

Pell Grant Lifetime Eligibility Used Calculations



Effective Date

Effective for Pell Grant awards from the 2012-2013 award year and after.

What is changing?

Students may receive Pell Grant funds for no more than 12 semesters of full-time enrollment or the equivalent. This is reflected as 600 percent of the student lifetime eligibility used.

Who is affected?

The 600 percent Pell Grant Lifetime Eligibility Used provision applies to *all* Pell Grant-eligible students regardless of when the student's first Pell Grant funds were received.

How will I know which students are at or near the limit?

Student's Pell Grant usage is presented in the "Lifetime Eligibility Used" field in the Common Origination and Disbursement website and the National Student Loan Data System.

Note: COD is the official system of record for Pell Grant LEU.

What happens if a student has less than 100 percent of his LEU left?

The Pell Grant formula and academic calendar the school uses will determine the maximum percentage the student can receive each payment period. As always, the school will calculate the student's award eligibility using the appropriate formulas. The school compares the student's calculated eligible amount to the eligible dollar amount remaining based on the student's percentage remaining, and awards up to the appropriate amount per payment period until all funds are exhausted.

Note: The school *cannot* divide the remaining eligibility evenly among the student's intended terms of enrollment.

Example:

A student's remaining eligibility is 83.333 percent and her budget supports a full award. She has a 0 Expected Family Contribution, resulting in a scheduled award of \$5,550. The school has two payment periods.

- ♦ If she enrolls full time for the first payment period, she is entitled to 50 percent of her scheduled award.

$$- \$5,550 \times 50\% = \$2,775$$

- ♦ If she enrolls full time for the second payment period, generally she would receive the remaining 50 percent (\$2,775). She only has 33.333 percent eligibility remaining ($83.333\% - 50\% = 33.333\%$). Therefore, she is eligible for the remaining 33.333 percent of her scheduled award.

$$- 33.333\% \times \$5,550 = \$1,849.98.$$

- ♦ Adding the amounts of both payment periods together ($\$2,775 + 1,849.98$) yields \$4,624.98, or 83.333 percent of \$5,550.

$$- \text{School may round the dollar amount down to } \$4,624 \text{ (83.315\%)} \text{ or award the cents } \$4,624.98 \text{ (83.333\%)}$$

How does this change affect transfer students?

Each school must consider the Pell Grant funds paid to the student during the award year by the prior institutions. The student can receive the *lesser* of 100 percent of the calculated scheduled award at the current institution OR the amount that will equal the remaining balance of the student's 600 percent of the LEU.

Example:

A student enrolls in both School A and School B during the same award year. School A is determining the student's Pell Grant eligibility for the summer term.

The student's enrollment is as follows:

- ♦ School A: enrolled full time during fall.
- ♦ School B: enrolled half time during spring.
- ♦ School A: enrolled for summer.

The student's scheduled award at each school is:

- ♦ School A: \$2,600
- ♦ School B: \$4,100

The student's summer Pell Grant from School A is calculated as follows:

	Amount	Percent of School A's Scheduled Award
School A Pell Grant scheduled award	\$2,600	100%
School A Pell Grant disbursed for fall	- 1,300	- 50%
School B Pell Grant disbursed for spring	- 1,025	- 39.423%
Remaining eligibility at School A	= \$275	= 10.577%

If her summer term budget supports a full award, then School A may award no more than \$275 in Pell Grant funds.

What about FSEOG eligibility?

Federal Supplemental Educational Opportunity Grant selection criteria require that the school:

- ♦ Award FSEOG funds to Pell Grant-eligible students first.
- ♦ If the school awards all Pell Grant-eligible students, and has remaining FSEOG funds, the school may use those funds to award FSEOG to students who are not Pell Grant-eligible but who have the lowest Expected Family Contributions.

Thus, a student with a 0 EFC who has used 600 percent of his Pell Grant eligibility before the award year begins still may receive an FSEOG *if* funds are available after the school awards Pell Grant-eligible students.

If a student receives a Pell Grant any time during the award year, that student still may qualify for FSEOG, even if the student's Pell Grant eligibility expires during the award year.

Example:

If a student receives the last 25 percent of his Pell Grant LEU during the fall term, but was awarded FSEOG funds for both fall and spring, the student still may receive the FSEOG funds for the spring as a "Pell Grant-eligible" student, even though he will have received 600 percent of his Pell Grant before the spring begins.

A Note about Crossover Payment Periods

The May 2, 2012, Federal Register includes interim final rules regarding Pell Grant payments for students attending a payment period that includes both June 30 and July 1, otherwise known as a crossover payment period. The change is effective May 2, 2012, and may affect awards for the 2012 summer crossover payment periods.

Previous regulations

Schools were required to award Pell Grant funds for crossover periods from the award year in which the student would receive the highest payment amount.

New regulations

The new regulations allow the school to:

- ♦ Choose the award year from which to pay the student for the crossover term based on an assessment of which will yield the best student benefit.
- ♦ Designate the crossover payment period as belonging to one of the two award years — the one that ends June 30 or the one that begins July 1.
- ♦ Pay the student's scheduled award from the designated award year.