



# Most Asked FAFSA Simplification Questions

Dana Kelly, NASFAA

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## What Are the Requirements For Implementing Provisional Independent Student Status For 2023-24?

Schools must reach out to all dependent students who do not provide parental data on the FAFSA (regardless of reason.)The procedures for requesting a dependency override must be provided.

- Notify the student (within a reasonable time defined by the school] of the institution's process, requirements, and timeline for a PJ adjustment that will result in a review of the student's request for a dependency override within a reasonable timeframe after the student completes the FAFSA;
- Provide the student with a final determination of the student's dependency status and Title IV aid offer as soon as practicable after all requested documentation is provided;
- Retain all documents related to the dependency override, including documented interviews, for at least three years after the student's last enrollment, and shall abide by all other Title IV recordkeeping requirements; and
- Presume that any student who has obtained a dependency override for any preceding award year at an institution of higher education to be independent for each subsequent award year at the same institution unless the student informs the institution that circumstances have changed, or the institution has specific conflicting information about the student's independence.

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## Who Is the Parent Of Record On the FAFSA Starting In 2024-25?

For divorced or separated parents, income and assets are reported for the parent who provides the most financial support over the 12 months prior to filing the FAFSA even if the student does not live with that parent or lives with the other parent.

- There is no requirement to verify who is selected by the student as the parent of record unless you have conflicting information.
- If neither parent provided support in the 12-month period in #1, the parent of record is the parent who provided the greater portion of support during the most recent year that the student received financial support from a parent.
- If both parents claim an equal amount of support, then the parent of record is the parent with the greater amount of income or assets.
- In the case of child support paid, if the child support provides more than 50% support, the parent who pays the support is the parent of record.

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### Which Questions Are Removed From the FAFSA Effective With 2024-25?

- The student's housing choice.
- The student's, spouse's, and parents' untaxed income that does not appear on the IRS 1040, 1040-SR, or 1040-NR tax return (such as untaxed payments to tax-deferred pension and retirement saving plans represented by IRS Form W-2 Box 12 codes D, E, F, G, H, and S; housing, food, and other living allowances paid to members of the military, clergy, and others; etc.).
- The student's interest in Federal Work-Study (FWS) employment. This question was never needed to award FWS to a student; it was merely an indication of the student's preference.

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### Which Questions Are Removed From the FAFSA Effective With 2024-25? (continued)

- Taxable earnings from need-based employment (such as need-based employment portions of fellowships and assistantships).
- Excluded income for the student, spouse, and parents. This includes other income items that have been reported under "Additional Financial Information" on the FAFSA and excluded from need analysis in prior years (such as taxable combat pay and special combat pay and cooperative education program earnings). Child support received is still reported, but as assets rather than income.
- The student's driver's license number and state.
- Highest school completed by the student's parents. This question now ask whether either parent attended college.
- The college degree or certificate the student will be working on when he, she, or they begin the award year. The assumption is that the school has this information in its admissions/academic/registration records. Grade level is still reported.
- Whether the student or parent filed IRS Schedule 1. The FAFSA now asks if the student, spouse, or parent filed Schedule A, B, D, E, F, or H with their IRS Form 1040. It also asks for the net profit or loss from Schedule C.
- The dislocated worker question.

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### In What Instances Is the PJ Flag Required For 2024-25?

1. There are changes (corrections, updates, or PJ adjustments) to federal tax information (FTI) that is retrieved from the Internal Revenue Service (IRS) via the FUTURE Act Direct Data Exchange (FA-DDX), and the FAA determines a need to override the FTI and trigger a recalculation of the student aid index (SAI);
2. There are required corrections to FTI retrieved from the IRS via the FA-DDX when an amended tax return was filed with the IRS after the FAFSA was completed, and the FAA determines there is a need to override the FTI and trigger a recalculation of the SAI;
3. There are individuals who file both an IRS tax return and a tax return with Puerto Rico or another U.S. territory and the FTI from the IRS must be corrected to reflect the territory tax return and override the FTI from the FA-DDX, as instructed in the [December 19, 2023, Electronic Announcement](#) (GENERAL-23-118); or
4. There are true PJ adjustments to non-FTI data (such as the Foreign Earned Income Exclusion, child support received, assets, etc.).

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### Can a School Collect FAFSA Signature Pages Starting With the 2024-25 Award Year?

The school will no longer be able to collect a traditional FAFSA signature page on behalf of the student, spouse, or parent contributor starting with the 2024-25 award year--not even for confined or incarcerated students.

- Consent is required thus the aid administrator cannot initiate this for the student or any contributor.
- FAFSA corrections (beyond providing a signature on the FAFSA) can still be submitted using the FAFSA Partner Portal. Most corrections require the student's and/or contributor's signature on the FAFSA, and the FAA can still make those corrections on on the student's or contributor's behalf with a properly signed FAFSA Submission Summary.

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### Can a School Assume Housing Status When Packaging Students?

Yes, if this information unknown.

- A school can use the prior year assumption, as an example.
- The student must have the ability to verify the assumption.
- If the student housing status is known, it must be used.

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### What Information Is Required When Inviting a Contributor To Complete the FAFSA?

- Legal name (from their Social Security Card);
- Date of birth;
- Social Security Number (SSN) if they have one;
- Mailing address if they don't have an SSN; and
- Email address.

The legal name, date of birth, and SSN have to match what the parent used when setting up their FSA ID.

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**What Are the Reasons a Contributor Might Be Asked To Manually Enter Financial Information On the FAFSA?**

- The contributor's marital status has changed since filing their Internal Revenue Service (IRS) tax return for the applicable tax year (e.g., parents filed a joint tax return but are separated, divorced, or remarried when filing the FAFSA);
- The contributor filed taxes in a U.S. territory (Puerto Rico, Guam, American Samoa, U.S. Virgin Islands, Northern Mariana Islands), commonwealth, or foreign country;
- The contributor indicates on the online FAFSA that they have not filed a tax return but plan to;
- The contributor is a victim of IRS tax-related identity theft;
- The contributor did not provide consent to transfer federal tax information (FTI);
- The contributor's identifiers do not match IRS records (IRS Response Code 203);
- The FUTURE Act Direct Data Exchange (FA-DDX) transfer of FTI was incomplete (IRS Response Code 206; reason unknown);
- The IRS was unable to confirm tax return data (IRS Response Code 212; reason unknown); and
- IRS data is unavailable for an IRS system-related outage at the time the FAFSA is being completed.



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**Can an Unborn Child Count In Family Size Starting With the 2024-25 Award Year?**

No - Family size is now based on federal tax information (FTI) transferred directly from the IRS.

- When the child is born, the contributor or FAA must update family size if the addition of the newborn child changes the student's dependency status under 668.55(a).
- Otherwise, as a general rule under 668.55(b), family size can only be updated to include the newborn child if the student is selected for verification by the FAFSA Processing System or the institution.



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**Can We Use Professional Judgment To Adjust Number In College Starting With 2024-25?**

Yes, if there is the ability to document a hardship resulting from more than one in college.

- Documentation is required.
- Just having another family member in college is not enough.
- If warranted, the PJ adjustment could include, but is not limited to, the following:
  - Reduce the income or adjusted gross income (AGI);
  - Consider payments made towards an allowance against assets; and/or
  - Adjust the miscellaneous personal expenses component, or another component, of the COA to reflect additional costs.



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**Can a Parent Or Spouse Without a Social Security Number Get an FSA ID?**

The U.S. Department of Education (ED) has created a secondary identity verification process, which requires individuals to answer knowledge-based questions through a partnership with TransUnion®. Individuals who do not possess an SSN (who fail the SSA match), as well as individuals who fail the TransUnion verification processes, will be required to complete the StudentAid.gov account creation process specifically developed for those without an SSN.

Step-by-step instructions for creating an FSA ID account for individuals who do not have an SSN were revised on March 5, 2024. See the ED webpage [How To Submit the 2024–25 FAFSA® Form if Your Contributor Doesn't Have an SSN](#) for the detailed instructions.

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**Who is a FAFSA Contributor Starting With the 2024-25 FAFSA?**

A contributor is anyone who is asked to provide information on an applicant's FAFSA:

- The student;
  - The student's spouse (if applicable);
  - A biological or adoptive parent; or
  - The spouse of the remarried parent who is on the FAFSA--the stepparent.
- Contributors cannot avoid providing consent by manually entering FTI on the FAFSA.
- In the case of married filing joint, only 1 parent is required to provide consent.
  - If a dependent student's parents are unmarried and living together, both parents will be contributors.

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**Where Can I Find a List of Terms and Definitions Related To FAFSA Simplification?**

See the U.S. Department of Education's (ED's) [August 7, 2023 Electronic Announcement \(GENERAL-23-63\)](#), *Key Terms, Definitions and Systems Related to FAFSA Simplification and FUTURE Acts*. Be sure to check back periodically as ED may update this list as necessary.

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**Which Cost Components Must Be Included Up Front When Constructing the Cost of Attendance?**

The following cost components must be included when constructing the student's cost of attendance (COA or budget), rather than added later only upon the student's request:

- Tuition and fees;
- Books, course materials, supplies, and equipment (including the documented rental or purchase of a personal computer; see below);
- Living expenses (including together both housing and food);
- Transportation;
- Miscellaneous personal expenses;
- Federal student loan fees if the student is receiving federal loans of any kind (Title IV or otherwise, including PLUS loans); and
- Professional licensure, certification, or a first professional credential costs for a program requiring professional licensure, certification, or a first professional credential for employment in the field of study.

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**Which Cost Components Must Be Included Up Front When Constructing the Cost of Attendance? (cont.)**

The following cost components must be added for students upon request or if the school has another way of identifying those students and assigning the cost component when constructing the COA, as applicable:

- Dependent care;
- Disability-related expenses;
- Study abroad expenses; and
- Cooperative education costs.

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**Will Emergency Aid Be Treated As Other Financial Assistance Starting In 2024-25?**

No. Emergency financial assistance provided to the student for **unexpected expenses** that are a component of the student's cost of attendance, and not otherwise considered when the determination of the student's need is made, shall not be treated as other financial assistance.

- The amount must be reasonable, as defined by the school;
- You cannot simply call a grant or scholarship emergency assistance in order to avoid treating it as OFA;
- Emergency assistance will include institutional emergency assistance (e.g., unexpected loss of housing, unexpected transportation costs, and other unexpected special circumstances that warrant emergency funds);
- Emergency assistance would not be the awarding of additional funds as a result of a professional judgment (PJ) adjustment within the school's normal procedures for making PJ adjustments; and
- Federal emergency assistance usually comes specifically designated as such

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**Can a School Have a Deadline For Submitting and Reviewing Professional Judgment Requests?**

No. Effective with the 2023-24 award year, [Section 479A of the Higher Education Act of 1965 \(HEA\), as amended, \[20 USC 1087TT\]](#) states that schools may not have a policy that denies all professional judgment (PJ) requests. According to guidance NASFAA has received from the U.S. Department of Education (ED), this extends to implementing deadlines after which an institution will not consider a PJ request. While schools are not required to approve all PJ requests, all requests must be reviewed. Therefore, school-imposed deadlines for students submitting professional judgment (PJ) requests are not permitted.

However, longstanding guidance requiring that a PJ be processed while the student is still enrolled remains in effect.

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**Must We Obtain Documentation When Accepting Another Institution's Dependency Override Determination?**

Yes, but the extent of documentation it collects is entirely up to the school.

- FAAs may document the discussion from a telephone call, collect a written statement, or use a verifiable electronic data match to determine independence.
- There are no comment codes for this purpose.
- All institutions should be prepared to provide documentation to FAAs at other institutions if asked.
- Schools have discretion to determine what information is acceptable within their PJ [professional judgment] policy and procedures.

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**Can We Prorate the Student Aid Index For Periods Other Than Nine Months?**

- The Student Aid Index (SAI) is not prorated for periods other than nine months
- There is no option for schools to choose to prorate in these circumstances.
- The full nine-month SAI is used when calculating aid for summer and any other periods of enrollment that are less than or greater than nine months.
- There are no exceptions and you cannot use professional judgment (PJ) to prorate the SAI.

See Dear Colleague Letter [GEN-23-11](#) for more information.

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### Can We Make IASG and Children Of Fallen Heroes Awards Starting In 2024-25?

No. Effective with the 2024-25 award year, as part of the FAFSA Simplification Act, the Special Rule for Pell Grants replaces the Iraq and Afghanistan Service Grant (IASG) and the Children of Fallen Heroes (CFH) Scholarship with new or modified eligibility criteria for a student who is less than 33 years old as of the first January 1 of the FAFSA award year and whose parent or guardian died in the line of duty while:

1. Serving on active duty as a member of the Armed Forces on or after September 11, 2001 (i.e., IASG); or
2. Actively serving as and performing the duties of a public safety officer (i.e., CFH).

Instead of an IASG or a CFH award, eligible students will receive a maximum Pell Grant regardless of their SAI (adjusted for enrollment intensity as needed).

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### For Pell Enrollment Intensity, Is ED Redefining Full-Time For the Academic Year?

No. Twelve credits are used in the Pell calculation to prevent a student from receiving more than their annual award amount for a payment period. If the student enrolls in 12 credits, but your school defines full-time as 15 credits, the student will still receive a full-time Pell. Twelve is simply the denominator when calculating the less-than-full-time Pell percentage.

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### Pell Enrollment Intensity Chart

Enrolled Credit Hours	Enrollment Category	Enrollment Intensity
12 (or more)	Full-Time	100%
11	Three-Quarter Time	92%
10		83%
9		75%
8	Half-Time	67%
7		58%
6		50%
5	Less-than-Half-Time	42%
4		33%
3		25%
2		17%
1		8%

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### Who Can Make a Determination That a Student Is an Unaccompanied Homeless Youth?

- A local educational agency homeless liaison, per the McKinney-Vento Homeless Assistance Act;
- The director (or designee) of an emergency/transitional shelter, street outreach program, homeless youth drop-in center, or other program serving individuals experiencing homelessness;
- The director (or designee) of a program funded under subtitle B of title IV of McKinney-Vento (relating to emergency shelter grants) (42 USC 11371 et seq.);
- The director (or designee) of a project supported by a Federal TRIO or GEAR-UP grant; or
- A financial aid administrator (FAA) at your own institution or another institution.

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### Who Can Make a Determination That a Student Is an Unaccompanied Homeless Youth? (cont.)

If a student is unable to provide documentation from one of the above-listed authorities, then the FAA must make the determination:

- On a case-by-case basis;
- Based on a written statement from or a documented interview with the student that confirms the student is an unaccompanied homeless youth or at risk of homelessness; and
- Without regard to the reason for the student's situation.

**Note:** Any student determined to be independent due to homelessness for a preceding award year shall be presumed to be independent for each subsequent award year at the same institution (unless student indicates a change or conflicting information exists).

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### What Is Federal Tax Information (FTI)?

FTI for each tax filer includes:

- Tax year (e.g., 2022 tax year information for the 2024-25 FAFSA);
- Tax filing status;
- Adjust Gross Income (AGI);
- Number of dependents;
- Income earned from work;
- Taxes paid;
- Educational tax credits;
- Untaxed individual retirement arrangement (IRA) distributions;
- IRA deductions and payments;
- Untaxed pension amounts;
- Tax-exempt interest;
- Schedule C net profit/loss;
- Indicators for Schedules A, B, D, E, F, and H; and
- IRS response code.

The IRS response code will indicate the status of the tax filer/FTI with the IRS, to include one of the following:

- Tax filer and FTI provided to FTIM;
- Not found at the IRS;
- Found and a nonfiler; or
- Found but IRS not able to provide information.

See the [May 12, 2023 Electronic Announcement \(GENERAL-23-34\)](#), which provides additional information.

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### Is There a Deadline For Making a Dependency Status Determination Or Dependency Override For Certain Students?

Yes. Effective with the 2023-24 award year, changes to [Section 479D\(c\) of the Higher Education Act of 1965 \(HEA\), as amended, \[20 USC 1087uu-2\(c\)\]](#), states a school must make a determination of a student's dependency status under certain circumstances as follows:

- As quickly as practicable;
- As early as the year before the award year for which the student initially submits an application; and
- Not later than 60 days after the date of the student's enrollment during the award year for which the student initially submits an application.

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### Is There a Deadline For Making a Dependency Status Determination Or Dependency Override For Certain Students? (cont.)

The 60-day deadline applies to dependency status determinations for a student who:

- Is, or was at any time when the individual was 13 years of age or older:
  - An orphan;
  - A ward of the court; or
  - In foster care;
- Is an unaccompanied homeless youth or is unaccompanied, at risk of homelessness, and self-supporting, without regard to such individual's age; and
- Is a student for whom a financial aid administrator makes a documented determination of independence (a dependency override) by reason of other unusual circumstances in which the student is unable to contact a parent or where contact with parents poses a risk to such student, which includes but is not limited to circumstances of:
  - Human trafficking, as described in the Trafficking Victims Protection Act of 2000 (22 USC 7101 et seq.);
  - Legally granted refugee or asylum status; parental abandonment or estrangement; or
  - Student or parental incarceration.

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### Is There a Deadline For Making a Dependency Status Determination Or Dependency Override For Certain Students? (cont.)

The school's determination must be made within 60 days after the student enrolls if the student's request is submitted before the 60th day of enrollment. If the request is submitted after the 60th day of enrollment, the school is encouraged (but not required) to make the determination within 60 days after the student's request.

Per Dear Colleague Letter [GEN-22-15](#), the timeframe in the law is intended to encourage financial aid administrators to make determinations as quickly as practicable. It is not intended to inhibit aid administrators from making such determinations later in an award year.

The term "enrolled" is defined, "The status of a student who—

- (1) Has completed the registration requirements (except for the payment of tuition and fees) at the institution that he or she is attending; or
- (2) Has been admitted into an educational program offered predominantly by correspondence and has submitted one lesson, after acceptance for enrollment and without the help of a representative of the institution."

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**Will Schools Or States Receive the Answers To the Race, Ethnicity, and Gender Questions On the FAFSA?**

No. Schools and states will not receive the student's answers to the race, ethnicity, and gender questions on the FAFSA.

These answers also will not appear on the Institutional Student Information Record (ISIR).

These answers will not be used in any aid calculations nor affect a student's aid in any way; they will only be used by ED for research purposes.

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**Will We Be Able To Package Above the COA If There Is a Negative Student Aid Index?**

Schools cannot package above the cost of attendance (COA) if the student has a negative student aid index (SAI).

According to ED, other pre-2024-25 general packaging rules will not change as it relates to exceeding the COA:

- Except when the student is receiving a Federal Pell Grant, if non-Pell Title IV aid is in the student's financial aid offer (package), you cannot package over the COA and must first adjust other forms of Title IV aid and/or other forms of aid over which the school has control to prevent the overaward.
- If a student's aid package includes only a Pell Grant and non-Title IV aid, and the combined amount of this aid exceeds need and/or COA, no further adjustment is required for Title IV purposes.
- If the student is only receiving non-Title IV forms of aid, non-Title IV aid can exceed the COA because the COA is a Title IV concept and only applies when Title IV aid is involved. See the above-referenced Q&A.

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**Are Schools Required To Certify a Student's IASG and Children Of Fallen Heroes Eligibility?**

Yes. Starting with the 2024-25 award year, financial aid administrators (FAAs) must certify the student's eligibility for a Federal Pell Grant under the Special Rules for Pell Grants.

Schools will report Special Rule AND legacy eligibility for IASG and CFH Awards to the Department via the new FAFSA Partner Portal. Students who meet Special Rule eligibility will be reported as simply eligible. There will be a separate value for students who meet the requirements for legacy eligibility.

Beginning with the 2024-25 FAFSA, there is a question asking the student to self-certify if his, her, or their parent or guardian died in the line of duty. Schools will need to reach out to students who answer "Yes" to the FAFSA question and request documentation of the student's Special Rule eligibility.

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### Are Schools Required To Certify a Student's IASG and Children Of Fallen Heroes Eligibility? (cont.)

Schools are required to certify eligibility for all students who answer "Yes" to the FAFSA question in 2024-25 regardless of whether the student qualifies under the new Special Rule or qualifies under the old IASG or CFH rules. The school will then set either the IASG Indicator or the CFH Indicator accordingly:

IASG Indicator	1 = Eligible for IASG 2 = Eligible, grandfathered for IASG 3 = Not Eligible for IASG Blank = No Determination
CFH Indicator	1 = Eligible for CFH 2 = Eligible, grandfathered for CFH 3 = Not Eligible for CFH Blank = No Determination

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### Are Schools Required To Certify a Student's IASG and Children Of Fallen Heroes Eligibility? (cont.)

**Documentation:** ED does not specify documentation requirements, so the school will need to collect whatever documentation it deems necessary to certify that the student's parent or guardian died in the line of duty as noted above. This might include a death certificate along with written confirmation of active duty status at the time of death from the military command or public safety entity.

It is NASFAA's understanding that a signed statement from the student would not suffice in this instance. If the school already collected documentation of the student's IASG or CFH status in a prior award year (other than the Department of Defense database match), it does not need to re-collect documentation.

More information: Reference [Section 401\(c\)\(2\) of the Higher Education Act of 1965 \(HEA\), as amended, 20 USC 1070A\(c\)\(2\)](#) and Electronic Announcement [GENERAL-23-03](#). For more information on what data will be contained in the ISIR, reference the draft [2024-25 FAFSA Simplification Guide, Volume 6 - ISIR Guide](#) and the [2024-25 FAFSA Specifications Guide Volume 4 - Record Layouts and Processing Codes](#).

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### If Summer 2024 Is a Header To 2024-25, Must We Use the Student Aid Index To Calculate a Pell Grant?

Yes. According to U.S. Department of Education's (ED's) [FAFSA Simplification Questions and Answers](#), PEL-Q1/A1:

**PEL-Q1:** Our school's academic calendar includes a crossover payment period that begins before July 1, 2024. We treat crossover payment periods as headers. Are we expected to use the new method for calculating Pell Grants for this payment period?

**PEL-A1:** Yes. Any Pell Grant disbursement for a payment period within the 2024-25 award year must use the new process for calculating the Scheduled Award and disbursement amounts."

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**Can We Use PJ To Include Income That Was Excluded From Need Analysis By the FAFSA Simplification Act?**

- Institutions have broad flexibility in exercising professional judgment (PJ). However, institutions may not request additional information or require additional forms beyond the FAFSA form unless the Department or the school selects the student for verification, or the student has requested either a review of their dependency status or special circumstances adjustment.
- Schools can use PJ to make adjustments but cannot collect any data not on the FAFSA (i.e. cash support or in-kind support) on another application/form as a matter of standard practice; the student must be selected for verification or request a PJ adjustment first.

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**Will Contributors Have To Manually Enter FAFSA Data If They Separated or Divorced After Filing the Tax Return?**

Yes. There are circumstances when an applicant's FTI does not accurately represent the applicant's financial situation, including cases where an individual's marital status has changed since filing taxes two years prior. In these circumstances, the applicant and/or one of their FAFSA contributors may need to enter data on the FAFSA form manually.

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**Thank you for your time!**

Dana Kelly  
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