

Mapping Your Future

Q & A from 2016-17 FAFSA Training

December 2015 and January 2016

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Question	Answer
Financial Information	
1. Do applicants need to report Supplemental Security Income (SSI) or Social Security Disability Income (SSDI) on the Free Application for Federal Student Aid (FAFSA)?	No; untaxed Social Security benefits are not reportable income for FAFSA purposes.
2. Is skip tracing still being used for untaxed income such as Temporary Assistance to Needy Families (TANF), SSI, and food stamps?	These forms of untaxed income are not reported on the FAFSA, so the Department of Education (ED) does not perform skip tracing on recipients.
3. What happens if the parents of a dependent student are business owners and don't file a 2015 tax return until October 2016?	<p>If the student is not selected for verification, there should be no impact from the parents' filing a late tax return. If the student is selected for verification, the parents may submit alternative documentation to satisfy verification requirements. Alternative documentation includes a copy of the parents' approved tax filing extension from the Internal Revenue Service (IRS), a copy of each W-2 Form, and/or a signed statement from a self-employed individual certifying his or her adjusted gross income (AGI).</p> <p>The school may ask the parents to submit a copy of their tax return once it is filed. If the school requests a copy of the return, it will reverify the student.</p>
4. What other income is reported on the FAFSA and included in the calculation of the expected family contribution (EFC)?	In addition to reporting income and other information from a federal tax return on the FAFSA, applicants must also report additional financial information and most untaxed income. Additional financial information includes items such as education credits, taxable portions of grants and scholarships, and taxable earnings from need-based employment programs such as Federal Work-Study (FWS). Amounts reported as additional financial information are not included in the calculation of the EFC. Untaxed income which applicants must report

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	on the FAFSA includes payments to tax-deferred pension and retirement plans, child support received, workman's compensation, and housing or other living allowances paid to clergy. Untaxed income reported on the FAFSA is included in the calculation of the EFC.
5. How do undocumented parents report their income on the FAFSA?	<p>Undocumented individuals who pass the Internal Revenue Service's (IRS') Substantial Presence Test are treated as resident aliens for tax purposes and required to file a tax return if they meet filing requirements such as minimum income. If an undocumented parent files a tax return, he or she should report the appropriate tax information on the FAFSA. For more information, see https://www.irs.gov/Individuals/International-Taxpayers/Introduction-to-Residency-Under-U.S.-Tax-Law.</p> <p>If an undocumented parent is not required to file a tax return, he or she skips the tax return questions on the FAFSA and only reports income earned from work.</p>
6. If an applicant indicates he or she will file a tax return when completing the FAFSA, is he or she required to update the information after filing a tax return?	Yes; applicants who file a FAFSA using estimated tax information should submit corrections once they have filed their return. ED sends email reminders to applicants who applied using estimated tax information in the spring to remind them to submit corrections.
7. What assets do applicants report on the FAFSA?	<p>Applicants report the following assets on the FAFSA:</p> <ul style="list-style-type: none"> • Total current value of cash, savings, and checking accounts; • Net worth of investments, including real estate; and • Net worth of current businesses and investment farms. <p>The value of the family's primary residence, the total value of retirement plans, and certain family-owned and operated businesses are not reportable assets for FAFSA purposes.</p>
General	
8. If a student graduates from high school in May of 2016, can he or she still complete the 2016-17 FAFSA to receive aid for the summer of 2016?	Yes; the processing cycle for 2016-17 ends on June 30, 2017. A student in this scenario should check with the financial aid office to determine which FAFSA it will use for Summer 2016 financial aid.

9. Is the draft 2016-17 FAFSA available?	Yes; the draft 2016-17 FAFSA is accessible at http://ifap.ed.gov/eannouncements/081315NoticeoftheDraft20162017FederalStudentAidApplicationMaterials.html .
10. Do students and parents need separate Federal Student Aid (FSA) IDs?	Yes; each individual who will access a Federal Student Aid system, including the FAFSA, must have his or her own FSA ID.
11. Is the formula for the asset protection allowance changing for the upcoming FAFSA year?	The formula for the asset protection allowance has not changed. However, ED recently corrected errors in the asset protection allowance tables which impact the 2016-17 FAFSA.
12. Will the Institutional Student Information Record (ISIR) correction deadlines for 2016-17 still be the same?	The deadline for submitting corrections is generally the end of September following the close of the award year. ED usually publishes a Notice in the <i>Federal Register</i> each spring detailing the deadlines for the award year.
13. What changes did ED make to the legal guardianship question?	ED reworded both the question and the associated help text on FOTW. The help text now says parents are not the legal guardians of a student, as well as the fact that a student cannot be his or her own legal guardian. The help text now also provides examples of documents which can be used to verify a student is in a legal guardianship.
14. Are asylees eligible for federal financial aid?	Yes; asylees are eligible for federal student aid since they can apply for permanent residence after one year. They should have an I-94 or I-94A with a stamp indicating their status.
15. What is the website for the FAFSA demo site?	The website is http://fafsademotest.ed.gov . The user name is eddemo and the password is fafsatest.
16. How does a parent transfer data to the FAFSA of another dependent applicant?	After the FAFSA is submitted, the confirmation page will give the parent the option of transferring data to another FAFSA. The parent will need to sign the second application.
17. How does an applicant who did not graduate from high school but earned a General Education Diploma (GED) answer the high school question?	Only applicants who indicate they graduated from high school will be presented with the high school question on FOTW. Skip logic allows GED holders to skip this question.
18. Can an undocumented parent without a Social Security Number sign FOTW electronically?	No; in order to create a FSA ID an applicant must have a valid Social Security Number. Undocumented parents should print out the signature page, sign it, and mail it to the address indicated.

<p>19. If a student is a refugee but his or her status is still being processed, what should he or she indicate on the FAFSA?</p>	<p>If the student has an Alien Registration Number, he or she should provide it on the FAFSA. If the student does not yet have an Alien Registration Number, he or she would indicate a current status of not a citizen or eligible non-citizen. Once the student's refugee status is processed, he or she should submit a correction to update the FAFSA.</p>
<p>20. Where can I find the PDF/paper FAFSA?</p>	<p>The PDF FAFSA can be downloaded from www.fafsa.gov. A limited number of paper FAFSAs can be ordered by calling the Federal Student Aid Information Center at 1.800.433.3243.</p>
<p>21. To clarify the implementation of prior-year, will the 2017-18 FAFSA will be available starting October 2017? Will parents have the option to use either their 2015 or 2016 income and tax information?</p>	<p>The processing cycle for the 2017-18 FAFSA will begin October 1, 2016. Applicants will not be able to choose which year's income and tax information to provide, they must report information from 2015.</p>
<p>22. We know that students without a Social Security Number aren't eligible for federal aid. But if they want to receive private or institutional financial aid, how do they fill out the FAFSA without a Social Security Number?</p>	<p>If a student does not have a Social Security Number, he or she should leave Question 8 blank. Although the Central Processing System (CPS) will not process the FAFSA, an institution or private aid provider may use the information on the application to help determine the student's eligibility for non-federal aid.</p>
<p>23. How should a student who has an FSA PIN go about creating a FSA ID?</p>	<p>All applicants should create a FSA ID at https://fsaid.ed.gov/npas/index.htm.</p> <p>An applicant who has a FSA PIN with a successful match with the Social Security Administration (SSA) will have the option to link the FSA PIN to his or her FSA ID during the registration process. If an applicant's FSA PIN does not have a verified match with SSA, he or she will not have the option to link the FSA PIN to his or her FSA ID.</p>
<p>24. Why would someone change his or her marital status? Is it no longer based on the status as of the date the applicant first filed the FAFSA?</p>	<p>Applicants should report marital status as of the date they complete the FAFSA. The issues ED identified with updating marital status likely occur when an applicant who has submitted FAFSAs in previous years completes a new application, because the new FAFSA will be prepopulated with information from the prior year.</p>
<p>25. Will students already in college during the fall 2016 term need to complete a FAFSA for 2017-18 in October also?</p>	<p>Any student who would like to receive federal student aid for 2017-18 will need to submit a FAFSA. All students will be able to complete an application for 2017-18 beginning October 1, 2017.</p>

26. Are students notified if their FAFSA is selected for verification?	Yes; a comment code on the Student Aid Report (SAR) will notify students if their application has been selected for verification. The financial aid office will contact students to let them know what documents they need to submit to complete verification.
Household Size	
27. If an independent student is unmarried but lives with her boyfriend and their child, will she need to include her boyfriend in her household size and provide his income on the FAFSA?	<p>The student would only include her boyfriend in household size if she is providing more than half of his support. The student would not report his income on the FAFSA even if the boyfriend is included in household size.</p> <p>The financial aid administrator could exercise professional judgment to include all or part of the boyfriend's income on the FAFSA as the student's untaxed income.</p>
IRS Data Retrieval Tool	
28. Why does the tax return address create so many issues? I have parents who enter it exactly and they still can't transfer their data.	<p>Correctly entering the address which appears on the tax return is part of the methodology used by the IRS to confirm the tax payer's identity.</p> <p>If a parent is unable to use the IRS Data Retrieval Tool, he or she should manually enter the appropriate information on the FAFSA. If the student is selected for verification, the parent may need to provide a tax transcript.</p>
Parental Information	
29. Can undocumented parents complete FAFSA on the Web (FOTW) but print and sign the signature page, or must the entire application be done using a paper or PDF FAFSA?	Undocumented parents may complete FOTW but finish the application by signing and submitting the signature page.
30. For divorced and remarried parents, if the parent remarried late in the tax year (two weeks ago), does the student still need to include both the parent's and the new stepparent's financial info on the 2016-17 FAFSA?	Yes. If a parent has remarried as of the date the FAFSA is completed, both the parent and the stepparent should report information.
31. If a student's legal parents live together but are not married, do both parents have to provide information on the FAFSA?	Yes; if a dependent student's legal parents live together but are not married, both parents must report their information on the FAFSA. This requirement was effective beginning with the 2014-15 processing cycle.

32. Can a parent sign the FOTW electronically if he or she is using zeros for his or her Social Security Number?	No. To sign the FOTW electronically, a parent must have a valid FSA ID. To obtain a FSA ID, an individual must have a valid Social Security Number.
33. If a student was born before January 1, 1992, does he or she need to provide parental information on the 2016-17 FAFSA?	No. A student born before January 1, 1992, is independent based on his or her age (at least 24 years old during the award year).
34. In situations where parents have joint custody of a student, what documentation is acceptable to determine which parent provides the most support?	For this scenario, possible documentation includes living expenses paid, payment of health insurance and car insurance, and payment of education-related expenses.
35. If a student lives at home with his mother who also attends college, how would this affect the student and/or parent's FAFSA?	If the parent submits a FAFSA for herself, she should indicate two in college. However, her son should indicate only one in college on his FAFSA, since the parents of dependent students are generally not included in the number in college. To include the mother in the number in college on the son's application, a financial aid administrator at his school would need to perform a professional judgment adjustment.
36. How should a student complete the FAFSA if she lives with her grandparents and her mother refuses to provide information for the application?	Unless the student's grandparents have legally adopted her, they cannot provide information on the FAFSA. In this situation, the student should meet with a financial aid administrator at her college to discuss options, including a dependency status appeal or applying for only for unsubsidized loan funds.
37. If a student's parents are undocumented but have Taxpayer Identification Numbers (TINs), can they use TINs on the FAFSA? How does this impact the use of the IRS Data Retrieval Tool?	A TIN cannot be used in place of a Social Security Number on the FAFSA. If an applicant does not have a Social Security Number, he or she will not be able to use the IRS Data Retrieval Tool.
38. If both parents are undocumented and enter all zeros for Social Security Number, will they be prompted to correct one of the numbers?	No; if both parents enter all zeros for Social Security Numbers on FOTW they will not receive an edit to correct one of the numbers.
39. How should parents who will not file a tax return complete the FAFSA?	Parents who will not file a tax return should indicate that they are not going to file in Question 80. They will skip the questions related to a tax return.

Unaccompanied Homeless Youth

<p>40. Can you clarify who is an unaccompanied youth who is not homeless?</p>	<p>An unaccompanied youth is a dependent student who is not in the custody of a parent.</p>
<p>41. What documentation should we request to support a student's claim of being an unaccompanied homeless youth?</p>	<p>Dependency status is not currently an item subject to verification; a financial aid administrator should only request documentation of an unaccompanied homeless youth's status if he or she has conflicting information.</p> <p>If a financial aid administrator does need to collect documentation, a documented interview is acceptable. A form to help financial aid administrators with a documented interview is available at http://www.naehcy.org/educational-resources/higher-ed.</p>
<p>42. What about students who live with family members or friends? They have fixed regular and adequate housing, just not with their parents/guardians. Is a letter from the counselor or school official sufficient to prove unaccompanied homeless youth status?</p>	<p>In order for a student to be independent based on status as an unaccompanied homeless youth, he or she must meet all three components of the definition (unaccompanied, homeless, and youth). A student who has fixed, regular, and adequate housing is not homeless. For a student in the scenario described, the financial aid administrator should determine whether or not the student's situation warrants a dependency override.</p>
<p>43. What about a student who was in a juvenile detention center up until age 18 and has had his own apartment for the last three years? His mother is living but she does not provide for him. His father is not in his life. Is he independent?</p>	<p>A student in this situation would meet the criteria to be an unaccompanied homeless youth if he is self-supporting and at risk of being homeless. A student is at risk of being homeless when his housing may cease to be fixed, regular, and adequate, for example, a student who is being evicted and has been unable to find fixed, regular, and adequate housing (see sidebar on page AVG-127 of the 2015-16 <i>FSA Handbook</i>).</p> <p>If the student is not at risk of being homeless, the financial aid administrator should determine if the student's situation warrants a dependency override.</p>