

Calculating the EFC



CCCSFAAA - FA 101 Training - March 19, 2018

Agenda

- EFC 101
 - What is the EFC?
 - 9 month
 - Alternate
- Federal Methodology Formulas
 - Regular, Simplified and Auto-Zero EFC
 - Primary and Secondary EFCs
- Case Study
- Resources



Need Analysis



An objective means of measuring the strength of a family's resources and its ability to pay for college costs.

Cost of Attendance

– Expected Family Contribution

= Financial Need

EFC 101

Nine-Month EFC

- EFC found on SAR and ISIR is always based on nine months.
 - Nine-month calculation always used for Federal Pell Grant award.

2017-2018 Institutional Student Information Record

* IMPORTANT: Read ALL information to find out what to do with this Report. *

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OMB Number: 9999-9999
February 21, 2017

EFC 19295

001
WHAT YOU MUST DO NOW (Use the checklist below to make sure that all of your issues are resolved.)

026
If you want to register with Selective Service, you can register by doing one of the following: (1) answer "Male" to Item 21 and "Register Me" to Item 22 on this SAR, (2) complete a Selective Service registration form at your local post office, or (3) register online at www.sss.gov. Selective Service will not process your registration until 30 days before your 18th birthday.

006
If you need to make corrections to your information, you may either make www.fafsa.gov using your FSA ID, or by using this SAR. If you need additional information about your SAR, contact your school's financial aid office or visit www.fafsa.gov. For more information, click on the "help" icon on the FAFSA home page. If your mailing address or e-mail address changes, you can make the correction online or send in the correction on paper.

EFC 101

Alternate EFCs

Alternate EFCs

Dependent Students:

- Periods of enrollment for less than nine months.
- Periods of enrollment for greater than nine months.

Primary EFC

Mon	1	2837	Mon	7	15179
Mon	2	4894	Mon	8	17236
Mon	3	6951	Mon	10	19489
Mon	4	9008	Mon	11	19683
Mon	5	11065	Mon	12	19877
Mon	6	13122			

19295



Primary EFC

Mon	1	514	Mon	7	3598
Mon	2	1028	Mon	8	4112
Mon	3	1542	Mon	10	4627
Mon	4	2056	Mon	11	4627
Mon	5	2570	Mon	12	4627
Mon	6	3084			

4627

Agenda

- EFC 101
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- **Federal Methodology Formulas**
 - Regular, Simplified and Auto-Zero EFC
 - Primary and Secondary EFCs
- Case Study
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Federal Methodology Formulas

Student Status	Formula	Version
Dependent student	A	Regular
		Simplified
		Auto Zero EFC
Independent student without dependents (other than spouse)	B	Regular
		Simplified
Independent student with dependents (other than spouse)	C	Regular
		Simplified
		Auto Zero EFC

Federal Methodology Formulas

Criteria for Simplified and Automatic Zero EFC Calculation

	Simplified (assets not considered)	Automatic Zero EFC
<p>Formula A Dependent student</p>	<ul style="list-style-type: none"> ▪ Parents had a 2015 AGI of \$49,999 or less (for tax filers), or if non-filers, income earned from work in 2015 is \$49,999 or less; and ▪ Either <ul style="list-style-type: none"> - Parents filed or are eligible to file 2015 IRS Form 1040A or 1040EZ (or not required to file any income tax return) or - Anyone in the parents' household size (as defined on the FAFSA) received any designated means-tested federal benefits* during 2015 or 2016, or - Parent is a dislocated worker. 	<ul style="list-style-type: none"> ▪ Parents had a 2015 AGI of \$25,000 or less (for tax filers), or if non-filers, income earned from work in 2015 is \$25,000 or less; and ▪ Either <ul style="list-style-type: none"> - Parents filed or are eligible to file 2015 IRS Form 1040A or 1040EZ (or not required to file any income tax return) or - Anyone in the parents' household size (as defined on the FAFSA) received any designated means-tested federal benefits* during 2015 or 2016, or - Parent is a dislocated worker.
<p>Formula B Independent student without dependents (other than a spouse)</p>	<ul style="list-style-type: none"> ▪ Student (and spouse, if any) had a 2015 AGI of \$49,999 or less (for tax filers), or if non-filers, income earned from work in 2015 is \$49,999 or less; and ▪ Either <ul style="list-style-type: none"> - Student (and spouse, if any) filed or are eligible to file 2015 IRS Form 1040A or 1040EZ (or not required to file any income tax return) or - Anyone in the student's household size (as 	<p>Not applicable.</p>

Federal Methodology Formulas

Primary and Secondary EFCs

Pell Elig Flag				Y							
Primary EFC				4627	Secondary EFC				5407		
Mon	1	514	Mon	7	3598	Mon	1	601	Mon	7	4207
Mon	2	1028	Mon	8	4112	Mon	2	1202	Mon	8	4808
Mon	3	1542	Mon	10	4627	Mon	3	1803	Mon	10	5407
Mon	4	2056	Mon	11	4627	Mon	4	2404	Mon	11	5407
Mon	5	2570	Mon	12	4627	Mon	5	3005	Mon	12	5407
Mon	6	3084				Mon	6	3606			

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Case Study

Jack



- Calculate an 2017-2018 EFC for Jack using the following documents:
 - FAFSA Information

2017-2018 FAFSA Information

REGULAR WORKSHEET Page 2 **A**

Table A1: State and Other Tax Allowance for EFC Formula A Worksheet (parents only)

State	Percent of Total Income		State	Percent of Total Income	
	\$0 - \$14,999	\$15,000 or more		\$0 - \$14,999	\$15,000 or more
Alabama	3%	2%	Montana	5%	4%
Alaska	2%	1%	Nebraska	5%	4%
American Samoa	2%	1%	Nevada	2%	1%
Arizona	4%	3%	New Hampshire	5%	4%
Arkansas	4%	3%	New Jersey	9%	8%
California	8%	7%	New Mexico	3%	2%
Canada and Canadian Provinces	2%	1%	New York	10%	9%
Colorado	4%	3%	North Carolina	5%	4%

Financial Information Q# 93a-f)

Case Study

Formula A: Jack

Family size	<u>3</u>
Number in college	<u>1</u>
Parents' state of residence	<u>Minnesota</u>
Student's state of residence	<u>Minnesota</u>
Age of older parent	<u></u>
Federal Means-Tested Benefits	<u>No</u>

Parents' Income

Eligible to file 1040A/EZ	<u>Blank</u>
Dislocated worker?	<u>No</u>
AGI	<u>88,007</u>
Wages	<u></u>
Parent 1 – (12/10/1949)*	<u>15,400</u>
Parent 2 – (09/05/1962)*	<u>62,044</u>
Untaxed income	<u>0</u>
Additional financial information	<u>0</u>
U.S. tax paid	<u>5,106</u>

Parent's Assets

Cash/savings/checking	<u>14,450</u>
Net worth investments	<u>0</u>
Net worth farm/business	<u>175,000</u>

Student's Income

AGI	<u>1954</u>
Wages	<u>1158</u>
Untaxed income	<u>0</u>
Additional financial information	<u>0</u>
U.S. tax paid	<u>0</u>

Student's Assets

Cash/savings/checking	<u>3900</u>
Net worth investments	<u>0</u>
Net worth farm/business	<u>0</u>

Your best guess of Jack's EFC:

Case Study

Parent: Income in 2015

PARENTS' INCOME IN 2015		
1. Parents' Adjusted Gross Income (FAFSA/SAR #85) If negative, enter zero.		88,007
2. a. Parent 1 (father/mother/stepparent) income earned from work (FAFSA/SAR #88) <u>15,400</u>		
2. b. Parent 2 (father/mother/stepparent) income earned from work (FAFSA/SAR #89) + <u>62,044</u>		
Total parents' income earned from work =		77,444
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*		88,007
4. Total untaxed income and benefits: (Total of FAFSA/SAR #94a. through 94i.) +		0
5. Taxable and untaxed income (sum of line 3 and line 4) =		88,007
6. Total additional financial information (Total of FAFSA/SAR #93a. through 93f.) -		0
7. TOTAL INCOME (line 5 minus line 6) <u>May be a negative number.</u> =		88,007

Intermediate Values			
TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Intermediate Value
'TI'

Case Study

Parent: Allowances Against Income

ALLOWANCES AGAINST PARENTS' INCOME		
8. 2015 U.S. income tax paid (FAFSA/SAR #86) (tax filers only) If negative, enter zero.		5,106
9. State and other tax allowance (Table A1) If negative, enter zero.	+	
10. Parent 1 (father/mother/stepparent) Social Security tax allowance (Table A2)	+	
11. Parent 2 (father/mother/stepparent) Social Security tax allowance (Table A2)	+	
12. Income protection allowance (Table A3)	+	
13. Employment expense allowance: <ul style="list-style-type: none">• Two working parents (Parents' Marital Status is "married" or "unmarried and both parents living together"): 35% of the lesser of the earned incomes, or \$4,000, whichever is less• One-parent families: 35% of earned income, or \$4,000, whichever is less• Two-parent families, one working parent: enter zero	+	
14. TOTAL ALLOWANCES	=	

Case Study

Parent: Allowances Against Income

Table A1: State and Other Tax Allowance

for EFC Formula A Worksheet (parents only)

State	Percent of Total Income		State	Percent of Total Income	
	\$0 - \$14,999	\$15,000 or more		\$0 - \$14,999	\$15,000 or more
Alabama	3%	2%	Montana	5%	4%
Alaska	2%	1%	Nebraska	5%	4%
American Samoa	2%	1%	Nevada	2%	1%

To calculate the state and other tax allowance, multiply the Parents' Total Income (EFC Formula A Worksheet, line 7) by the appropriate rate from the table above to get the "State and Other Tax Allowance" (EFC Formula A Worksheet, line 9). Use the parents' State of Legal Residence (FAFSA/SAR #70). If this item is blank or invalid, use the student's State of Legal Residence (FAFSA/SAR #18). If both items are blank or invalid, use the State in the Student's Mailing Address (FAFSA/SAR #6). If all three items are blank or invalid, use the rate for a blank or invalid state above.

		8%			1%
Massachusetts	7%		West Virginia	3%	
Mexico	2%	1%	Wisconsin	7%	6%
Michigan	5%	4%	Wyoming	2%	1%
Minnesota	6%	5%	Blank or Invalid State	2%	1%
Mississippi	3%	2%	Other	2%	1%
Missouri	5%	4%			

Case Study

Parent: Allowances Against Income

ALLOWANCES AGAINST PARENTS' INCOME		
8.	2015 U.S. income tax paid (FAFSA/SAR #86) (tax filers only) If negative, enter zero.	5,106
9.	State and other tax allowance (Table A1) If negative, enter zero.	4,400
10.	Parent 1 (father/mother/stepparent) Social Security tax allowance (Table A2)	+
11.	Parent 2 (father/mother/stepparent) Social Security tax allowance (Table A2)	+
12.	Income protection allowance (Table A3)	+
13.	Employment expense allowance: <ul style="list-style-type: none"> Two working parents (Parents' Marital Status is "married" or "unmarried and both parents living together"): 35% of the lesser of the earned incomes, or \$4,000, whichever is less One-parent families: 35% of earned income, or \$4,000, whichever is less Two-parent families, one working parent: enter zero 	+
14.	TOTAL ALLOWANCES	=

Table A1
88,007 (line 7) x 5%

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Case Study

Parent: Allowances Against Income

Table A2: Social Security Tax

Income Earned from Work*	Social Security Tax
\$0 – \$118,500	7.65% of income
\$118,501 or greater	\$9,065.25 + 1.45% of amount over \$118,500

Calculate separately the Social Security tax of parent 1, parent 2, and the student.

*Parent 1 (father/mother/stepparent) 2015 income earned from work is FAFSA/SAR #88
Parent 2 (father/mother/stepparent) 2015 income earned from work is FAFSA/SAR #89
Student's 2015 income earned from work is FAFSA/SAR#39
Social Security Tax will never be less than zero.

Case Study

Parent: Allowances Against Income

ALLOWANCES AGAINST PARENTS' INCOME		
8. 2015 U.S. income tax paid (FAFSA/SAR #86) (tax filers only) If negative, enter zero.		5,106
9. State and other tax allowance (Table A1) If negative, enter zero.	+	4,400
10. Parent 1 (father/mother/stepparent) Social Security tax allowance (Table A2)	+	1,178
11. Parent 2 (father/mother/stepparent) Social Security tax allowance (Table A2)	+	4,746
12. Income protection allowance (Table A3)	+	
13. Employment expense allowance: <ul style="list-style-type: none">• Two working parents (Parents' Marital Status is "married" or "unmarried and both parents living together"): 35% of the lesser of the earned incomes, or \$4,000, whichever is less• One-parent families: 35% of earned income, or \$4,000, whichever is less• Two-parent families, one working parent: enter zero	+	
14. TOTAL ALLOWANCES	=	

Table A2
15,400 (line 2a) x 7.65%
62,044 (line 2b) x 7.65%

Case Study

Parent: Allowances Against Income

Table A3: Income Protection Allowance

Number in parents' household, including student (FAFSA/SAR #73)	Number of college students in the household (FAFSA/SAR #74)				
	1	2	3	4	5
2	\$17,910	\$14,840	not applicable	not applicable	not applicable
3	\$22,300	\$19,250	\$16,190	not applicable	not applicable
4	\$27,540	\$24,480	\$21,430	\$18,360	not applicable
5	\$32,490	\$29,430	\$26,380	\$23,320	\$20,270
6	\$38,010	\$34,940	\$31,900	\$28,830	\$25,790

Note: For each additional family member, add \$4,290.

For each additional college student (except parents), subtract \$3,050.

Case Study

Parent: Allowances Against Income

ALLOWANCES AGAINST PARENTS' INCOME		
8. 2015 U.S. income tax paid (FAFSA/SAR #86) (tax filers only) If negative, enter zero.		5,106
9. State and other tax allowance (Table A1) If negative, enter zero.	+	4,400
10. Parent 1 (father/mother/stepparent) Social Security tax allowance (Table A2)	+	1,178
11. Parent 2 (father/mother/stepparent) Social Security tax allowance (Table A2)	+	4,746
12. Income protection allowance (Table A3)	+	22,300
13. Employment expense allowance:		
<ul style="list-style-type: none"> Two working parents (Parents' Marital Status is "married" or "unmarried and both parents living together"): 35% of the lesser of the earned incomes, or \$4,000, whichever is less One-parent families: 35% of earned income, or \$4,000, whichever is less Two-parent families, one working parent: enter zero 	+	
14. TOTAL ALLOWANCES	=	

Table A3
3 in household, 1 in college

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Case Study

Parent: Allowances Against Income

ALLOWANCES AGAINST PARENTS' INCOME		
8. 2015 U.S. income tax paid (FAFSA/SAR #86) (tax filers only) If negative, enter zero.		5,106
9. State and other tax allowance (Table A1) If negative, enter zero.	+	4,400
10. Parent 1 (father/mother/stepparent) Social Security tax allowance (Table A2)	+	1,178
11. Parent 2 (father/mother/stepparent) Social Security tax allowance (Table A2)	+	4,746
12. Income protection allowance (Table A3)	+	22,300
13. Employment expense allowance:		
<ul style="list-style-type: none"> Two working parents (Parents' Marital Status is "married" or "unmarried and both parents living together"): 35% of the lesser of the earned incomes, or \$4,000, whichever is less One-parent families: 35% of earned income, or \$4,000, whichever is less Two-parent families, one working parent: enter zero 	+	4,000
14. TOTAL ALLOWANCES	=	41,730

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Lesser of:

$$15,400 \times 35\% = 5,390$$

$$\text{Standard Amt} = 4,000$$

Case Study

Parent: Available Income

AVAILABLE INCOME		
Total income (from line 7)		88,007
Total allowances (from line 14)	–	41,730
15. AVAILABLE INCOME (AI) May be a negative number.	=	46,277

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Case Study

Parent: Contribution from Assets

PARENTS' CONTRIBUTION FROM ASSETS		
16. Cash, savings & checking (FAFSA/SAR #90)		14,450
17. Net worth of investments** (FAFSA/SAR #91) If negative, enter zero.	+	0
18. Net worth of business and/or investment farm (FAFSA/SAR #92) If negative, enter zero.	+	175,000
19. Adjusted net worth of business/farm (Calculate using Table A4.)	+	
20. Net worth (sum of lines 16, 17, and 19)	=	
21. Education savings and asset protection allowance (Table A5)	-	
22. Discretionary net worth (line 20 minus line 21)	=	
23. Asset conversion rate	×	.12
24. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

Case Study

Parent: Contribution from Assets

**Table A4: Business/Farm Net Worth Adjustment
for EFC Formula A Worksheet (parents only)**

If the net worth of a business or farm is—	Then the adjusted net worth is
Less than \$1	—\$0
\$1 to \$130,000	40% of net worth of business/farm
\$130,001 to \$385,000	\$52,000 + 50% of net worth over \$130,000
\$385,001 to \$640,000	\$179,500 + 60% of net worth over \$385,000
\$640,001 or more	\$349,500 + 60% of net worth over \$640,000

Business/Farm Net Worth (line 18):	175,000
	- 130,000
	= 45,000
	x 50%
	= 22,500
	+ 52,000
Adj. Business/Farm Net Worth (line 19)	= 74,500

Case Study

Parents: Contribution from Assets

PARENTS' CONTRIBUTION FROM ASSETS		
16. Cash, savings & checking (FAFSA/SAR #90)		14,450
17. Net worth of investments** (FAFSA/SAR #91) If negative, enter zero.	+	0
18. Net worth of business and/or investment farm (FAFSA/SAR #92) If negative, enter zero.	+	175,000
19. Adjusted net worth of business/farm (Calculate using Table A4.)	+	74,500
20. Net worth (sum of lines 16, 17, and 19)	=	88,950
21. Education savings and asset protection allowance (Table A5)	-	
22. Discretionary net worth (line 20 minus line 21)	=	
23. Asset conversion rate	×	.12
24. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Table A5: Parents' Education Savings and Asset Protection Allowance

for EFC Formula A Worksheet (parents only)

<i>Age of older parent as of 12/31/2017*</i>	<i>Allowance if there are two parents**</i>	<i>Allowance if there is only one parent</i>	<i>Age of older parent as of 12/31/2017*</i>	<i>Allowance if there are two parents**</i>	<i>Allowance if there is only one parent</i>
25 or less	\$0	\$0	46	\$19,300	\$10,900
26	1,100	600	47	19,800	11,200
27	2,200	1,300	48	20,200	11,400
28	3,400	1,900	49	20,700	11,700
29	4,500	2,600	50	21,200	12,000
30	5,600	3,200	51	21,700	12,200
31	6,700	3,800	52	22,400	12,500
32	7,800	4,500	53	23,100	12,800
33	8,900	5,200	54	23,800	13,100
34	10,000	5,900	55	24,500	13,400
35	11,100	6,600	56	25,200	13,700
36	12,200	7,300	57	25,900	14,000
37	13,300	8,000	58	26,600	14,300
38	14,400	8,700	59	27,300	14,600
39	15,500	9,400	60	28,000	14,900
40	16,600	10,100	61	28,700	15,200
41	17,700	10,800	62	29,400	15,500
42	18,800	11,500	63	30,100	15,800
43	17,900	10,200	64	31,100	16,900
44	18,400	10,500	65 or older	31,900	17,300
45	18,800	10,700			

* Determine the age of the older parent listed in FAFSA/SAR #64 and #68 as of 12/31/2017. If no parent date of birth is provided, use age 45.

** Use the two parent allowance when the Parents' Marital Status listed in FAFSA/SAR #59 is "married or remarried" or "unmarried and both parents are living together."

Case Study

Parents: Contribution from Assets

PARENTS' CONTRIBUTION FROM ASSETS		
16. Cash, savings & checking (FAFSA/SAR #90)		14,450
17. Net worth of investments** (FAFSA/SAR #91) If negative, enter zero.	+	0
18. Net worth of business and/or investment farm (FAFSA/SAR #92) If negative, enter zero.	+	175,000
19. Adjusted net worth of business/farm (Calculate using Table A4.)	+	74,500
20. Net worth (sum of lines 16, 17, and 19)	=	88,950
21. Education savings and asset protection allowance (Table A5)	-	31,900
22. Discretionary net worth (line 20 minus line 21)	=	57,050
23. Asset conversion rate	×	.12
24. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	6,846

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Case Study

Parent: Contribution

PARENTS' CONTRIBUTION		
AVAILABLE INCOME (AI) (from line 15)		46,277
CONTRIBUTION FROM ASSETS (from line 24)	+	6,846
25. Adjusted Available Income (AAI) May be a negative number.	=	53,123
26. Total parents' contribution from AAI (Calculate using Table A6.) If negative, enter zero.		
27. Number in college in 2017–2018 (Exclude parents) (FAFSA/SAR #74)	÷	
28. PARENTS' CONTRIBUTION (standard contribution for nine-month enrollment)*** If negative, enter zero.	=	

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Case Study

Parent: Contribution

Table A6: Parents' Contribution from AAI

If the parents' AAI is—	Adjusted Available Income (line 25):	from AAI is—
Less than -\$3,400	53,123	
\$-3,409 to \$16,000	- 32,300	
\$16,001 to \$20,100	= 20,823	00
\$20,101 to \$24,200	x 47%	00
\$24,201 to \$28,300	= 9787	00
\$28,301 to \$32,300	+ 8,728	00
	Total parents' contrib. from AAI (line 19)	= 18,515
\$32,301 or more		\$8,728 + 47% of AAI over \$32,300

Case Study

Parent: Contribution

PARENTS' CONTRIBUTION		
AVAILABLE INCOME (AI) (from line 15)		46,277
CONTRIBUTION FROM ASSETS (from line 24)	+	6,846
25. Adjusted Available Income (AAI) May be a negative number.	=	53,123
26. Total parents' contribution from AAI (Calculate using Table A6.) If negative, enter zero.		18,515
27. Number in college in 2017–2018 (Exclude parents) (FAFSA/SAR #74)	÷	1
28. PARENTS' CONTRIBUTION (standard contribution for nine-month enrollment)*** If negative, enter zero.	=	18,515

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Case Study

Student: Income in 2015

STUDENT'S INCOME IN 2015

29. Adjusted Gross Income (FAFSA/SAR #36) If negative, enter zero.		1,954
30. Income earned from work (FAFSA/SAR #39)		1,158
31. Taxable Income (If tax filer, enter the amount from line 29 above. If non-tax filer, enter the amount from line 30.)		1,954
32. Total untaxed income and benefits (Total of FAFSA/SAR #45a. through 45j.)	+	0
33. Taxable and untaxed income (sum of line 31 and line 32)	=	1,954
34. Total additional financial information (Total of FAFSA/SAR #44a. through 44f.)	-	0
35. TOTAL INCOME (line 33 minus line 34) May be a negative number.	=	1,954

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Case Study

Student: Allowances Against Income

ALLOWANCES AGAINST STUDENT INCOME		
36.	2015 U.S. income tax paid (FAFSA/SAR #37) (tax filers only) If negative, enter zero.	0
37.	State and other tax allowance (Table A7) If negative, enter zero.	+
38.	Social Security tax allowance (Table A2)	+
39.	Income protection allowance	6,420
40.	Allowance for parents' negative Adjusted Available Income (If line 25 is negative, enter line 25 as a positive number in line 40. If line 25 is zero or positive, enter zero in line 40.)	+
41.	TOTAL ALLOWANCES	=

Case Study

Student: Allowances Against Income

State	Percent	State	Percent
Alabama	2%	Montana	3%
Alaska	0%	Nebraska	3%
American Samoa	1%	Nevada	1%
Arizona	2%	New Hampshire	1%
Arkansas	3%	New Jersey	5%
California	6%	New Mexico	2%
Canada and Canadian Provinces	1%	New York	7%
Colorado	3%	North Carolina	4%
Connecticut	5%	North Dakota	1%
Delaware	1%	Ohio	4%
District of Columbia	1%	Oklahoma	1%
Florida	3%	Oregon	1%
Georgia	2%	Rhode Island	1%
Hawaii	1%	Tennessee	1%
Idaho	1%	Texas	1%
Illinois	3%	Vermont	1%
Indiana	1%	Virginia	1%
Iowa	3%	Washington	1%
Kansas	3%	West Virginia	1%
Kentucky	1%	Wisconsin	4%
Louisiana	1%	Wyoming	1%
Maine	1%	Blank or Invalid State	1%
Maryland	1%	Other	1%
Massachusetts	5%		
Mexico	1%		
Michigan	3%		
Minnesota	5%		
Mississippi	2%		
Missouri	3%		

Case Study

Student: Allowances Against Income

ALLOWANCES AGAINST STUDENT INCOME		
36.	2015 U.S. income tax paid (FAFSA/SAR #37) (tax filers only) If negative, enter zero.	0
37.	State and other tax allowance (Table A7) If negative, enter zero.	+ 98
38.	Social Security tax allowance (Table A2)	+
39.	Income protection allowance	+ 6,420
40.	Allowance for parents' negative Adjusted Available Income (If line 25 is negative, enter line 25 as a positive number in line 40. If line 25 is zero or positive, enter zero in line 40.)	+
41.	TOTAL ALLOWANCES	=

Table A7
 $1,954$ (line 35) \times 5%

Case Study

Student: Allowances Against Income

Table A2: Social Security Tax

Income Earned from Work*	Social Security Tax
\$0 – \$118,500	7.65% of income
\$118,501 or greater	\$9,065.25 + 1.45% of amount over \$118,500

Calculate separately the Social Security tax of parent 1, parent 2, and the student.

*Parent 1 (father/mother/stepparent) 2015 income earned from work is FAFSA/SAR #88

Parent 2 (father/mother/stepparent) 2015 income earned from work is FAFSA/SAR #89

Student's 2015 income earned from work is FAFSA/SAR#39

Social Security Tax will never be less than zero.

Case Study

Student: Allowances Against Income

ALLOWANCES AGAINST STUDENT INCOME		
36.	2015 U.S. income tax paid (FAFSA/SAR #37) (tax filers only) If negative, enter zero.	0
37.	State and other tax allowance (Table A7) If negative, enter zero.	+ 98
38.	Social Security tax allowance (Table A2)	+ 89
39.	Income protection allowance	+ 6,420
40.	Allowance for parents' negative Adjusted Available Income (If line 25 is negative, enter line 25 as a positive number in line 40. If line 25 is zero or positive, enter zero in line 40.)	+ 0
41.	TOTAL ALLOWANCES	= 6,607

Table A2

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Case Study

Student: Contribution from Income

STUDENT'S CONTRIBUTION FROM INCOME		
Total income (from line 35)		1,954
Total allowances (from line 41)	-	6,607
42. Available income (AI)	=	<4,653>
43. Assessment of AI	×	.50
44. STUDENT'S CONTRIBUTION FROM AI If negative, enter zero.	=	0

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Case Study

Student: Contribution from Assets

STUDENT'S CONTRIBUTION FROM ASSETS		
45. Cash, savings & checking (FAFSA/SAR #41)		3,900
46. Net worth of investments* (FAFSA/SAR #42)		
If negative, enter zero	+	0
47. Net worth of business and/or investment farm (FAFSA/SAR #43)		
If negative, enter zero.	+	0
48. Net worth (sum of lines 45 through 47)	=	3,900
49. Assessment rate	×	.20
50. STUDENT'S CONTRIBUTION FROM ASSETS	=	780

Intermediate Values

TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Case Study

Expected Family Contribution

EXPECTED FAMILY CONTRIBUTION		
PARENTS' CONTRIBUTION (from line 28)		18,515
STUDENT'S CONTRIBUTION FROM AI (from line 44)	+	0
STUDENT'S CONTRIBUTION FROM ASSETS (from line 50)	+	780
51. EXPECTED FAMILY CONTRIBUTION (standard contribution for nine-month enrollment)** If negative, enter zero.	=	19,295

Intermediate Values			
TI	88007	PCA	6846
ATI	41730	AAI	53123
STX	4400	TSC	
EA	4000	TPC	18515
IPA	22300	PC	18515
AI	46277	STI	1954
CAI		SATI	6607
DNW	57050	SIC	0
NW	88950	SDNW	3900
APA	31900	SCA	780
		FTI	89961

Your best guess of Jack's EFC:

Agenda

- EFC 101
 - What is the EFC?
 - 9 month
 - Alternate
- Federal Methodology Formulas
 - Regular, Simplified and Auto-Zero EFC
 - Primary and Secondary EFCs
- Case Study
- **Resources**



Resources

References, Resources and Websites – Calculating the EFC

U.S. Department of Education

2017-2018 EFC Formula Guide

Worksheets and Tables

<https://ifap.ed.gov/efcformulaguide/attachments/071416EFCFormulaGuide1718.pdf>

2017-2018 ISIR Guide

<https://ifap.ed.gov/isirguide/attachments/1718ISIRGuide.pdf>

2017-2018 Federal Student Aid Handbook

Application and Verification Guide

Chapter 2: Filling Out the FAFSA

Chapter 3: Expected Family Contribution (EFC)

<https://ifap.ed.gov/fsahandbook/1718FSAHandbookAVG.html>

2017-2018 Free Application for Federal Student Aid

<https://fafsa.gov/fotw1718/pdf/PdfFafsa17-18.pdf>

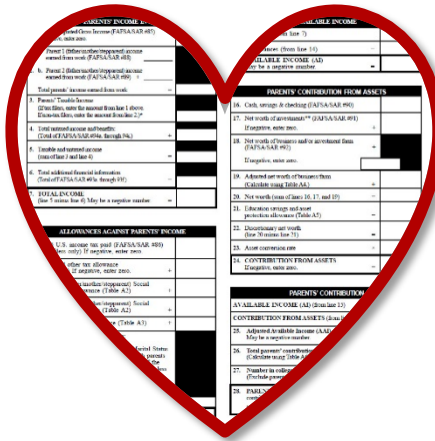
Completing the FAFSASM 2017-2018

<https://studentaid.ed.gov/sa/sites/default/files/2017-18-completing-fafsa.pdf>

Program Integrity Q&A – Verification

<https://www2.ed.gov/policy/highered/reg/hearulemaking/2009/verification.html>

We



EFC
Calculcs

