

New Aid Officer Workshop



April 10-12, 2024 · Great Wolf Lodge · Dallas/Grapevine

A stage with red curtains and a yellow spotlight. The text is centered on the spotlight.

Act 3:

Need Analysis &
Calculating SAI

Presenters



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Are You Ready For This?

- **There is a lot to need analysis and SAI, so don't feel bad if you get confused.**
- **We will cover some background and overview before jumping into the SAI calculation**



- **We will briefly cover aspects of the Expected Family Contribution (2023-24 and earlier)**
- **We will put more focus on the Student Aid Index (2024-25 and later)**



Overview—What is Changing for 24-25?

2023-24 FAFSA and Prior

- Expected Family Contribution (EFC)
- The Formulas
- Calculation Process

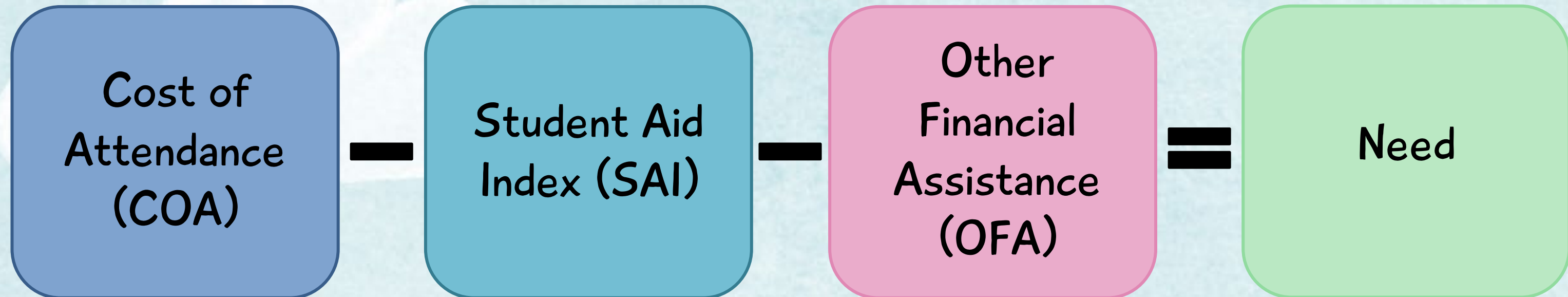
2024-25 FAFSA and Beyond

- Student Aid Index (SAI)
- The Formulas
- New Way to Calculate



What is Need Analysis?

- **The process of determining the student's Student Aid Index (SAI) based on the formula established by Congress. This is for 2024-2025 and beyond.**
- **Used to be Expected Family Contribution, or EFC, for 2023-2024 and earlier**
- **Also known as Federal Methodology, or FM**



What is New!

• **FAFSA Simplification Act**

- Part of the larger **Consolidated Appropriations Act of 2021**
 - Passed by Congress and into law on 12/27/2020
 - Overall effective date is July 1, 2024
 - Most significant changes:
 - Replacement of EFC with SAI
 - Pell Grant eligibility criteria
 - Cost of Attendance Oversight
 - Professional Judgement rules

• **Technical changes made via the Consolidated Appropriations Act of 2022**



Other FAFSA Simplification Act Changes

Other changes implemented allow more students to have federal student aid eligibility calculated without their assets (or their parents' assets for dependent students) being taken into consideration if they:

- Are a non-tax filer;
- Qualify automatically for the maximum Pell Grant
- Have an AGI of less than \$60,000 and filed a simple tax return with no lettered schedules A-H, or with only a Schedule C that shows not more than a \$10,000 gain or loss.
- Are a recipient of a means-tested benefit.



Means-Tested Federal Benefits Programs

Include:

- **Medicaid** (including the Children's Health Insurance Program) or Supplemental Security Income (**SSI**)
- Supplemental Nutrition Assistance Program (**SNAP**) benefits, also known as food stamps
- The **Free and Reduced-Price School Lunch Program**
- Temporary Assistance for Needy Families (**TANF**) – may use a different name in different states
- Special Supplemental Nutrition Program for Women, Infants, and Children (**WIC**)
- *A person need not have received the benefit for an entire year; receiving it at any time in the base or following year qualifies. Also, an FAA may use professional judgment (PJ) to count a benefit if a person did not receive it during those 24 months but is receiving it now.*



Big Changes

- Expansion of access to federal aid, including:
 - Expanding Pell grants
 - Linking Pell grant eligibility to family size and the federal poverty level
 - Repealing the lifetime limit for how long a borrower can receive subsidized loans
- Streamlining the FAFSA form
- Mandate that **FSA** pull data directly from the **IRS** for calculation purposes



3 Opportunities for Pell Eligibility

- **Max Pell Grant**
 - **AGI**
 - **Poverty Guidelines***
 - **State of Legal Residence**
 - **Family Size**
- **Calculated Scheduled Pell Grant**
 - **SAI Formula Calculations**
- **Minimum Pell Grant**



From Federal Student Aid's Summer Webinar Series



**Student Aid Index (SAI) replaces
Expected Family Contribution (EFC)**

**Estimated Financial Assistance (EFA)
becomes Other Financial Assistance (OFA)**

Need Calculation = COA – SAI – OFA

The background features a repeating pattern of overlapping circles and swirls in shades of orange and yellow. The text is centered over this pattern.

Need Analysis

Underlying Principles of Need Analysis

- 1. Parents and students have the primary responsibility for meeting postsecondary education costs.**
- 2. The distribution of financial aid resources should be based on the family's ability to pay, not willingness to pay.**
- 3. The assessment of a family's ability to pay should be independent of the amount of financial aid available and the cost of attending postsecondary school.**
- 4. There should be horizontal equity (also referred to as equity across the board) in the distribution of limited financial aid resources. That is, families in similar circumstances with similar resources should be expected to make similar contributions.**



Underlying Principles of Need Analysis

- 5. Families in different circumstances should be expected to make contributions appropriate to their financial resources. This is known as vertical equity, and sometimes is referred to as leveling the playing field.**
- 6. The need analysis formula should provide a “snapshot” of the family’s financial circumstance at the time of the application.**
- 7. The need analysis results are a benchmark. As such, the final assessment of the family’s ability to contribute to the student’s postsecondary education costs is subject to the professional judgment of the financial aid administrator.**



What is different about SAI?

Reduces number of income items and allowances against income

Changes items that are included as assets

Allows for negative SAI up to -1,500

Changes family size definition and removes number in college from SAI calculation (but not from the FAFSA itself)

No allowance to prorate SAI for periods other than 9 months

Implements new, separate Pell Grant eligibility determination



Income Data

- **AGI**
- **Deductible payments to SEP/SIMPLE/KEOGH/Other**
- **Tax-exempt interest**
- **Untaxed portions of IRA distributions and pensions (excluding rollovers)**
- **Foreign income inclusion**

Allowances Against Income

- **Taxable college grant and scholarship aid reported as income**
- **Education Credits**
- **Federal Work-Study**
- **US income tax paid (or foreign equivalent)**
- **Employment expense allowance**
- **Payroll tax allowance**

Asset Information

Contribution from Assets:

- **Annual child support received**
- **Cash, savings, checking, time deposits, and money market funds**
- **Net worth of investments, including real estate (excluding primary residence)**
- **Adjusted net worth of business and/or farm**

Allowance against Assets:

- **Asset protection allowance**

Defining Family Size in 2024-25

Dependent Students

- **Student**
- **Student's parents, even if student not living with them**
- **Student's siblings if:**
 - live with student's parent or live elsewhere to attend college, and
 - receive and continue to receive more than half their support from student's parents during award year
- **Other persons who**
 - live with student
 - receive and continue to receive more than half their support from student's parents during award year

Independent Students

- **Student**
- **Student's spouse (if applicable)**
- **Student's dependent children if:**
 - live with student
 - receive and continue to receive more than half their support from student during award year
- **Other persons who**
 - live with student
 - receive and continue to receive more than half their support from student during award year

Three Separate Formulas to Choose From

When Calculating SAI

Formula A
Dependent
Students

Formula B
Independent
Students *without*
dependents (other
than a spouse)

Formula C
Independent
Students *with*
dependents (other
than a spouse)



Calculating a

SAT

SAI Calculation Rounding Rules

- Carry each calculation to three decimal places
- Round to nearest whole number
- Round upward for results .500 to .999
- Round downward for results .001 to .499
- Round each intermediate value



Penelope

Completed the 24-25 FAFSA 2/2/2024 and will be a transfer student at Spring Forward University starting in Fall 2024. Her DOB is 4/30/2004. She lives with her mother, stepfather and younger stepbrother, Colin, who is a high school junior.

Penelope earned \$2,340 in 2022 working part-time over the summer. She was not required to file a tax return for 2022, so she did not file. She used the money in her savings account to pay her tuition for the 2023-24 academic year, so she has no assets.

Penelope Cont'd

Penelope's mother, Violet, and Stepfather, Anthony, have been married 10 years. Violet's DOB is 8/24/1975. Anthony's DOB is 9/25/1974.

Penelope's mother and stepfather filed an IRS Form 1040 for the 2022 tax year. They filed jointly and claimed the standard deduction. Violet owns and operates a small independent book store with 7 full-time employees. In 2022, she earned \$21,386 in business income (as reported on Schedules 1 and C of the 1040).

Penelope Cont'd

Anthony works as an HVAC technician and earned a total of \$53,000 in 2022. They reported an AGI of \$71,886, a \$2,500 American Opportunity Tax Credit, and a tax liability of \$2,727. Violet and Anthony claimed Penelope and her stepbrother as dependents. Anthony made a tax-deductible contribution of \$2,500 to a traditional IRA. No one in the family received benefits from a means-tested federal program in 2022 or 2023.

Penelope Cont'd

On Penelope's FAFSA, Violet reported the value of her bookstore as \$500,000 with debt of \$436,000, \$12,848 in a joint savings account, \$1,563 in her checking account, and \$2,367 in Anthony's checking account.

Penelope's parents divorced in 2006. Per the terms of the divorce, Penelope's father paid Violet \$500 a month in child support for Penelope until she turned 18. Violet received 6 months worth of child support in 2022, in the amount of \$3000.

Step 1: Max Pell Eligible?

Federal Income Tax Non-filer

- Dependent student whose parent(s) are not required to file.
- Independent student who is not required to file

Single parent and $AGI > \$0 < = 225\%$ poverty line

- Dependent student's single parent or Independent Single Parent
- Poverty line based on state of legal residence and family size.

Not a single parent and $AGI > \$0 < = 175\%$ poverty line

- Dependent student's married parents or Independent married parents
- Poverty line based on state of legal residence and family size.

Step 1: Max Pell Eligible?

Not a single parent and $AGI > \$0 < = 175\%$ poverty line

- Dependent student's married parents or Independent married parents
- Poverty line based on state of legal residence and family size.

Student's Parent is not a Single Parent			
Family Size	2022 Poverty Guideline	Max Pell Parent AGI Limit (175% of Poverty Guideline)	Min Pell Parent AGI Limit (275% of Poverty Guideline)
2	\$18,310	\$32,043	\$50,353
3	\$23,030	\$40,303	\$63,333
4	\$27,750	\$48,563	\$76,313
5	\$32,470	\$56,823	\$89,293
6	\$37,190	\$65,083	\$102,273
			\$115,253
			\$128,233
			ly the

Is the parent's AGI less than 175% of the poverty guideline?

AGI = \$71,886 = No max Pell

What SAI formula
is used to calculate
Penelope's SAI?

- A. SAI Formula B
- B. SAI Formula A
- C. SAI Formula C
- D. Simplified Needs Test

Formula A – Worksheet

We will use the worksheet and attached tables to walk through this SAI calculation.



Line 1: Total Parent Income Additions

Parent Contribution from Income

Parent Income Additions

a. Parents' AGI		71,886
b. Parents' Deductible Payments to IRA/KEOGH/Other	+	2,500
c. Parents' Tax-Exempt Interest Income	+	0
d. Parents' Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)	+	0
e. Parents' Untaxed Portions of Pensions (Subtract Pension rollover; if total is less than zero, enter zero)	+	0
f. Parents' Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	0
1. Total Parent Income Additions (sum of lines a, b, c, d, e, and f)	=	74,386

Line 2: Parent Income Offsets

Parent Income Offsets

g. Parents' Taxable College Grant and Scholarship Aid (reported as income)		0
h. Parents' Education Credits	+	2,500
i. Parents' Federal Work-study (FWS)	+	0
2. Total Parent Income Offsets (sum of lines g, h, and i)	=	2,500
3. Total Parent Income (line 1 minus line 2)		
• Total Parent Income Additions – Total Parent Income Offsets		
• May be a negative number	=	71,886

Line 3: Total Parent Income

Allowances Against Parents' Income

Allowances Against Parents' Income

4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	
7. Employment Expense Allowance (EEA)		
• The lesser of: <ul style="list-style-type: none"> ▪ 35% of parents' combined income, OR ▪ \$4,730 	+	
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

Table A1

Table A1: Payroll Tax Allowance

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	<p>If Parent filed as Single, HoH or Qualifying Surviving Spouse:</p> <ul style="list-style-type: none"> • 1.45% of parent income earned from work up to \$200,000, (+) plus • 2.35% of parent income earned from work over \$200,000 <p>If Parent filed as Married-Filed Joint Return (MFJ):</p> <ul style="list-style-type: none"> • 1.45% of parents' combined income earned from work up to \$250,000, (+) plus • 2.35% of parents' combined income earned from work over \$250,000 <p>If Parent filed as Married-Filed Separate Return (MFS):</p> <ul style="list-style-type: none"> • 1.45% of parent income earned from work up to \$125,000, (+) plus • 2.35% of parent income earned from work over \$125,000

Mom \$21,386

Stepdad \$53,000

Combined Income: \$74,386

$$\mathbf{\$74,386 \times 1.45\% = \$1,079}$$

spouse filed TFS = Single, the other TFS = MFS, etc.), the calculation is performed individually and then the results are added together following the rounding logic noted above.

Allowances Against Parents' Income

Allowances Against Parents' Income

4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	
7. Employment Expense Allowance (EEA)		
• The lesser of: <ul style="list-style-type: none"> ▪ 35% of parents' combined income, OR ▪ \$4,730 	+	
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

Table A1

<p>Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate</p>	<p>If Parent:</p> <ul style="list-style-type: none"> For those reporting a single parental income, 6.2% of parent's total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If parent's total earned income exceeds \$147,000, then input \$9,114*. For those reporting two parental incomes or whose parents filed a joint return, 6.2% of parents total earned income up to Contributions and Benefit Base of \$294,000 for Tax Year 2022. If parents' total earned income exceeds \$294,000, then input \$18,228*. <p>If Dependent Student:</p> <ul style="list-style-type: none"> 6.2% of student's total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If student's total earned income exceeds \$147,000, then input \$9,114*.
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*Social subject

Mom \$21,386
Stepdad \$53,000
Combined income: \$74,386

$\$74,386 \times 6.2\% = \$4,612$

Allowances Against Parents' Income

Allowances Against Parents' Income

4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	4,612
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	
7. Employment Expense Allowance (EEA)		
• The lesser of: <ul style="list-style-type: none"> ▪ 35% of parents' combined income, OR ▪ \$4,730 	+	
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

Table A2

Table A2: Income Protection Allowance

Family Size (including student)	Income Protection Allowance Amount
2	\$27,600
3	\$34,350
4	\$42,430
5	\$50,060
6	\$58,560

Note: For each additional household member, add \$6,610.

Allowances Against Parents' Income

Allowances Against Parents' Income

4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	4,612
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	42,430
7. Employment Expense Allowance (EEA)		
• The lesser of:		
▪ 35% of parents' combined income, OR		
▪ \$4,730	+	
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

Allowances Against Parents' Income

Allowances Against Parents' Income

4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	4,612
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	42,430
7. Employment Expense Allowance (EEA)		
• The lesser of: <ul style="list-style-type: none"> ▪ 35% of parents' combined income, OR ▪ \$4,730 	+	4,730
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	55,578

Parents' Available Income

Parents' Available Income (PAI)

Total Parent Income (line 3)		71,886
Total Parent Allowances Against Income (line 8)	-	55,578
9. Parent Available Income (line 3 minus line 8) <ul style="list-style-type: none">• May be a negative number	=	16,308

Now for the parents'
contribution from assets

Parent Contribution from Assets

10. Annual child support received for the last complete calendar year		0
11. Cash, savings, and checking accounts	+	16,778
12. Net worth of current investments		
<div style="background-color: #d3d3d3; padding: 10px; border: 1px solid black;"> <p>Joint Savings \$12,848</p> <p>Mom's Checking \$1,563</p> <p>Stepdad's Checking <u>\$2,367</u></p> <p>Total: \$16,778</p> </div>		
A3)		
<ul style="list-style-type: none"> • Net worth of businesses and/or investment farms multiplied by the applicable adjustment in Table A3 	+	
14. Net worth (sum of lines 10, 11, 12, and 13)	=	
15. Asset Protection Allowance (APA) (Table A4)	-	
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA)		
<ul style="list-style-type: none"> • (Line 14 minus line 15) times line 16 • If negative, enter zero 	=	

Parent Contribution from Assets

10. Annual child support received for the last complete calendar year		0
11. Cash, savings, and checking accounts	+	16,778
12. Net worth of current investments <ul style="list-style-type: none"> • Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits • If negative, enter zero 	+	0
13. Adjusted net worth of businesses and/or investment farms (Table A3) <ul style="list-style-type: none"> • Net worth of businesses and/or investment farms multiplied by the applicable adjustment in Table A3 	+	
14. Net worth (sum of lines 10, 11, 12, and 13)	=	
15. Asset Protection Allowance (APA) (Table A4)	-	
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> • (Line 14 minus line 15) times line 16 • If negative, enter zero 	=	

Table A3

Table A3: Businesses/Investment Farms Net Worth Adjustment

If the net worth of businesses/investment farms is ____	Then the adjusted net worth is ____
Less than \$1	\$0
\$1 to \$165,000	40% of net worth of business/farm
\$165,001 to \$490,000	\$66,000 + 50% of net worth over \$165,000
\$490,001 to \$820,000	\$228,500 + 60% of net worth over \$490,000
\$820,001 or more	\$426,500 + 100% of net worth over \$820,000

Reported Value of Bookstore \$500,000
Current Debt \$436,000
Net Worth \$64,000

Adjusted Net Worth = \$64,000 × 40% = \$25,600

Parent Contribution from Assets

10. Annual child support received for the last complete calendar year		0
11. Cash, savings, and checking accounts	+	16,778
12. Net worth of current investments <ul style="list-style-type: none"> • Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits • If negative, enter zero 	+	0
13. Adjusted net worth of businesses and/or investment farms (Table A3) <ul style="list-style-type: none"> • Net worth of businesses and/or investment farms multiplied by the applicable adjustment in Table A3 	+	25,600
14. Net worth (sum of lines 10, 11, 12, and 13)	=	42,378
15. Asset Protection Allowance (APA) (Table A4)	-	
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> • (Line 14 minus line 15) times line 16 • If negative, enter zero 	=	

Asset Protection Allowance

For the APA, you must determine the age of the oldest parent, when the FAFSA was completed:
2/2/2024

Mom's DOB – 8/24/1975

Age When FAFSA was Completed:

2023 – 1975 = 48

Stepdad's DOB – 9/25/1974

Age When FAFSA was Completed:

2023 – 1974 = 49

Table A4

Table A4: Asset Protection Allowance (Parents Only)

Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent	Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent
25 or less	\$0	\$0	46	\$0	\$0
26	\$0	\$0	47	\$0	\$0
27	\$0	\$0	48	\$0	\$0
28	\$0	\$0	49	\$0	\$0
29	\$0	\$0	50	\$0	\$0
30	\$0	\$0	51	\$0	\$0
31	\$0	\$0	52	\$0	\$0
32	\$0	\$0	53	\$0	\$0
33	\$0	\$0	54	\$0	\$0

The APA table was adjusted to \$0 for all ages for 2024-25.

It will go back to normal amounts for 2025-26

Parent Contribution from Assets

10. Annual child support received for the last complete calendar year		0
11. Cash, savings, and checking accounts	+	16,778
12. Net worth of current investments <ul style="list-style-type: none"> • Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits • If negative, enter zero 	+	0
13. Adjusted net worth of businesses and/or investment farms (Table A3)		
\$42,378 - \$0 = \$42,378		
Investment farms multiplied by	+	25,600
\$42,378 × 0.12 = \$5,085		
14. Net worth (sum of lines 10, 11, 12, and 13)	=	42,378
15. Asset Protection Allowance (APA) (Table A4)	-	0
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> • (Line 14 minus line 15) times line 16 • If negative, enter zero 	=	5,085

Total Parent Contribution

Total Parent Contribution

Parent Adjusted Available Income (PAAI)

Parents' Available Income (line 9)		16,308
Parents' Contribution from Assets (line 17)	+	5,085
18. Parent Adjusted Available Income (line 9 plus line 17) <ul style="list-style-type: none">• May be a negative number	=	21,393

Parents' Contribution

19. Parents' Contribution (Table A5) <ul style="list-style-type: none">• Adjust PAAI (line 18) using Table A5	=	
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Table A5

Table A5: Parents' Contribution from Adjusted Available Income

If the parents' AAI is \$21,393	Then the parents' contribution from AAI is ____
Less than -\$6,820	-\$1,500
-\$6,820 to \$20,600	22% of AAI
\$20,601 to \$25,800	\$4,532 + 25% of AAI over \$20,600
\$25,801 to \$31,000	\$5,832 + 29% of AAI over \$25,800
\$31,001 to \$36,300	\$7,340 + 34% of AAI over \$31,000
\$36,301 to \$41,500	\$9,142 + 40% of AAI over \$36,300
\$41,501 or more	\$11,222 + 47% of AAI over \$41,500

\$4,532

+

$\$21,393 - \$20,600 = \$793$
 $\$793 \times 0.25 = \198.25
\$198

=

\$4,730

Total Parent Contribution

Total Parent Contribution

Parent Adjusted Available Income (PAAI)

Parents' Available Income (line 9)		16,308
Parents' Contribution from Assets (line 17)	+	5,085
18. Parent Adjusted Available Income (line 9 plus line 17)		
<ul style="list-style-type: none">• May be a negative number	=	21,393

Parents' Contribution

19. Parents' Contribution (Table A5)		
<ul style="list-style-type: none">• Adjust PAAI (line 18) using Table A5	=	4,730

Student Contribution from Income

Student Contribution from Income

Student Income Additions

a. Student AGI		0
b. Student Deductible Payments to IRA/KEOGH/Other	+	0
c. Student Exempt Interest Income	+	0
d. Student Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)	+	0
e. Student Untaxed Portions of Pensions (Subtract Pension rollover; if total is less than zero, enter zero)	+	0
f. Student Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	0
20. Total Student Income Additions (sum of lines a, b, c, d, e, and f)	=	0

Student Income Offsets

Student Income Offsets

g. Student College Grant and Scholarship Aid (reported as income)		0
h. Student Education Credits	+	0
i. Student Federal Work-study (FWS)	+	0
21. Total Student Income Offsets (sum of lines g, h, and i)	=	0
22. Total Student Income (line 20 minus line 21)		
• Total Student Income Additions – Total Student Income Offsets		
• May be a negative number	=	0

Allowances Against Student Income

Allowances Against Student Income		
23. Student U.S. Income Tax Paid (or Foreign Equivalent)		0
24. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	0
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	0
25. Income Protection Allowance	+	11,130
26. Allowance for parents' negative adjusted available income		
a. If line 18 is negative, enter line 18 as a positive number		
b. If line 18 is zero or positive, enter zero	+	
27. Total Student Allowances Against Income (sum lines 23, 24a, 24b, 25, and 26)	=	

Total Parent Contribution

Total Parent Contribution

Parent Adjusted Available Income (PAAI)

Parents' Available Income (line 9)		16,308
Parents' Contribution from Assets (line 17)	+	5,085
18. Parent Adjusted Available Income (line 9 plus line 17)		
<ul style="list-style-type: none"> • May be a negative number 	=	21,393

Parents' Contribution

19	Is Line 18 positive or negative?	
•	=	4,730

Positive

Allowances Against Student Income

Allowances Against Student Income

23. Student U.S. Income Tax Paid (or Foreign Equivalent)		0
24. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	0
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	0
25. Income Protection Allowance	+	11,130
26. Allowance for parents' negative adjusted available income		
a. If line 18 is negative, enter line 18 as a positive number		
b. If line 18 is zero or positive, enter zero	+	0
27. Total Student Allowances Against Income (sum lines 23, 24a, 24b, 25, and 26)	=	

Allowances Against Student Income

Allowances Against Student Income

23. Student U.S. Income Tax Paid (or Foreign Equivalent)		0
24. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	0
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	0
25. Income Protection Allowance	+	11,130
26. Allowance for parents' negative adjusted available income		
a. If line 18 is negative, enter line 18 as a positive number		
b. If line 18 is zero or positive, enter zero	+	0
27. Total Student Allowances Against Income (sum lines 23, 24a, 24b, 25, and 26)	=	11,130

Student's Contribution from Income

Student's Contribution from Income		
Total Student Income (line 22)		0
Total Student Allowances Against Income (line 27)	-	11,130
28. Student Available Income (line 22 minus line 27)		
<ul style="list-style-type: none"> May be a negative number 	=	-11,130
29. Assessment of Student Available Income (50%)	x	0.50
30. Student's Contribution from Income (line 28 times line 29)		
<ul style="list-style-type: none"> If negative and $< -1,500$, adjust to $-1,500$ (e.g., if $-2,000$ set to $-1,500$) If negative and $\geq -1,500$, do not adjust (e.g., if $-1,000$ leave as $-1,000$) 	=	-1,500

$$-\$11,130 \times 0.50 =$$

$$-\$5,565$$

Student's Contribution from Assets

Student Contribution from Assets

31. Cash, savings, and checking accounts		0
32. Net worth of current investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	0
33. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3 	+	0
34. Net worth (sum of lines 31, 32, and 33)	=	0
35. Asset Conversion Rate (20%)	X	0.20
36. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 34 times line 35 If negative, enter zero 	=	0

Student's Aid Index (SAI)

Student Aid Index (SAI)

Parents' Contribution (line 19)		4,730
Student's Contribution from Income (line 30)	+	-1,500
Student's Contribution from Assets (line 36)	+	0
37. Student Aid Index (sum of lines 19, 30, and 36) <ul style="list-style-type: none">• If negative and $< -1,500$, adjust to $-1,500$ (e.g., if $-2,000$ set to $-1,500$)• If negative and $\geq -1,500$, do not adjust (e.g., if $-1,000$ leave as $-1,000$)	=	3,230

Congratulations!

You've completed a SAI

Formula A

Hand Calculation!!



**Thank you!
Questions?**



Resources

- NASFAA Need Analysis: Federal and Institutional Methodology Self Study Guide 2024-25
- NASFAA Federal Pell Grant Program Self Study Guide 2024-25
- The FAFSA® Pell Eligibility and SAI Guide- Version 4:
<https://fsapartners.ed.gov/sites/default/files/2024-01/20242025FAFSAPellEligibilityandSAIGuide.pdf>



Thank You for
Completing our
Survey



Need Analysis/Calculating SAI