

2024-2025 FAFSA Changes

Better FAFSA, Better Future

Big Changes are coming to the FAFSA for the 2024-2025 Award Year! The FAFSA Simplification Act was passed by Congress in 2020 and includes the first major redesign of the FAFSA system in over 40 years.

A better FAFSA means a better future and will offer families an improved interface and seamless filing experience. Updates to the FAFSA will reduce errors, remove barriers, and expand student eligibility for federal aid.

Check out the article below from student aid website how students will benefit from these changes:

<https://studentaid.gov/articles/fafsa-changes-coming/>

7 Key Changes Coming to the 2024–25 FAFSA® Experience.

1. The 2024–25 FAFSA® form will launch by December 31, 2023.

Attending college or career/trade school between July 1, 2023, and June 30, 2024	Attending college or career/trade school between July 1, 2024, and June 30, 2025	Attending college or career/trade school during both periods	Attending summer classes
Complete the 2023–24 FAFSA form	Complete the 2024–25 FAFSA form	Complete both the 2023–24 and 2024–25 FAFSA forms	Contact your school’s financial aid office to see which form you should complete

2. Anyone who provides information on your FAFSA® form will be considered a contributor.

“Contributor” is a new term on the 2024–25 FAFSA form. It refers to anyone (you, your spouse, your biological or adoptive parent, or your parent’s spouse) who’s asked to provide their information, consent, and approval to have their federal tax information transferred automatically from the IRS into the FAFSA form (more on that later), and signature on your FAFSA form.

Note: Unless they’ve legally adopted you, your grandparents, foster parents, legal guardians, siblings, and aunts and uncles aren’t considered contributors—even if they helped provide for or raise you.

Being identified as a contributor on the FAFSA® form won’t make your family member responsible for paying for your education costs.

Wondering how you’ll know if you need to add contributors to your FAFSA form? Don’t worry—the online FAFSA form will tell you who needs to be a contributor based on your answers to certain questions.

You’ll also answer questions about your personal circumstances to determine whether you’re a dependent or independent student. If you’re considered a dependent student, your parent will be identified as a contributor. And if your parents are married (and not separated) but didn’t file taxes jointly, their spouse will also be a contributor. View the infographic below to see which parent will be a contributor when you fill out your FAFSA form.

Is My Parent a CONTRIBUTOR When I Fill Out My FAFSA® Form?

Federal Student Aid

A **parent** means your legal (biological or adoptive) parent or a person that the state has determined to be your legal parent. A **stepparent** is considered a parent if they have adopted you. Stepparents that have not adopted you will be identified as a parent spouse.

Are your biological or adoptive parents married to each other?

Do your biological or adoptive parents live together?

Did one parent provide more financial support than the other over the past 12 months?



Your parents' marital status is married (not separated), and both of your parents' information must be included on the FAFSA® form. If your parents did not file taxes jointly, then both of your parents are contributors. Their individual information, consent and approval, and signatures will be required on the FAFSA form. If your parents filed taxes jointly, only one parent is required as a contributor and will report information for both parents.

Note: Dependent students are required to report parent information on the FAFSA® form, and in most cases, a parent will be identified as a contributor for these students. All contributors are required to provide their information, signature, and consent and approval to have their federal tax information transferred directly from the IRS into the FAFSA form. Being a contributor on the FAFSA form does not mean an obligation to pay for the student's education.



Your parents' marital status is unmarried (both legal parents living together), and both of your parents are contributors, even if they were never married, are divorced, or are separated. Their individual information, consent and approval, and signatures will be required on the FAFSA® form.



The individual information, consent and approval, and signature of the parent who provided more financial support over the past 12 months will be required on the FAFSA® form, and this parent will be identified as a contributor.



The individual information, consent and approval, and signature of the parent who has the greater income or assets will be required on the FAFSA® form, and this parent will be identified as a contributor.



Has this parent married/remarried?



Your parent's marital status is married/remarried. Your stepparent will also be identified as a contributor on the FAFSA® form if they didn't file their taxes jointly with your parent.



Your parent's marital status is single (never married), separated, divorced, or widowed. An additional parent will not be identified as contributor.

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If you're considered an independent student on the FAFSA form, your spouse will be identified as a contributor only if you're currently married (and not separated) but didn't file taxes jointly.

Note: Even if you're living with your parents, you may still be considered independent based on your answers to certain questions on the FAFSA form.

No matter whether you're a dependent or independent student, your contributors must participate on your FAFSA form so we can determine your eligibility for federal student aid.

3. You must provide consent and approval to be eligible for federal student aid.

Both you and your contributors must provide consent and approval to have the IRS transfer your federal tax information into the FAFSA form. Your contributors must provide consent and approval even if they don't have a Social Security number (SSN), didn't file a tax return, or filed a tax return outside the U.S. If you or your contributors don't provide consent and approval, you won't be eligible for federal student aid.

Watch *What Does It Mean to Provide Consent and Approval on the 2024–25 FAFSA® Form?* to learn more.

<https://www.youtube.com/watch?v=zd21zLLR6yw&t=8s>

4. You won't be able to access the FAFSA® form without a StudentAid.gov account.

To start your online 2024–25 FAFSA form, you'll need to log in to your StudentAid.gov account. If you don't have one already, you and your contributors will each need to create your own StudentAid.gov accounts to access the online FAFSA form, provide consent and approval, sign, and submit the form.

Beginning with the 2024–25 FAFSA® form, each of your contributors (if you have any) will be able to create a StudentAid.gov account even if they don't have an SSN.

As a student, you'll be required to enter your SSN (unless you're a citizen of the Freely Associated States) to create your StudentAid.gov account.

After you and your contributors have created your accounts, you can complete your sections of the FAFSA form on your own.

Create your [StudentAid.gov](https://studentaid.gov) account now to ensure you can access the FAFSA form as soon as it's available.

5. The formula used to determine your financial aid eligibility is changing.

Your Student Aid Index (SAI) is an index number that's calculated using the information that you and your contributors provide on the FAFSA form. Your SAI can range anywhere from –1500 to 999999. Note that it is not a dollar amount. The SAI replaces the Expected Family Contribution (EFC) starting in the 2024–25 award year.

Once your college, career school, or trade school knows your SAI, they will use it to calculate how much and what types of financial aid you're eligible to receive.

6. You may qualify for additional Federal Pell Grant funds.

Good news: Federal Pell Grant eligibility has expanded to more students.

Although your SAI may contribute to the formula to determine your Pell Grant eligibility, it's not the only determining factor. Other information, like family size and federal poverty guidelines, will also be used to determine whether you qualify for a Pell Grant.

The maximum Federal Pell Grant award is updated every year. For the 2023–24 award year, the maximum Pell Grant award is \$7,395. The maximum Pell Grant award amount for the 2024–25 award year will be announced in 2024.

Even if you don't qualify for the maximum Pell Grant award, you may still be eligible for a Pell Grant based on other information you provide on your FAFSA form.

7. The *Student Aid Report* is now the *FAFSA Submission Summary*.

After your FAFSA form is submitted and processed, you'll receive an email with instructions on how to access an online copy of your FAFSA Submission Summary. The FAFSA Submission Summary replaces the Student Aid Report for the 2024–25 award year.

The FAFSA Submission Summary has been specifically designed to highlight your eligibility for federal student aid. It will include the answers that you submitted on your FAFSA form (except for any federal

tax information that was transferred directly from the IRS), your SAI, and an estimation of the amount of federal student aid that you may be eligible for.

Your FAFSA Submission Summary is not an aid offer.

Aid offers will come directly from any schools you've listed on your FAFSA form and have been accepted to.

When will the 2024-2025 FAFSA be Available?

The Department of Education will release the FAFSA for submission by December 31, 2023. The availability of the 2024-25 FAFSA, which is scheduled for release by December 31, 2023. We welcome FAFSAs submitted after February 1.

Federal Student Aid Estimator Tool

[Federal Student Aid Estimator](#) | [Federal Student Aid](#)
<https://studentaid.gov/aid-estimator/>

With this tool, students can find out how much federal student aid they may be eligible for starting with the 2024–25 award year—note that this tool estimates the Student Aid Index (SAI) for 2024–25 award year, not the Expected Family Contribution (EFC) for 2023–24 award year.

To apply for financial aid for this year (2023-2024), complete the 2023–24 FAFSA® form.

The 2024–25 FAFSA form will be available by December 31, 2023.

What's Changing with the FAFSA?

- **Applicants will be required to use the IRS Data Exchange (IDE)**
 - ❖ Previously, users had the option to enter their tax information manually or use the IRS Data Retrieval Tool. Beginning with 2024-25, all persons on the FAFSA will be *required* to use the IRS Direct Data Exchange to share tax information or confirm non-filing status. This change makes it easier to complete the FAFSA and reduces the number of questions to be answered.
- **All “Contributors” must provide financial information.**
 - ❖ A contributor—a new term being introduced on the 2024-25 FAFSA—refers to anyone who is required to provide information on a student's form (such as a parent/stepparent or spouse). A student's or parent's answers on the FAFSA will determine which contributors (if any) will be required to provide information. Contributors will receive an email informing them that they've been identified as such and will need to log in using their own FSA ID to provide the required information on the student's FAFSA. Contributors without a social security number can still create an FSA ID at [Create Account | Federal Student Aid](#). Being a contributor does not mean they are financially responsible for the student's education costs, but it does mean the contributor must provide information on the FAFSA or the application will be incomplete, and the student will not be eligible for federal student aid or need-based aid.
- **The Student Aid Index (SAI) is replacing the Expected Family Contribution (EFC)**
 - ❖ A notable terminology update within the new FAFSA is the replacement of the term Expected Family Contribution (EFC) with the Student Aid Index (SAI). This name more accurately describes the number used to determine aid eligibility and, unlike the EFC, the SAI may be a negative number down to -1500. Although, a negative SAI does not mean a student will receive more aid.

➤ **SAI Calculation Differences**

- ❖ Previously, the FAFSA calculated the number of household members attending college into the EFC, dividing it proportionately to determine federal aid eligibility. Beginning with the 2024-25 FAFSA, the application will still ask how many household members are in college, but your answer will not be calculated into the SAI.

The net worth of a business is no longer limited to those with more than 100 full-time employees. Applicants will be asked to report the net worth of all businesses, regardless of the size of business.

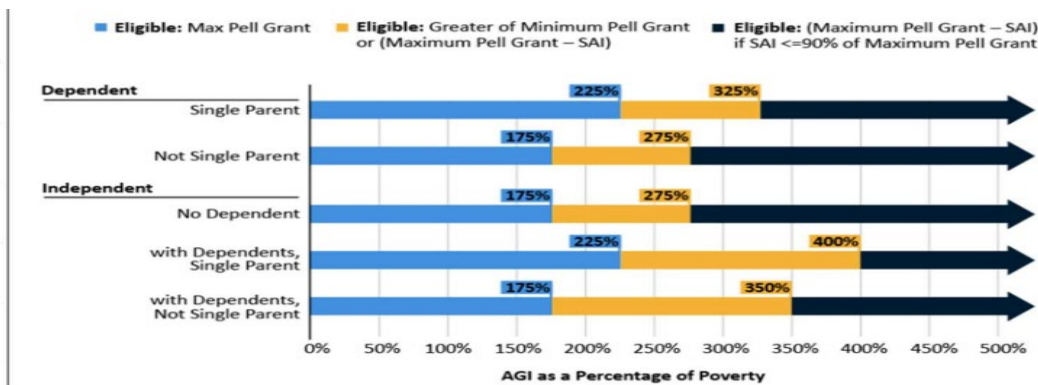
The net worth of a farm now includes the value of a family farm, however; the value of a family's primary residence is still excluded.

Child support received will be reported as an asset on the FAFSA instead of as untaxed income.

As such, undergraduate CBT students may see a change in their federal aid eligibility.

➤ **Some Students will automatically be awarded a PELL Grant**

- ❖ 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.



Household/ Family Size	2022 48 Contiguous States						
	100%	175%	225%	275%	325%	350%	400%
1	\$13,590	\$23,783	\$30,577	\$37,372	\$44,167	\$47,565	\$54,360
2	\$18,310	\$32,043	\$41,197	\$50,352	\$59,507	\$64,085	\$73,240
3	\$23,030	\$40,303	\$51,817	\$63,332	\$74,847	\$80,605	\$92,120
4	\$27,750	\$48,563	\$62,437	\$76,312	\$90,187	\$97,125	\$111,000
5	\$32,470	\$56,823	\$73,057	\$89,292	\$105,527	\$113,645	\$129,880
6	\$37,190	\$65,083	\$83,677	\$102,272	\$120,867	\$130,165	\$148,760
7	\$41,910	\$73,343	\$94,297	\$115,252	\$136,207	\$146,685	\$167,640
8	\$46,630	\$81,603	\$104,918	\$128,232	\$151,547	\$163,205	\$186,520
Add for each additional person	\$4,720	\$8,260	\$10,620	\$12,980	\$15,340	\$16,520	\$18,880

Instructional videos from Federal Student Aid (FSA):

[How to Prepare for the 2024-2025 FAFSA Form?](#)

[What has changed for the 2024-2025 FAFSA Form?](#)

[Who is a Contributor on the 2024-2025 FAFSA Form?](#)