

Alumni Blog- October 2021

What You Need to Know About the '22/'23 FAFSA

Everyone's favorite form is now available to fill out! The Free Application for Federal Student Aid (FAFSA) opened up on October 1st.

Filling out the FAFSA is required for students who wish to be considered for federal financial aid and is used by colleges and states to determine eligibility for grants and scholarships. This is something you will need to fill out **every year** that you are in school. You should **always** fill out the FAFSA even if you know you won't be eligible for any state or federal aid. It still leaves room for the school to give you need based aid.

Is there anything different about the FAFSA this year?

While questions on application aren't changing for '22-'23 school year, there are going to be two questions that will no longer disqualify certain students to receive financial aid. In the past, students who received a drug conviction while they were also receiving financial aid have been disqualified for future financial aid. And male students 18 or older who indicate on the FAFSA that they have not registered for the draft have also been disqualified from receiving financial aid.

These two questions will still be on the application, but having a drug conviction and not registering for the draft will no longer impact students' ability to receive federal financial aid.

There are a few other small tweaks, including a website update and the ability for users to indicate whether they're a student, parent or preparer (someone who is helping the student with the FAFSA), prior to beginning the application.

In addition to using skip logic- which shows only questions that relate specifically to the applicant- more help texts are available throughout the form, especially around tax information. Screenshots of a tax form are provided to highlight the areas in which information should be pulled from for each question. (How helpful right?!)

How will Covid-19 affect students' application?

Though the application itself didn't change as a result of the pandemic, individuals' income or employment may have. Since the 2022-2023 FAFSA relies on information from 2020 tax returns, a student can inform their college financial aid department directly about changes to his or her financial situation. Colleges will then use professional judgement on a case by case basis to determine adjustments that may need to be made.

Be prepared to verify this change in income. If job loss is the reason for out-of-date information, students or families must provide documentation such as a separation letter, and employer statement or unemployment stub.

There are some college admissions counselors who are concerned on how pandemic related changes to income and employment will impact future student aid packages.

"If parents returned to jobs (in 2021), had greater income or typical income, some students may find their need-based financial aid packages significantly smaller (next year) and it may mean some challenging decisions about their college tuition, " stated Katie Burns, a college admissions counselor at Ivy-Wise. "While you can never predict the future, I do strongly recommend students and families plan ahead for what the four years of college and financial aid may look like."

Individuals or families should NOT claim stimulus checks or federal Covid related grants on the FAFSA as untaxed or taxable income. The total amount of funds in an individual's bank account at the time of completing the form, however, should be reported.

This year, filling out the FAFSA may be a bit tricky for some who received Covid-19 unemployment benefits under the CARES Act.

Some families who received the increased employment benefits may have earned higher income in 2020 and 2021 compared to past years. The unemployment compensation exclusion (UCE) also allowed for a tax break of up to \$10,200 for those people who were collecting unemployment.

Tax filing season began in February 2021, before the provision was passed, so those who filed their taxes earlier couldn't initially claim the tax break. The IRS did make an adjustment for filers when sending out refund checks.

But this presents a problem for those early filers who are now filling out the FAFSA form. Without the UCE tax credit stated on the form, they have essentially overstated their income and as a result, it could lower the amount of student aid those families can receive.

If your family did file early and you think that this may be a problem for you, reach out to your Upward Bound Education Specialist. We will work with you to figure out your appropriate adjusted gross income on the FAFSA.

What if I want to fill out the FAFSA on my own this year?

Upward Bound Ed. Specialists are always ready and available to help any current high school senior or any of our alumni with their FAFSA. You will need to be sure to bring the following items to your Specialist in order for them to help you complete the application.

<u>PARENT</u>	<u>STUDENT</u>
<ul style="list-style-type: none">○ Social Security #○ Birthdate○ Valid E-mail Address○ FAFSA FSA ID○ Prior Prior Year Tax Returns (for example- if will be going to college Fall 2021 you will need 2019 tax info. If going to college in Fall 2022 you will need 2020 tax info.)○ If your parents don't file taxes they will need income information for the tax year.	<ul style="list-style-type: none">○ Social Security #○ Birthdate○ Valid E-mail Address○ FAFSA FSA ID○ Prior Prior Year Tax Returns (for example- if will be going to college Fall 2021 you will need 2019 tax info. If going to college in Fall 2022 you will need 2020 tax info.)○ Driver's License

You can find the FAFSA checklist and a guide to the FAFSA under our **"Student Resources"** tab on the website.

In the event that you would prefer to fill it out on your own, here is a small "how to" rundown.

To begin, students and parents should go to fafsa.gov to register, log in or print out a paper copy of the application. Families will need to first enter biographical information about the student, including their full name, permanent mailing address, birth date, social security number, driver's license number, email address, citizenship, alien registration number (if applicable) and marital status.

Students will also have to indicate whether they're registered for the Selective Service (if male) and whether they've ever received a drug conviction (*but remember that the answers to these questions will no longer impact your eligibility for aid*).

Students will also enter information about the high school they attended and the college degree they are seeking.

The next section relates to the student's tax filing status and will include questions about the income tax return that was filed for 2020, tax filing status, and adjusted gross income for the student and their spouse (if applicable). There will also be questions related to child support, education tax credits, any scholarships obtained and other programs or federal income you may have received.

The third section includes questions to determine whether the student's parents need to share their income and tax info in order to qualify for federal aid. Generally, students who are dependents will need to report information about their parents' income and tax returns on the FAFSA application.

Once it's determined whether the parent's information is needed, parents will input their own biographical information and answer questions related to their adjusted gross income, wages, taxable income and assets.

The following section is meant only for students who are not dependents and asks for information on their household. And for the final two sections, students fill in the names of the colleges they wish to receive financial aid for.

All that's left is for the student and parents to sign and date the form and submit it.

Why should I go ahead and fill out the FAFSA now?

Many university-based scholarships and state grants are only available on a first-come, first-serve basis. If you wait too long to fill out the FAFSA, that money could be long gone. Also, the sooner you fill it out your college can tell you how much financial aid you qualify for.

If I need help filling out the FAFSA who can I contact?

Upward Bound Education Specialist are ready and available to help all of our current high school seniors and alumni students. Their contact information is listed on our website under **"Our Team"** tab.

Talk to your Ed. Specialist about potentially attending the following FAFSA Frenzy Nights. These will be wonderful times to come fill out your FAFSA after your classes or work!

Cherokee High School- October 27th

Coalfield School- November 1st

Sunbright School- November 3rd

Scott High School- October 16th

Don't wait until June to fill out the FAFSA! Contact your Ed. Specialist today to set up an appointment. They would love to catch up with you anyway!