

AGI = \$82,495

Student earned income = \$15,657

Spouse earned income = \$78,695

Taxes Paid = \$6,378

Cash, savings, checking, etc. = \$7,392

Investments = \$33,503

Lifetime Learning Credit = \$2,000

STUDENT AID INDEX

Student Aid Index

Student Available Income (line 9) <ul style="list-style-type: none"> • May be a negative number. 		
Student Contribution from Assets (line 18)	+	
19. Student Adjusted Available Income (AAI; sum of lines 9 and 18) <ul style="list-style-type: none"> • May be a negative number 	=	AAI
20. Total Student Contribution from AAI (Table C6)	=	
21. Student Aid Index (SAI) <ul style="list-style-type: none"> • If line 20 is positive, SAI = line 20 • If line 20 is negative, and < -1,500, adjust to -1,500 (e.g., If negative 2,000 set to -1,500) • If line 20 is negative, and >= -1,500, do not adjust (e.g., If -1,000 leave as -1,000) 	=	SAI

STUDENT CONTRIBUTION FROM INCOME

STUDENT (AND SPOUSE) INCOME ADDITIONS

Student (and Spouse) Income Additions		
a. Student (and Spouse) AGI		82,495
b. Student (and Spouse) Deductible Payments to IRA/KEOGH/Other	+	—
c. Student (and Spouse) Exempt Interest Income	+	—
d. Student (and Spouse) Untaxed Portions of IRA Distributions and Pensions (Excluding rollovers; if less than zero, put zero)	+	—
e. Student (and Spouse) Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, put zero)	+	—
1. Total Student (and Spouse) Income Additions (sum of lines a, b, c, d, and e)	=	82,495

ALLOWANCES AGAINST STUDENT (AND SPOUSE INCOME (1 of 5)

Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		6,378
5. Payroll Tax Allowance (Table C1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table C1: Step 1; if negative, enter zero)	+	
b. Old-age, survivors, and disability insurance (OASDI) Tax Rate (Table C1: Step 2; if negative, enter zero)	+	
6. Income Protection Allowance (IPA) <ul style="list-style-type: none"> See Table C2 if the student is married (married/remarried) with dependents Table C3 if the student is not married (e.g., single, head of household, or qualifying widow(er)) with dependents 	+	
7. Employment Expense Allowance (EEA) <ul style="list-style-type: none"> If the student is not married (e.g., single, head of household, or qualifying widow(er)), the lesser of: <ul style="list-style-type: none"> 35% of the student earned income, OR \$4,000 If the student is married (married/remarried), the lesser of: <ul style="list-style-type: none"> 35% of the student and student's spouse combined earned income, OR \$4,000 	+	
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

TABLE C1. PAYROLL TAX ALLOWANCE (1 of 2)

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

Calculation

Earned income = \$94,352

$94,352 \times 0.0145$ (1.45%) = 1,368.10 (rounded to **1,368**)

ALLOWANCES AGAINST STUDENT (AND SPOUSE INCOME (2 of 5)

Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		6,378
5. Payroll Tax Allowance (Table C1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table C1: Step 1; if negative, enter zero)	+	1,368
b. Old-age, survivors, and disability insurance (OASDI) Tax Rate (Table C1: Step 2; if negative, enter zero)	+	
6. Income Protection Allowance (IPA) <ul style="list-style-type: none"> See Table C2 if the student is married (married/remarried) with dependents Table C3 if the student is not married (e.g., single, head of household, or qualifying widow(er)) with dependents 	+	
7. Employment Expense Allowance (EEA) <ul style="list-style-type: none"> If the student is not married (e.g., single, head of household, or qualifying widow(er)), the lesser of: <ul style="list-style-type: none"> 35% of the student earned income, OR \$4,000 If the student is married (married/remarried), the lesser of: <ul style="list-style-type: none"> 35% of the student and student's spouse combined earned income, OR \$4,000 	+	
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

TABLE C1. PAYROLL TAX ALLOWANCE (2 of 2)

Tax Rate Program	Tax Rate
Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate	For those reporting both student and student spouse income or who are married and filed a joint return, 6.2% of total student and student spouse earned income up to Contributions and Benefit Base of \$294,000 for Tax Year 2022. If the student and student spouse total earned income exceeds \$294,000, then input \$18,228*.

Calculation

Total earned income = \$94,352

$\$94,352 \times 0.062$ (6.2%) = \$5,849.82 (rounded to **\$5,850**)

ALLOWANCES AGAINST STUDENT (AND SPOUSE INCOME (3 of 5)

Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		6,378
5. Payroll Tax Allowance (Table C1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table C1: Step 1; if negative, enter zero)	+	1,368
b. Old-age, survivors, and disability insurance (OASDI) Tax Rate (Table C1: Step 2; if negative, enter zero)	+	5,850
6. Income Protection Allowance (IPA) <ul style="list-style-type: none"> See Table C2 if the student is married (married/remarried) with dependents Table C3 if the student is not married (e.g., single, head of household, or qualifying widow(er)) with dependents 	+	
7. Employment Expense Allowance (EEA) <ul style="list-style-type: none"> If the student is not married (e.g., single, head of household, or qualifying widow(er)), the lesser of: <ul style="list-style-type: none"> 35% of the student earned income, OR \$4,000 If the student is married (married/remarried), the lesser of: <ul style="list-style-type: none"> 35% of the student and student's spouse combined earned income, OR \$4,000 	+	
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

TABLE C2. INCOME PROTECTION ALLOWANCE – MARRIED WITH DEPENDENTS

Table C2. Income Protection Allowance – Married with Dependents


Family Size (Including Student)	Income Protection Allowance Amount
3	\$46,140
4	\$56,970
5	\$67,230
6	\$78,620

Note: For each additional household member, add \$8,880.

ALLOWANCES AGAINST STUDENT (AND SPOUSE INCOME (4 of 5)

Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		6,378
5. Payroll Tax Allowance (Table C1)		
a. Medicare’s Hospital Insurance (HI) Program Tax Rate (Table C1: Step 1; if negative, enter zero)	+	1,368
b. Old-age, survivors, and disability insurance (OASDI) Tax Rate (Table C1: Step 2; if negative, enter zero)	+	5,850
6. Income Protection Allowance (IPA) <ul style="list-style-type: none"> See Table C2 if the student is married (married/remarried) with dependents Table C3 if the student is not married (e.g., single, head of household, or qualifying widow(er)) with dependents 	+	46,140
7. Employment Expense Allowance (EEA) <ul style="list-style-type: none"> If the student is not married (e.g., single, head of household, or qualifying widow(er)), the lesser of: <ul style="list-style-type: none"> 35% of the student earned income, OR \$4,000 • If the student is married (married/remarried), the lesser of: <ul style="list-style-type: none"> 35% of the student and student’s spouse combined earned income, OR \$4,000 	+	
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

EMPLOYMENT EXPENSE ALLOWANCE

<p>7. Employment Expense Allowance (EEA)</p> <ul style="list-style-type: none"> • If the student is not married (e.g., single, head of household, or qualifying widow(er)), the lesser of: <ul style="list-style-type: none"> ○ 35% of the student earned income, OR ○ \$4,000  • If the student is married (married/remarried), the lesser of: <ul style="list-style-type: none"> ○ 35% of the student and student's spouse combined earned income, OR ○ \$4,000 	+	
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Calculation

Combined earned income = \$94,352

$\$94,352 \times 0.35$ (35%) = \$33,023.20

$\$33,023.20 > \$4,000$

EEA = **\$4,000**

ALLOWANCES AGAINST STUDENT (AND SPOUSE INCOME (5 of 5)

Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		6,378
5. Payroll Tax Allowance (Table C1)		
a. Medicare’s Hospital Insurance (HI) Program Tax Rate (Table C1: Step 1; if negative, enter zero)	+	1,368
b. Old-age, survivors, and disability insurance (OASDI) Tax Rate (Table C1: Step 2; if negative, enter zero)	+	5,850
6. Income Protection Allowance (IPA) <ul style="list-style-type: none"> • See Table C2 if the student is married (married/remarried) with dependents • Table C3 if the student is not married (e.g., single, head of household, or qualifying widow(er)) with dependents 	+	46,140
7. Employment Expense Allowance (EEA) <ul style="list-style-type: none"> • If the student is not married (e.g., single, head of household, or qualifying widow(er)), the lesser of: <ul style="list-style-type: none"> ○ 35% of the student earned income, OR ○ \$4,000 • If the student is married (married/remarried), the lesser of: <ul style="list-style-type: none"> ○ 35% of the student and student’s spouse combined earned income, OR ○ \$4,000 	+	4,000
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	63,736

STUDENT'S AVAILABLE INCOME (StAI)

Student's Available Income (StAI)		
Total Student (and Spouse) Income (line 3)		80,495
Total Student (and Spouse) Allowances Against Income (line 8)	-	63,736
9. Student Available Income (line 3 minus line 8)		
<ul style="list-style-type: none"> • May be a negative number 	=	16,759

STUDENT CONTRIBUTION FROM ASSETS

STUDENT CONTRIBUTION FROM ASSETS (1 of 2)

10. Annual child support received for the last complete calendar year		—
11. Cash, savings, checking accounts, time deposits, and money market funds	+	7,392
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 	+	33,503
13. Adjusted net worth of business and/or farm (Table C4) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table C4. 	+	—
14. Net worth (sum of lines 10, 11, 12, and 13)	=	40,895
15. Asset Protection Allowance (APA; Table C5)	-	
16. Discretionary Net Worth <ul style="list-style-type: none"> Line 14 minus line 15 	=	
17. Asset Conversion Rate (7%)	x	0.07
18. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 16 times line 17 If negative, enter zero 	=	

TABLE C5: ASSET PROTECTION ALLOWANCE (APA)

Age of student as of 12/31/2023	Allowance for married student	Allowance for unmarried student	Age of student as of 12/31/2023	Allowance for married student	Allowance for unmarried student
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

STUDENT CONTRIBUTION FROM ASSETS (2 of 2)

10. Annual child support received for the last complete calendar year		—
11. Cash, savings, checking accounts, time deposits, and money market funds	+	7,392
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 	+	33,503
13. Adjusted net worth of business and/or farm (Table C4) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table C4. 	+	—
14. Net worth (sum of lines 10, 11, 12, and 13)	=	40,895
15. Asset Protection Allowance (APA; Table C5)	-	1,800
16. Discretionary Net Worth <ul style="list-style-type: none"> Line 14 minus line 15 	=	39,095
17. Asset Conversion Rate (7%)	x	0.07
18. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 16 times line 17 If negative, enter zero 	=	2,737

$$39,095 \times 0.07 = 2,737$$

STUDENT AID INDEX (SAI)

STUDENT AID INDEX (1 of 2)

Student Aid Index

<p>Student Available Income (line 9)</p> <ul style="list-style-type: none"> • May be a negative number. 		16,759
<p>Student Contribution from Assets (line 18)</p>	+	2,737
<p>19. Student Adjusted Available Income (AAI; sum of lines 9 and 18)</p> <ul style="list-style-type: none"> • May be a negative number 	=	19,496
<p>20. Total Student Contribution from AAI (Table C6)</p>	=	
<p>21. Student Aid Index (SAI)</p> <ul style="list-style-type: none"> • If line 20 is positive, SAI = line 20 • If line 20 is negative, and < -1,500, adjust to -1,500 (e.g., If negative 2,000 set to -1,500) • If line 20 is negative, and >= -1,500, do not adjust (e.g., If -1,000 leave as -1,000) 	=	

TABLE C6. ASSESSMENT FROM ADJUSTED AVAILABLE INCOME

If the AAI is _____	Then the 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



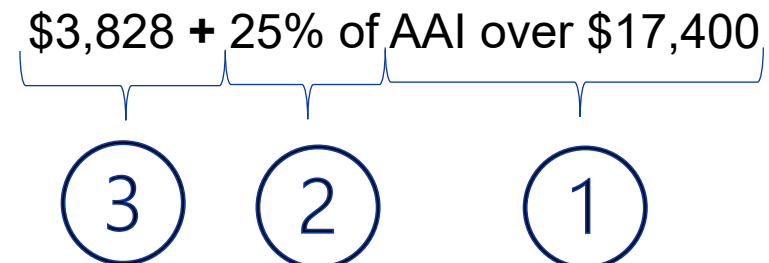
Calculation

AAI = \$19,496

1) $\$19,496 - \$17,400 = \$2,096$

2) $\$2,096 \times 0.25 (25\%) = \524

3) $\$3,828 + \$524 = \$4,352$



STUDENT AID INDEX (2 of 2)

Student Aid Index

Student Available Income (line 9)		
<ul style="list-style-type: none"> • May be a negative number. 		16,759
Student Contribution from Assets (line 18)	+	2,737
19. Student Adjusted Available Income (AAI; sum of lines 9 and 18)		
<ul style="list-style-type: none"> • May be a negative number 	=	19,496
20. Total Student Contribution from AAI (Table C6)	=	4,352
21. Student Aid Index (SAI)		
<ul style="list-style-type: none"> • If line 20 is positive, SAI = line 20 • If line 20 is negative, and $< -1,500$, adjust to $-1,500$ (e.g., If negative 2,000 set to $-1,500$) • If line 20 is negative, and $\geq -1,500$, do not adjust (e.g., If $-1,000$ leave as $-1,000$) 	=	4,352

FORMULA C

2023–24 EFC vs. 2024–25 SAI

2024-25 DATA USED FOR 2023–24 EFC CALCULATION

DEMOGRAPHICS

Marital status = Married

Household size = 3

Number in college = 1

Student's age = 30

State of legal residence = CO

Tax filing status = Married filing jointly

INCOME AND ASSETS

AGI = \$82,495

Student earned income = \$15,657

Spouse earned income = \$78,695

Taxes Paid = \$6,378

Cash, savings, checking, etc. = \$7,392

Investments = \$33,503

Lifetime Learning Credit = \$2,000

EFC vs. SAI COMPARISON

Intermediate values / EFC / SAI	2023–24 EFC Formula C	2024–25 SAI Formula C
Student Available Income	22,494	16,759
Student Contribution from Assets	2,863	2,737
Expected Family Contribution (EFC)	5,835	—
Student Aid Index (SAI)	—	4,352

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](#)

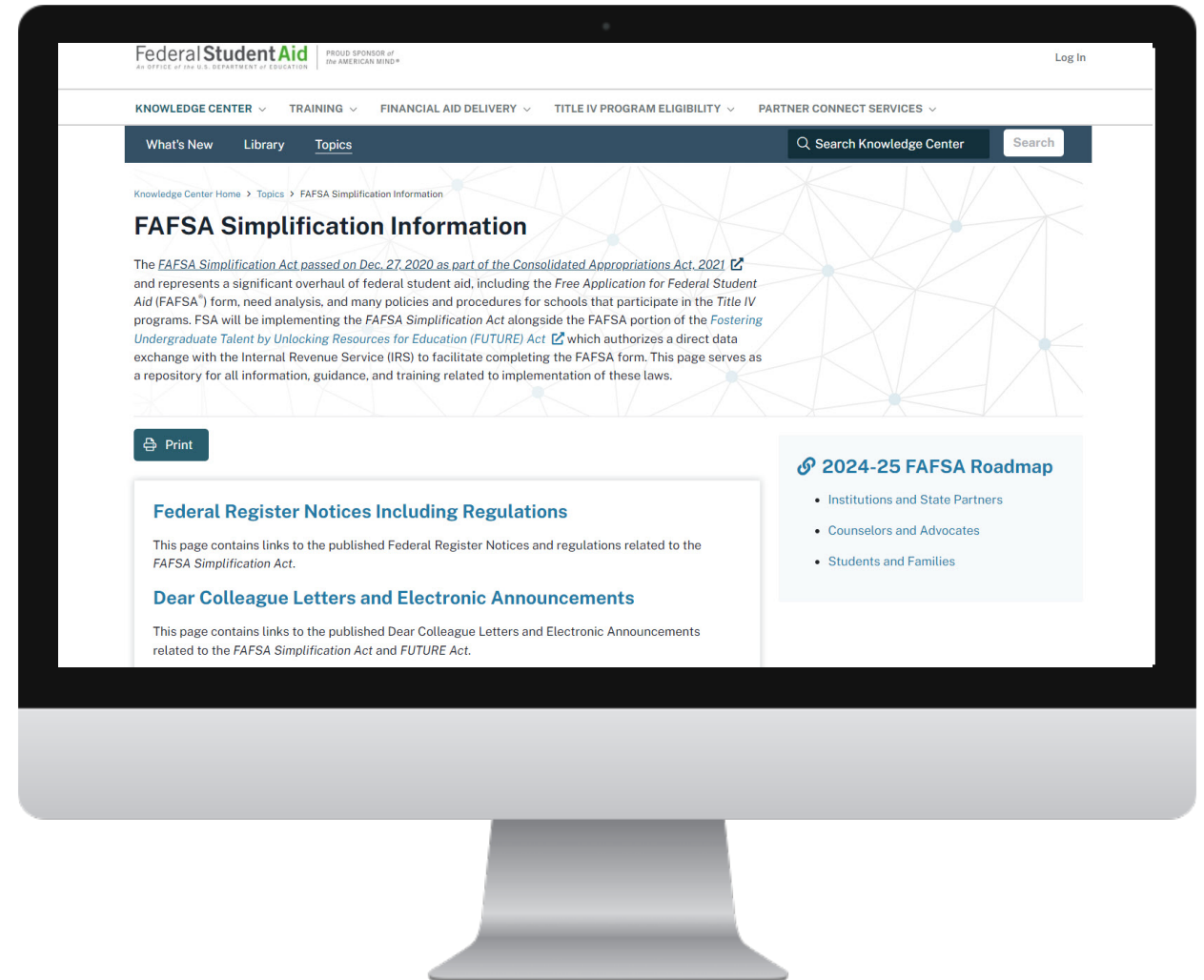
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PELL MINIMUMS, MAXIMUMS, AND IN BETWEEN

THURSDAY, JULY 6

Join us on July 6 for Pell Minimums, Maximums, and In Between when we will cover the new ways to calculate a student's Federal Pell Grant award.

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



FEEDBACK SURVEY



<https://www.surveymonkey.com/r/WWSAI2>

Survey open until June 27, 2024

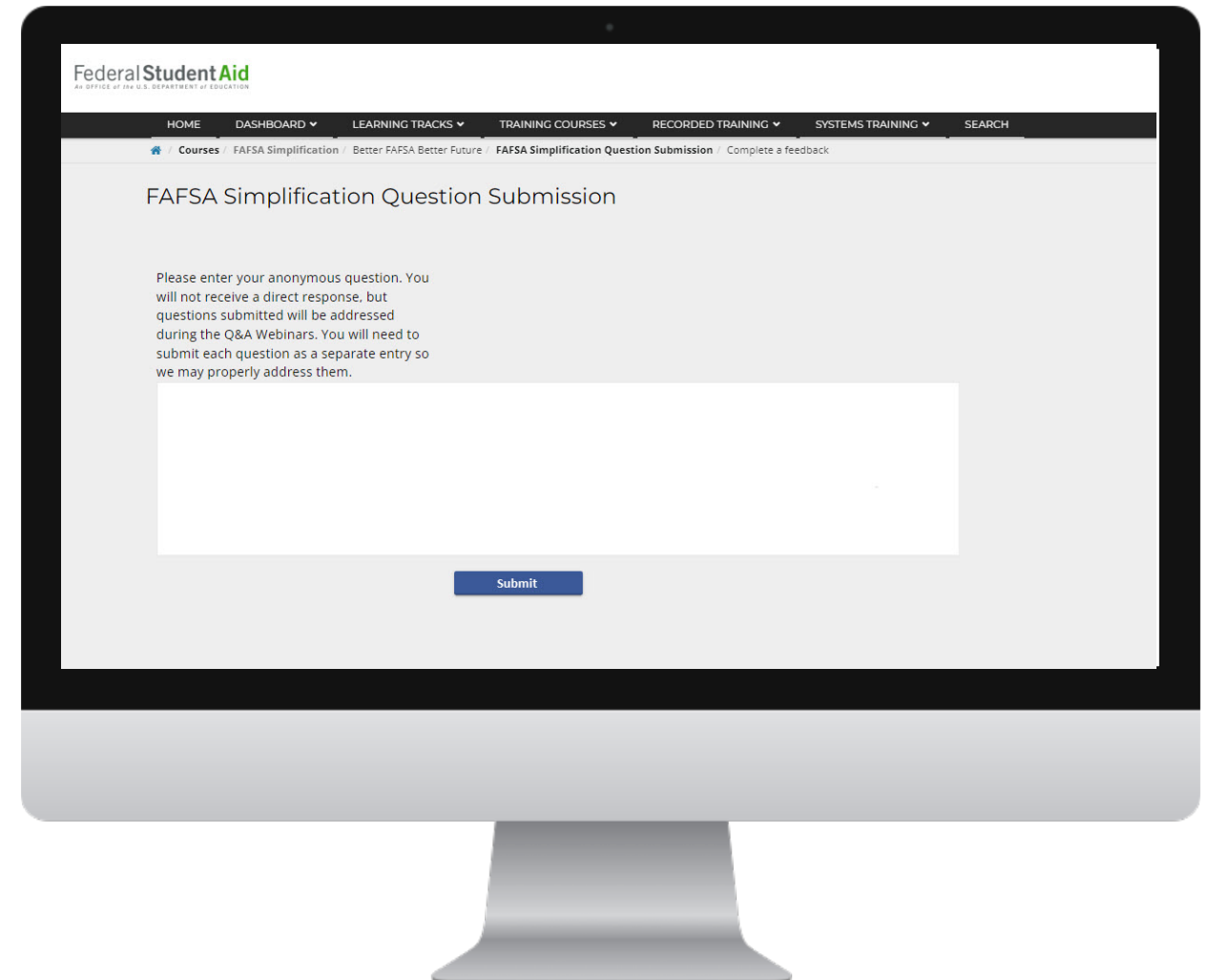
QUESTIONS?



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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