
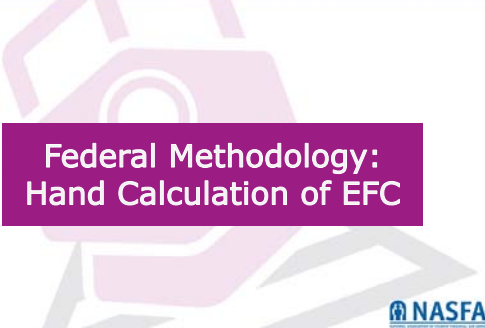




Federal Methodology: Hand Calculation of EFC



The following is a presentation prepared for:
RIASFAA 2013 October Conference
Providence, RI
October 23, 2013




**Federal Methodology:
Hand Calculation of EFC**

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Rhode Island College

Today's Agenda and Goals

- Describe the different Federal Methodology (FM) Models and when each should be used
- Explain each of the three expected family contribution (EFC) formulas
- Complete an EFC hand calculation

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Federal Methodology: Hand Calculation of EFC

What is Need Analysis?

A system used to allocate limited financial aid resources, consisting of two components:

- A measure of the amount it will cost a student to attend a given school for a year, or the cost of attendance (COA)
- A measure of the family's ability to contribute to those costs for a given year, or the expected family contribution (EFC)



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Federal Methodology

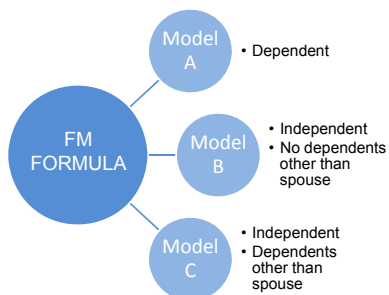
- Method for assessing ability to pay consists of two steps:
 - Measuring the family's financial strength
 - Assessing a of family's ability to contribute toward educational costs
- This assessment is made by placing the student into one of three classifications or models.



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Federal Methodology Models



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Federal Methodology: Hand Calculation of EFC

Federal Methodology Models

FM Formulas		
Automatic Zero EFC • Model A • Model C	Regular • All Models	Simplified • All Models

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Automatic Zero EFC

Who Qualifies for Automatic Zero EFC?		
Model A – EFC automatically set to zero if parents meet certain federal tax filing and income criteria	Model B – Automatic Zero EFC is not applicable	Model C – EFC automatically set to zero if student (and spouse, if married) meets certain federal tax filing and income criteria

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Automatic Zero EFC: Model A - First Criterion

Parents	<ul style="list-style-type: none"> Filed or were eligible to file 2012 Form 1040A or 1040EZ; Filed 2012 Form 1040 but were not required to do so; Were not required to file any tax return; or Filed income tax return required by tax code for Puerto Rico, Guam, American Samoa, the U. S. Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau
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Federal Methodology: Hand Calculation of EFC

Automatic Zero EFC: Model A - First Criterion

Anyone in Parents' Household {

- Received benefits during 2011 or 2012 under:
 - Supplemental Security Income (SSI);
 - Free and Reduced Price School Lunch;
 - Temporary Assistance for Needy Families (TANF);
 - Supplemental Nutrition Assistance Program (SNAP);
 - or
 - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

OR

Parent {

- Either parent is a dislocated worker

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Automatic Zero EFC: Model A - Second Criterion

Parents' {

- 2012 Adjusted Gross Income (AGI) Income (AGI) ≤ \$24,000 if tax filers; or
- 2012 total earned income ≤ \$24,000 if nonfilers

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Automatic Zero EFC: Model C - First Criterion

Student (and Spouse) {

- Filed or were eligible to file 2012 Form 1040A or 1040EZ;
- Filed 2012 Form 1040 but were not required to do so;
- Were not required to file any tax return; or
- Filed income tax return required by tax code for Puerto Rico, Guam, American Samoa, the U. S. Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau

OR

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Federal Methodology: Hand Calculation of EFC

Automatic Zero EFC: Model C - First Criterion

Anyone in Student's Household {

- Received benefits during 2011 or 2012 under:
 - Supplemental Security Income (SSI);
 - Free and Reduced Price School Lunch;
 - Temporary Assistance for Needy Families;
 - Supplemental Nutrition Assistance Program (SNAP);
 - or
 - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

OR

Student (or spouse) {

- Is a dislocated worker

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Automatic Zero EFC: Model C - Second Criterion

Student (and spouse) {

- 2012 Adjusted Gross Income (AGI) Income (AGI) ≤ \$24,000 if tax filers; or
- 2012 total earned income ≤ \$24,000 if nonfilers

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Regular Formula

- Full Data Element Formula
- Specified-year income is used (i.e. 2012 for 2013–14)
- Allowances protect portions of income and assets
- Equal distribution of available resources among those attending postsecondary school at last half-time (except parents of dependent students)

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Federal Methodology: Hand Calculation of EFC

Regular Formula: Model A

Parent's contribution
 + Student contribution from available income
 + Student contribution from assets

 = Expected Family Contribution (9 month)



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Income Allowances Used When Calculating EFC

U.S. income taxes paid

State and other taxes

Social Security tax

Income protection allowance

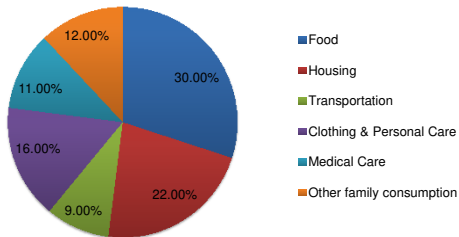
Employment expense allowance



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Income Protection Allowance



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Federal Methodology: Hand Calculation of EFC


Regular Formula: Model B

+ Student's contribution from available income (AI)
 + Student's contribution from assets

= Contribution from AI and assets

Contribution from AI and assets


 Number in college = EFC (9 month)

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Regular Formula: Model C

Calculation of the EFC of an independent student with dependent(s) other than a spouse is identical to calculation of the parents' contribution for a dependent student, except for:

- Table values used to calculate state and local tax allowance and income protection allowance
- Asset conversion rate


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Simplified Formula

Excludes assets from EFC calculation

Two qualifying criteria

If assets reported on FAFSA, two EFC calculations:
 Primary EFC from simplified formula
 Secondary EFC from regular formula

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Federal Methodology: Hand Calculation of EFC

Simplified Formula: Model A - First Criterion

Parents {

- Filed or were eligible to file 2012 Form 1040A or 1040EZ;
- Filed 2012 Form 1040 but were not required to do so;
- Were not required to file any tax return; or
- Filed income tax return required by tax code for Puerto Rico, Guam, American Samoa, the U. S. Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau

OR

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Simplified Formula: Model A - First Criterion

Anyone in Parents' Household {

- Received benefits during 2011 or 2012 under:
 - Supplemental Security Income (SSI);
 - Free and Reduced Price School Lunch;
 - Temporary Assistance for Needy Families;
 - Supplemental Nutrition Assistance Program (SNAP);
 - or
 - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

OR

Parent {

- Either parent is a dislocated worker

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Simplified Formula: Model A – Second Criterion

Parents' {

- 2012 Adjusted Gross Income (AGI) Income (AGI) ≤ \$49,999 if tax filers; or
- 2012 total earned income ≤ \$49,999 if nonfilers

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Federal Methodology: Hand Calculation of EFC

Simplified Formula: Models B & C –
First Criterion

**Student
(and Spouse)** {

- Filed or were eligible to file 2012 Form 1040A or 1040EZ;
- Filed 2012 Form 1040 but were not required to do so;
- Were not required to file any tax return; or
- Filed income tax return required by tax code for Puerto Rico, Guam, American Samoa, the U. S. Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau

OR

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Simplified Formula: Models B & C –
First Criterion

**Anyone in
Student's
Household** {


Received benefits during 2011 or 2012 under:

- Supplemental Security Income (SSI);
- Free and Reduced Price School Lunch;
- Temporary Assistance for Needy Families;
- Supplemental Nutrition Assistance Program (SNAP);
- or
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

OR

**Student
(or Spouse)** {


Is a dislocated worker

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Simplified Formula: Models B & C –
Second Criterion

**Student
(and Spouse)** {

- 2012 Adjusted Gross Income (AGI) Income (AGI) ≤ \$49,999 if tax filers; or
- 2012 total earned income ≤ \$49,999 if nonfilers

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Federal Methodology: Hand Calculation of EFC

EFC Calculation Case Study

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EFC Calculation Case Study

To complete the case study you will use the following pieces of the handout:

- The case study description (page 49)
- The blank 2013–14 EFC Formula A, Regular Worksheet (pages 21-22)
- Tables A1 through A6 (pages 29-32)

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EFC Recalculation for Other than Nine Months

- EFC must be adjusted for enrollment period other than nine months for all Title IV programs other than Federal Pell Grant and Iraq and Afghanistan Service Grant (IASG) programs
- An enrollment period between 8 ½ months and 9 ½ months considered a 9-month enrollment period

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Federal Methodology: Hand Calculation of EFC

Federal Methodology Information Resources

- The Higher Education Act of 1965, as amended, Part F – Need Analysis
- 2013–14 *FSA Handbook*, Application and Verification Guide (AVG), Chapters 2 and 3
- *EFC Formula Guide, 2013–14*
- *The ISIR Guide, 2013–14*
- 2013–14 *Free Application for Federal Student Aid*



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Questions?
Please send your questions to:
welshe@nasfaa.org

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Overview of 2013–14 Federal Methodology Formulas

DEPENDENT	INDEPENDENT WITHOUT DEPENDENTS OTHER THAN A SPOUSE	INDEPENDENT WITH DEPENDENTS OTHER THAN A SPOUSE
Model A – Automatic Zero EFC	Model B – Automatic Zero EFC	Model C – Automatic Zero EFC
Expected Family Contribution (EFC) automatically set to zero if student’s parents meet certain income and federal tax filing criteria.	Automatic Zero EFC is not applicable.	EFC automatically set to zero if student (and spouse, if married) meets certain income and federal tax filing criteria.
Model A – Simplified Formula	Model B – Simplified Formula	Model C – Simplified Formula
EFC calculation excludes student’s and parents’ assets.	EFC calculation excludes student’s and, if married, spouse’s assets.	EFC calculation excludes student’s and, if married, spouse’s assets.
Model A – Regular Formula	Model B – Regular Formula	Model C – Regular Formula
EFC calculated using student’s and parents’ income and asset information.	EFC calculated using student’s and, if married, spouse’s income and asset information.	EFC calculated using student’s and, if married, spouse’s income and asset information.
Expected Family Contribution (EFC) Parents’ contribution + Student’s contribution from available income + Student’s contribution from assets	Expected Family Contribution (EFC) (Contribution from available income + Contribution from assets) + Number in college	Expected Family Contribution (EFC) (Total contribution from adjusted available income) + Number in college
Student’s Contribution from Available Income (Total income – Total allowances) x .50	Contribution from Available Income (Total income – Total allowances) x .50	Total Contribution from Adjusted Available Income Application of Table C6 to (Available income + Contribution from assets) Adjusted Available Income (Total income – Total allowances) + Contribution from Assets
Total Income (Student) Taxable income + Untaxed income and benefits – Total additional financial information (excluded income)	Total Income Taxable income + Untaxed income and benefits – Total additional financial information (excluded income)	Total Income Taxable income + Untaxed income and benefits – Total additional financial information (excluded income)

DEPENDENT	INDEPENDENT WITHOUT DEPENDENTS OTHER THAN A SPOUSE	INDEPENDENT WITH DEPENDENTS OTHER THAN A SPOUSE
Model A – Regular Formula	Model B – Regular Formula	Model C – Regular Formula
Total Allowances (Student) U.S. income tax paid + State and other tax allowance + Social Security tax allowance + Income protection allowance + Allowance for parents' negative adjusted available income	Total Allowances U.S. income tax paid + State and other tax allowance + Student's Social Security tax + Spouse's Social Security tax + Income protection allowance + Employment expense allowance	Total Allowances U.S. income tax paid + State and other tax allowance + Student's Social Security tax + Spouse's Social Security tax + Income protection allowance + Employment expense allowance
Student's Contribution from Assets Net worth x .20	Contribution from Assets Discretionary net worth x .20	Contribution from Assets Discretionary net worth x .07
Net Worth (Student) Cash, savings, and checking + Net worth of investments + Net worth of business and/or farm	Discretionary Net Worth Cash, savings, and checking + Net worth of investments + Adjusted net worth of business and/or farm – Asset protection allowance	Discretionary Net Worth Cash, savings, and checking + Net worth of investments + Adjusted net worth of business and/or farm – Asset protection allowance
Parents' Contribution Total parents' contribution from adjusted available income ÷ Number in college	Parents' Contribution—Not applicable	Parents' Contribution—Not applicable
Available Income (Parents) Total income – Total allowances		
Adjusted Available Income (Parents) Available income + Contribution from assets		
Total Contribution from Adjusted Available Income (Parents) Application of Table A6 to (Available income + Contribution from assets)		



DEPENDENT	INDEPENDENT WITHOUT DEPENDENTS OTHER THAN A SPOUSE	INDEPENDENT WITH DEPENDENTS OTHER THAN A SPOUSE
Model A – Regular Formula	Model B – Regular Formula	Model C – Regular Formula
<p>Total Income (Parents) Taxable income + Untaxed income and benefits – Total additional financial information <i>(excluded income)</i></p>		
<p>Total Allowances (Parents) U.S. income tax paid + State and other tax allowance + Father’s Social Security tax allowance + Mother’s Social Security tax allowance + Income protection allowance + Employment expense allowance</p>		
<p>Contribution From Assets (Parents) Discretionary net worth x .12</p>		
<p>Discretionary Net Worth (Parents) Cash, savings, and checking + Net worth of investments + Adjusted net worth of business and/or farm – Education savings and asset protection allowance</p>		

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Definitions

The following definitions are used to determine whether a student meets the criteria for use of the Automatic Zero EFC or Simplified Formula.

Dislocated worker: A person who:

- Meets all of the following:
 - Was terminated or laid off from employment or received a notice of termination or layoff;
 - Is eligible for or has exhausted his or her unemployment compensation, or he or she is not eligible because, even though he or she has been employed long enough to demonstrate attachment to the workforce, he or she had insufficient earnings or performed services for an employer that were not covered under a state's unemployment compensation law; and
 - Is unlikely to return to a previous occupation;
- Was terminated or laid off from employment or received a notice of termination or layoff as a result of any permanent closure of, or any substantial layoff at, a plant, facility, or enterprise;
- Is employed at a facility at which the employer made a general announcement that it will close within 180 days;
- Was self-employed but is now unemployed due to economic conditions or natural disaster; or
- Is a displaced homemaker.

Displaced homemaker: A person who:

- Previously provided unpaid services to the family (e.g., a stay-at-home parent);
- Is no longer supported by another family member's income; and
- Is unemployed or underemployed, and is having trouble finding or upgrading employment.

Underemployed: A person is underemployed if he or she is working:

- Part time, but wants to work full time; or
- Below the demonstrated level of his or her education or job skills.

The following definitions apply to the terms used in regular and simplified formulas to calculate the EFC.

Untaxed income: Amounts and types of untaxed income and benefits collected on the 2013–14 FAFSA in question 44 for the student and in question 92 for the dependent student's parent(s).

Additional financial information: Types of funds or tax credits collected on the 2013–14 FAFSA in question 43 for the student and in question 91 for the dependent student's parent(s) that are excluded from income when calculating the student's EFC include:

- Education credits;
- Child support paid;
- Taxable earnings from need-based employment programs (e.g., Federal Work-Study and need-based employment portions of fellowships and assistantships);
- Taxable student grant and scholarship aid (including AmeriCorps awards, living allowances, and interest accrual payments) reported to the Internal Revenue Service (IRS) in the filer's adjusted gross income;
- Taxable portion of combat or special combat pay; and
- Earnings from a cooperative education program.



Income protection allowance (IPA): An annually updated allowance [based on family size and number in college (excluding parents if a dependent student)] for basic living expenses necessary to maintain the family, including food, housing, transportation, clothing, personal care, and medical care; a benchmark based on an income level below which the household is assumed to have no discretionary income.

Employment allowance: An allowance that recognizes extra expenses (e.g., housekeeping services, meals away from home, clothing and upkeep, and transportation) a family incurs when:

- Both parents of a dependent student are employed;
- The single parent of a dependent student is employed; or
- An independent student and his or her spouse are employed.

Education savings and asset protection allowance: For the parents of a dependent student, an allowance that protects a portion of the parents' assets for retirement and emergencies, and to encourage saving for postsecondary education.

Asset protection allowance: For an independent student, an allowance that protects a portion of the student's (and spouse's) assets for retirement and emergencies.



WORKSHEETS AND TABLES

Dependent Student

EFC Formula Worksheet A	pages 21-24
Simplified EFC Formula Worksheet A.....	pages 25-28
Tables A1 through A7.....	pages 29-32

(use Tables A1 through A7 with EFC Formula Worksheet A)

Independent Student Without Dependents Other than a Spouse

EFC Formula Worksheet B	pages 33-34
Simplified EFC Formula Worksheet B.....	pages 35-36
Tables B1 through B4.....	pages 37-39

(use Tables B1 through B4 with EFC Formula Worksheet B)

Independent Student With Dependents Other than a Spouse

EFC Formula Worksheet C	pages 41-42
Simplified EFC Formula Worksheet C.....	pages 43-44
Tables C1 through C6.....	pages 45-47

(use Tables C1 through C6 with EFC Formula Worksheet C)

Note: Do not complete the shaded areas in the simplified worksheets; asset information is not required in the simplified formulas.

This handout contains pages excerpted from *The EFC Formula, 2013-14*, a U.S. Department of Education publication. You may access the publication in its entirety at the Information for Financial Aid Professionals (IFAP) website at <http://ifap.ed.gov/ifap/index.jsp>.

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2013-2014 EFC FORMULA A : DEPENDENT STUDENT

REGULAR
WORKSHEET
Page 1

A

PARENTS' INCOME IN 2012	
1. Parents' Adjusted Gross Income (FAFSA/SAR #83) If negative, enter zero.	
2. a. Father's/stepfather's income earned from work (FAFSA/SAR #86)	
2. b. Mother's/stepmother's income earned from work (FAFSA/SAR #87)	+
Total parents' income earned from work	=
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Total untaxed income and benefits: (Total of FAFSA/SAR #92.a. through 92.i.)	+
5. Taxable and untaxed income (sum of line 3 and line 4)	=
6. Total additional financial information (Total of FAFSA/SAR #91.a. through 91.f.)	-
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	=

ALLOWANCES AGAINST PARENTS' INCOME	
8. 2012 U.S. income tax paid (FAFSA/SAR #84) (tax filers only) If negative, enter zero.	
9. State and other tax allowance (Table A1) If negative, enter zero.	+
10. Father's/stepfather's Social Security tax allowance (Table A2)	+
11. Mother's/stepmother's Social Security tax allowance (Table A2)	+
12. Income protection allowance (Table A3)	+
13. Employment expense allowance: • Two working parents: 35% of the lesser of the earned incomes, or \$3,900, whichever is less • One-parent families: 35% of earned income, or \$3,900, whichever is less • Two-parent families, one working parent: enter zero	+
14. TOTAL ALLOWANCES	=

*STOP HERE if the following are true:

Line 3 is \$24,000 or less **and**

- The parents are eligible to file a 2012 IRS Form 1040A or 1040EZ (they are not required to file a 2012 Form 1040) or they are not required to file any income tax return **or**
- Anyone included in the parents' household size (as defined on the FAFSA) received benefits during 2011 or 2012 from any of the designated means-tested Federal benefit programs **or**
- Either one of the parents is a dislocated worker

If these circumstances are true, the Expected Family Contribution is automatically zero.

AVAILABLE INCOME	
Total income (from line 7)	
Total allowances (from line 14)	-
15. AVAILABLE INCOME (AI) May be a negative number.	=

PARENTS' CONTRIBUTION FROM ASSETS	
16. Cash, savings & checking (FAFSA/SAR #88)	
17. Net worth of investments** (FAFSA/SAR #89) If negative, enter zero.	
18. Net worth of business and/or investment farm (FAFSA/SAR #90) If negative, enter zero.	
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.	=

PARENTS' CONTRIBUTION	
AVAILABLE INCOME (AI) (from line 15)	
CONTRIBUTION FROM ASSETS (from line 24)	+
25. Adjusted Available Income (AAI) May be a negative number.	=
26. Total parents' contribution from AAI (Calculate using Table A6.) If negative, enter zero.	
27. Number in college in 2013-2014 (Exclude parents) (FAFSA/SAR #73)	÷
28. PARENTS' CONTRIBUTION (standard contribution for nine-month enrollment)*** If negative, enter zero.	=

**Do not include the family's home.

***To calculate the parents' contribution for other than nine-month enrollment, see page 11.

continued on the next page

STUDENT'S INCOME IN 2012

29. Adjusted Gross Income (FAFSA/SAR #35) If negative, enter zero.		
30. Income earned from work (FAFSA/SAR #38)		
31. Taxable Income (If tax filer, enter the amount from line 29 above. If non-tax filer, enter the amount from line 30.)		
32. Total untaxed income and benefits (Total of FAFSA/SAR #44.a. through 44.j.)	+	
33. Taxable and untaxed income (sum of line 31 and line 32)	=	
34. Total additional financial information (Total of FAFSA/SAR #43.a. through 43.f.)	-	
35. TOTAL INCOME (line 33 minus line 34) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT INCOME

36. 2012 U.S. income tax paid (FAFSA/SAR #36) (tax filers only) If negative, enter zero.		
37. State and other tax allowance (Table A7) If negative, enter zero.	+	
38. Social Security tax allowance (Table A2)	+	
39. Income protection allowance	+	6,130
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	=	

STUDENT'S CONTRIBUTION FROM INCOME

Total income (from line 35)		
Total allowances (from line 41)	-	
42. Available income (AI)	=	
43. Assessment of AI	×	.50
44. STUDENT'S CONTRIBUTION FROM AI If negative, enter zero.	=	

STUDENT'S CONTRIBUTION FROM ASSETS

45. Cash, savings & checking (FAFSA/SAR #40)		
46. Net worth of investments* (FAFSA/SAR #41) If negative, enter zero.		
47. Net worth of business and/or investment farm (FAFSA/SAR #42) If negative, enter zero.	+	
48. Net worth (sum of lines 45 through 47)	=	
49. Assessment rate	×	.20
50. STUDENT'S CONTRIBUTION FROM ASSETS	=	

EXPECTED FAMILY CONTRIBUTION

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

*Do *not* include the student's home.

**To calculate the EFC for other than nine-month enrollment,
see the next page.

Note: Use this additional page to prorate the EFC only if the student will be enrolled for other than nine months and only to determine the student's need for campus-based aid, or a Federal Direct Subsidized Loan. Do not use this page to prorate the EFC for a Federal Pell Grant or TEACH Grant. The EFC for the Federal Pell Grant Program is the nine-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

Calculation of Parents' Contribution for a Student Enrolled LESS than Nine Months		
A1. Parents' contribution (standard contribution for nine-month enrollment, from line 28)		
A2. Divide by 9	÷	9
A3. Parents' contribution per month	=	
A4. Multiply by number of months of enrollment	×	
A5. Parents' contribution for LESS than nine-month enrollment	=	

Calculation of Parents' Contribution for a Student Enrolled MORE than Nine Months		
B1. Parents' Adjusted Available Income (AAI) (from line 25—may be a negative number)		
B2. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	4,730
B3. Alternate parents' AAI for more than nine-month enrollment (line B1 + line B2)	=	
B4. Total parents' contribution from alternate AAI (calculate using Table A6)		
B5. Number in college (FAFSA/SAR #73)	÷	
B6. Alternate parents' contribution for student (line B4 divided by line B5)	=	
B7. Standard parents' contribution for the student for nine-month enrollment (from line 28)	-	
B8. Difference (line B6 minus line B7)	=	
B9. Divide line B8 by 12 months	÷	12
B10. Parents' contribution per month	=	
B11. Number of months student will be enrolled that exceed 9	×	
B12. Adjustment to parents' contribution for months that exceed nine (multiply line B10 by line B11)	=	
B13. Standard parents' contribution for nine-month enrollment (from line 28)	+	
B14. Parents' contribution for MORE than nine-month enrollment	=	

Calculation of Student's Contribution from Available Income (AI) for a Student Enrolled LESS than Nine Months*		
C1. Student's contribution from AI (standard contribution for nine-month enrollment, from line 44)		
C2. Divide by 9	÷	9
C3. Student's contribution from AI per month	=	
C4. Multiply by number of months of enrollment	×	
C5. Student's contribution from AI for LESS than nine-month enrollment	=	

*For students enrolled more than nine months, the standard contribution from AI is used (the amount from line 44).

Use next page to calculate total EFC for enrollment periods other than nine months

Calculation of Total Expected Family Contribution for Periods of Enrollment Other than Nine Months

Parents' Contribution—use ONE appropriate amount from previous page: • Enter amount from line A5 for enrollment periods less than nine months OR • Enter amount from line B14 for enrollment periods greater than nine months		
Student's Contribution from Available Income—use ONE appropriate amount from previous page: • Enter amount from line C5 for enrollment periods less than nine months OR • Enter amount from line 44 for enrollment periods greater than nine months	+	
Student's Contribution from Assets • Enter amount from line 50	+	
Expected Family Contribution for periods of enrollment other than nine months	=	

2013-2014 EFC FORMULA **A** : DEPENDENT STUDENT

SIMPLIFIED
WORKSHEET
Page 1

A

PARENTS' INCOME IN 2012	
1. Parents' Adjusted Gross Income (FAFSA/SAR #83) If negative, enter zero.	
2. a. Father's/stepfather's income earned from work (FAFSA/SAR #86)	
2. b. Mother's/stepmother's income earned from work (FAFSA/SAR #87)	+
Total parents' income earned from work	=
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Total untaxed income and benefits (sum total of FAFSA/SAR #92.a. through 92.i.)	+
5. Taxable and untaxed income (sum of line 3 and line 4)	=
6. Total additional financial information (sum total of FAFSA/SAR #91.a. through 91.f.)	-
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	=

ALLOWANCES AGAINST PARENTS' INCOME	
8. 2012 U.S. income tax paid (FAFSA/SAR #84) (tax filers only) If negative, enter zero.	
9. State and other tax allowance (Table A1) If negative, enter zero.	+
10. Father's/stepfather's Social Security tax allowance (Table A2)	+
11. Mother's/stepmother's 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: 35% of the lesser of the earned incomes, or \$3,900, whichever is less • One-parent families: 35% of earned income, or \$3,900, whichever is less • Two-parent families, one working parent: enter zero 	+
14. TOTAL ALLOWANCES	=

*STOP HERE if the following are true:

Line 3 is \$24,000 or less **and**

- The parents are eligible to file a 2012 IRS Form 1040A or 1040EZ (they are not required to file a 2012 Form 1040) or they are not required to file any income tax return **or**
- Anyone included in the parents' household size (as defined on the FAFSA) received benefits during 2011 or 2012 from any of the designated means-tested Federal benefit programs **or**
- Either one of the parents is a dislocated worker

If these circumstances are true, the Expected Family Contribution is automatically zero.

AVAILABLE INCOME	
TOTAL INCOME (from line 7)	
TOTAL ALLOWANCES (from line 14)	-
15. AVAILABLE INCOME (AI) May be a negative number.	=

PARENTS' CONTRIBUTION FROM ASSETS	
16. Cash, savings & checking (FAFSA/SAR #88)	
17. Net worth of investments** (FAFSA/SAR #89) If negative, enter zero.	
18. Net worth of business and/or investment farm (FAFSA/SAR #90) If negative, enter zero.	
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	×
24. CONTRIBUTION FROM ASSETS If negative, enter zero.	=

PARENTS' CONTRIBUTION	
AVAILABLE INCOME (AI) (from line 15)	
CONTRIBUTION FROM ASSETS (from line 24)	+
25. Adjusted Available Income (AAI) May be a negative number.	=
26. Total parents' contribution from AAI (Calculate using Table A6.) If negative, enter zero.	
27. Number in college in 2013-2014 (Exclude parents) (FAFSA/SAR #73)	÷
28. PARENTS' CONTRIBUTION (standard contribution for nine-month enrollment)*** If negative, enter zero.	=

**Do not include the family's home.

***To calculate the parents' contribution for other than nine-month enrollment, see page 15.

Note: Do not complete the shaded areas; asset information is not required in the simplified formula.

continued on the next page

STUDENT'S INCOME IN 2012

29. Adjusted Gross Income (FAFSA/SAR #35) If negative, enter zero.		
30. Income earned from work (FAFSA/SAR #38)		
31. Taxable Income (If tax filer, enter the amount from line 29 above. If non-tax filer, enter the amount from line 30.)		
32. Total untaxed income and benefits (Total of FAFSA/SAR #44.a. through 44.j.)	+	
33. Taxable and untaxed income (sum of line 31 and line 32)	=	
34. Total additional financial information (Total of FAFSA/SAR #43.a. through 43.f.)	-	
35. TOTAL INCOME (line 33 minus line 34) May be a negative number.	=	

ALLOWANCES AGAINST STUDENT INCOME

36. 2012 U.S. income tax paid (FAFSA/SAR #36) (tax filers only) If negative, enter zero.		
37. State and other tax allowance (Table A7) If negative, enter zero.	+	
38. Social Security tax allowance (Table A2)	+	
39. Income protection allowance	+	6,130
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	=	

STUDENT'S CONTRIBUTION FROM INCOME

Total income (from line 35)		
Total allowances (from line 41)	-	
42. Available income (AI)	=	
43. Assessment of AI	×	.50
44. STUDENT'S CONTRIBUTION FROM AI If negative, enter zero.	=	

STUDENT'S CONTRIBUTION FROM ASSETS

45. Cash, savings & checking (FAFSA/SAR #40)	+	
46. Net worth of investments* (FAFSA/SAR #41) If negative, enter zero.		
47. Net worth of business and/or investment farm (FAFSA/SAR #42) If negative, enter zero.	+	
48. Net worth (sum of lines 45 through 47)	=	
49. Assessment rate	×	
50. STUDENT'S CONTRIBUTION FROM ASSETS	=	

EXPECTED FAMILY CONTRIBUTION

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

*Do not include the student's home.

**To calculate the EFC for other than nine-month enrollment, see the next page.

Note: Do not complete the shaded areas; asset information is not required in the simplified formula.

Note: Use this additional page to prorate the EFC only if the student will be enrolled for other than nine months and only to determine the student's need for campus-based aid, or a Federal Direct Subsidized Loan. Do not use this page to prorate the EFC for a Federal Pell Grant or TEACH Grant. The EFC for the Federal Pell Grant Program is the nine-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

Calculation of Parents' Contribution for a Student Enrolled LESS than Nine Months		
A1. Parents' contribution (standard contribution for nine-month enrollment, from line 28)		
A2. Divide by 9	÷	9
A3. Parents' contribution per month	=	
A4. Multiply by number of months of enrollment	×	
A5. Parents' contribution for LESS than nine-month enrollment	=	

Calculation of Parents' Contribution for a Student Enrolled MORE than Nine Months		
B1. Parents' Adjusted Available Income (AAI) (from line 25—may be a negative number)		
B2. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	4,730
B3. Alternate parents' AAI for more than nine-month enrollment (line B1 + line B2)	=	
B4. Total parents' contribution from alternate AAI (calculate using Table A6)		
B5. Number in college (FAFSA/SAR #73)	÷	
B6. Alternate parents' contribution for student (line B4 divided by line B5)	=	
B7. Standard parents' contribution for the student for nine-month enrollment (from line 28)	-	
B8. Difference (line B6 minus line B7)	=	
B9. Divide line B8 by 12 months	÷	12
B10. Parents' contribution per month	=	
B11. Number of months student will be enrolled that exceed 9	×	
B12. Adjustment to parents' contribution for months that exceed nine (multiply line B10 by line B11)	=	
B13. Standard parents' contribution for nine-month enrollment (from line 28)	+	
B14. Parents' contribution for MORE than nine-month enrollment	=	

Calculation of Student's Contribution from Available Income (AI) for a Student Enrolled LESS than Nine Months*		
C1. Student's contribution from AI (standard contribution for nine-month enrollment, from line 44)		
C2. Divide by 9	÷	9
C3. Student's contribution from AI per month	=	
C4. Multiply by number of months of enrollment	×	
C5. Student's contribution from AI for LESS than nine-month enrollment	=	

*For students enrolled more than nine months, the standard contribution from AI is used (the amount from line 44).

Use next page to calculate total EFC for enrollment periods other than nine months

Calculation of Total Expected Family Contribution for Periods of Enrollment Other than Nine Months

<p>Parents' Contribution—use ONE appropriate amount from previous page:</p> <ul style="list-style-type: none"> • Enter amount from line A5 for enrollment periods less than nine months OR • Enter amount from line B14 for enrollment periods greater than nine months 	
<p>Student's Contribution from Available Income—use ONE appropriate amount from previous page:</p> <ul style="list-style-type: none"> • Enter amount from line C5 for enrollment periods less than nine months OR • Enter amount from line 44 for enrollment periods greater than nine months 	+
<p>Expected Family Contribution for periods of enrollment other than nine months</p>	=

Table A1: State and Other Tax Allowance
for EFC Formula Worksheet A (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%	Missouri.....	5%	4%
Alaska.....	2%	1%	Montana.....	5%	4%
American Samoa.....	2%	1%	Nebraska.....	5%	4%
Arizona.....	4%	3%	Nevada.....	3%	2%
Arkansas.....	4%	3%	New Hampshire.....	5%	4%
California.....	8%	7%	New Jersey.....	9%	8%
Canada and Canadian Provinces.....	2%	1%	New Mexico.....	3%	2%
Colorado.....	5%	4%	New York.....	9%	8%
Connecticut.....	8%	7%	North Carolina.....	6%	5%
Delaware.....	5%	4%	North Dakota.....	3%	2%
District of Columbia.....	7%	6%	Northern Mariana Islands.....	2%	1%
Federated States of Micronesia.....	2%	1%	Ohio.....	6%	5%
Florida.....	3%	2%	Oklahoma.....	4%	3%
Georgia.....	6%	5%	Oregon.....	7%	6%
Guam.....	2%	1%	Palau.....	2%	1%
Hawaii.....	4%	3%	Pennsylvania.....	5%	4%
Idaho.....	5%	4%	Puerto Rico.....	2%	1%
Illinois.....	5%	4%	Rhode Island.....	7%	6%
Indiana.....	4%	3%	South Carolina.....	5%	4%
Iowa.....	5%	4%	South Dakota.....	2%	1%
Kansas.....	5%	4%	Tennessee.....	2%	1%
Kentucky.....	5%	4%	Texas.....	3%	2%
Louisiana.....	3%	2%	Utah.....	5%	4%
Maine.....	6%	5%	Vermont.....	6%	5%
Marshall Islands.....	2%	1%	Virgin Islands.....	2%	1%
Maryland.....	8%	7%	Virginia.....	6%	5%
Massachusetts.....	7%	6%	Washington.....	4%	3%
Mexico.....	2%	1%	West Virginia.....	3%	2%
Michigan.....	5%	4%	Wisconsin.....	7%	6%
Minnesota.....	6%	5%	Wyoming.....	2%	1%
Mississippi.....	3%	2%	Blank or Invalid State.....	2%	1%
			OTHER.....	2%	1%

Multiply Parents' Total Income (EFC Formula Worksheet A, line 7) by the appropriate rate from the table above to get the "State and Other Tax Allowance" (EFC Formula Worksheet A, line 9). Use the parents' State of Legal Residence (FAFSA/SAR #69). 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.

Table A2: Social Security Tax

Calculate separately the Social Security tax of father, mother, and student.

Income Earned from Work*	Social Security Tax
\$0 - \$110,100	7.65% of income
\$110,101 or greater	\$8,422.65 + 1.45% of amount over \$110,100

*Father's/stepfather's 2012 income earned from work is FAFSA/SAR #86.
 Mother's/stepmother's 2012 income earned from work is FAFSA/SAR #87.
 Student's 2012 income earned from work is FAFSA/SAR #38.
 Social Security tax will never be less than zero.

Table A3: Income Protection Allowance

Number in parents' household, including student (FAFSA/SAR #72)	Number of college students in household (FAFSA/SAR #73)				
	1	2	3	4	5
2	\$17,100	\$14,170	—————	—————	—————
3	21,290	18,380	\$15,450	—————	—————
4	26,290	23,370	20,460	\$17,530	—————
5	31,020	28,100	25,190	22,260	\$19,350
6	36,290	33,360	30,450	27,530	24,620

Note: For each additional family member, add \$4,100.
 For each additional college student (except parents), subtract \$2,910.

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

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than \$1	\$0
\$1 to \$120,000	40% of net worth of business/farm
\$120,001 to \$365,000	\$ 48,000 + 50% of net worth over \$120,000
\$365,001 to \$610,000	\$170,500 + 60% of net worth over \$365,000
\$610,001 or more	\$317,500 + 100% of net worth over \$610,000

Table A5: Education Savings and Asset Protection Allowance

for EFC Formula Worksheet A (parents only)

<i>Age of older parent as of 12/31/2013*</i>	Allowance if there are two parents	Allowance if there is only one parent	<i>Age of older parent as of 12/31/2013*</i>	Allowance if there are two parents	Allowance if there is only one parent
25 or less	\$0	\$0	45.....	\$36,200	\$10,600
26.....	2,100	600	46.....	37,100	10,800
27.....	4,300	1,300	47.....	38,000	11,100
28.....	6,400	1,900	48.....	39,000	11,300
29.....	8,600	2,500	49.....	39,900	11,600
30.....	10,700	3,200	50.....	40,900	11,900
31.....	12,800	3,800	51.....	42,100	12,200
32.....	15,000	4,400	52.....	43,100	12,500
33.....	17,100	5,100	53.....	44,200	12,800
34.....	19,300	5,700	54.....	45,500	13,100
35.....	21,400	6,300	55.....	46,800	13,400
36.....	23,500	7,000	56.....	47,900	13,700
37.....	25,700	7,600	57.....	49,300	14,100
38.....	27,800	8,200	58.....	50,800	14,400
39.....	30,000	8,900	59.....	52,200	14,800
40.....	32,100	9,500	60.....	53,500	15,100
41.....	32,900	9,700	61.....	55,000	15,600
42.....	33,700	9,900	62.....	56,900	16,000
43.....	34,500	10,100	63.....	58,500	16,400
44.....	35,400	10,300	64.....	60,100	16,900
			65 or over..	61,800	17,400

*Determine the age of the older parent listed in FAFSA/SAR #63 and #67 as of 12/31/2013.
If no parent date of birth is provided, use age 45.

Table A6: Parents' Contribution from AAI

If parents' AAI is—	The parents' contribution from AAI is—
Less than -\$3,409	-\$750
-\$3,409 to \$15,300	22% of AAI
\$15,301 to \$19,200	\$3,366 + 25% of AAI over \$15,300
\$19,201 to \$23,100	\$4,341 + 29% of AAI over \$19,200
\$23,101 to \$27,000	\$5,472 + 34% of AAI over \$23,100
\$27,001 to \$30,900	\$6,798 + 40% of AAI over \$27,000
\$30,901 or more	\$8,358 + 47% of AAI over \$30,900

Table A7: State and Other Tax Allowance

for EFC Formula Worksheet A (student only)

Alabama..... 2%	Missouri 3%
Alaska 0%	Montana 3%
American Samoa..... 2%	Nebraska 3%
Arizona 2%	Nevada 1%
Arkansas 3%	New Hampshire 1%
California 5%	New Jersey 4%
Canada and Canadian Provinces..... 2%	New Mexico..... 2%
Colorado 3%	New York 6%
Connecticut..... 5%	North Carolina 4%
Delaware..... 3%	North Dakota 1%
District of Columbia 5%	Northern Mariana Islands 2%
Federated States of Micronesia..... 2%	Ohio 3%
Florida..... 1%	Oklahoma..... 3%
Georgia..... 3%	Oregon 5%
Guam..... 2%	Palau 2%
Hawaii..... 3%	Pennsylvania 3%
Idaho 3%	Puerto Rico 2%
Illinois 2%	Rhode Island 4%
Indiana 3%	South Carolina 3%
Iowa 3%	South Dakota 1%
Kansas..... 3%	Tennessee 1%
Kentucky..... 4%	Texas 1%
Louisiana..... 2%	Utah..... 3%
Maine 4%	Vermont..... 3%
Marshall Islands..... 2%	Virgin Islands..... 2%
Maryland..... 6%	Virginia 4%
Massachusetts 4%	Washington 1%
Mexico 2%	West Virginia 2%
Michigan 3%	Wisconsin..... 4%
Minnesota 4%	Wyoming..... 1%
Mississippi 3%	Blank or Invalid State 2%
	OTHER..... 2%

Multiply the student's total income (EFC Formula Worksheet A, line 35) by the appropriate rate from the table above to get the "state and other tax allowance" (EFC Formula Worksheet A, line 37). Use the student's state of legal residence (FAFSA/SAR #18). If this item is blank or invalid, use the state in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the parents' state of legal residence (FAFSA/SAR #69). If all three items are blank or invalid, use the rate for a blank or invalid state above.

**2013-2014 EFC FORMULA B : INDEPENDENT STUDENT
Without Dependent(s) Other than a Spouse**

REGULAR
WORKSHEET
Page 1

B

STUDENT/SPOUSE INCOME IN 2012	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #35) If negative, enter zero.	
2. a. Student's income earned from work (FAFSA/SAR #38)	
2. b. Spouse's income earned from work (FAFSA/SAR #39)	
Total student/spouse income earned from work	=
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)	
4. Total untaxed income and benefits (sum total of FAFSA/SAR #44.a. through 44.j.)	+
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Total additional financial information (sum total of FAFSA/SAR #43.a. through 43.f.)	-
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	=

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2012 U.S. income tax paid (FAFSA/SAR #36) (tax filers only) If negative, enter zero.	
9. State and other tax allowance (Table B1) If negative, enter zero.	+
10. Student's Social Security tax (Table B2)	+
11. Spouse's Social Security tax (Table B2)	+
12. Income protection allowance: <ul style="list-style-type: none"> \$9,540 for single, separated or divorced/widowed student; \$9,540 for married student if spouse is enrolled at least 1/2 time; \$15,290 for married student if spouse is not enrolled at least 1/2 time. 	+
13. Employment expense allowance: <ul style="list-style-type: none"> If student is not married or is separated, the allowance is zero. If student is married but only one person is working (the student or spouse), the allowance is zero. If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes, or \$3,900, whichever is less. 	+
14. TOTAL ALLOWANCES	=

CONTRIBUTION FROM AVAILABLE INCOME	
TOTAL INCOME (from line 7)	
TOTAL ALLOWANCES (from line 14)	-
15. AVAILABLE INCOME (AI)	=
16. Assessment rate	× .50
17. CONTRIBUTION FROM AI May be a negative number.	=

STUDENT'S/SPOUSE'S CONTRIBUTION FROM ASSETS	
18. Cash, savings & checking (FAFSA/SAR #40)	
19. Net worth of investments* (FAFSA/SAR #41) If negative, enter zero.	
20. Net worth of business and/or investment farm (FAFSA/SAR #42) If negative, enter zero.	
21. Adjusted net worth of business/farm (Calculate using Table B3.)	+
22. Net worth (sum of lines 18, 19, and 21)	=
23. Asset protection allowance (Table B4)	-
24. Discretionary net worth (line 22 minus line 23)	=
25. Asset conversion rate	× .20
26. CONTRIBUTION FROM ASSETS If negative, enter zero.	=

EXPECTED FAMILY CONTRIBUTION	
CONTRIBUTION FROM AI (from line 17) May be a negative number.	
CONTRIBUTION FROM ASSETS (from line 26)	+
27. Contribution from AI and assets	=
28. Number in college in 2013-2014 (FAFSA/SAR #94)	÷
29. EXPECTED FAMILY CONTRIBUTION for nine month enrollment. If negative, enter zero.**	=

*Do not include the student's home.

**To calculate the EFC for less than nine-month enrollment, see the next page. If the student is enrolled for more than nine months, use the nine-month EFC (line 29 above).

Note: Use this additional page to prorate the EFC only if the student will be enrolled for other than nine months and only to determine the student's need for campus-based aid, or a Federal Direct Subsidized Loan. Do not use this page to prorate the EFC for a Federal Pell Grant or TEACH Grant. The EFC for the Federal Pell Grant Program is the nine-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

Calculation of Expected Family Contribution for a Student Enrolled for Less than Nine Months

Expected Family Contribution (standard contribution for nine-month enrollment, from line 29)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months of enrollment	×	
Expected Family Contribution for less than nine-month enrollment*	=	

*Substitute the student's EFC for less than nine-month enrollment in place of the EFC for the standard nine-month enrollment (EFC Formula Worksheet B, line 29).

2013-2014 EFC FORMULA **B** : INDEPENDENT STUDENT Without Dependent(s) Other than a Spouse

SIMPLIFIED
WORKSHEET
Page 1

B

STUDENT/SPOUSE INCOME IN 2012	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #35) If negative, enter zero.	
2. a. Student's income earned from work (FAFSA/SAR #38)	
2. b. Spouse's income earned from work (FAFSA/SAR #39)	+
Total student/spouse income earned from work	=
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)	
4. Total untaxed income and benefits (sum total of FAFSA/SAR #44.a. through 44.j.)	+
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Total additional financial information (sum total of FAFSA/SAR #43.a. through 43.f.)	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	=

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2012 U.S. income tax paid (FAFSA/SAR #36) (tax filers only) If negative, enter zero.	
9. State and other tax allowance (Table B1) If negative, enter zero.	+
10. Student's Social Security tax (Table B2)	+
11. Spouse's Social Security tax (Table B2)	+
12. Income protection allowance: <ul style="list-style-type: none"> • \$9,540 for single, separated or divorced/widowed student; • \$9,540 for married student if spouse is enrolled at least 1/2 time; • \$15,290 for married student if only the student is enrolled at least 1/2 time. 	+
13. Employment expense allowance: <ul style="list-style-type: none"> • If student is not married or is separated, the allowance is zero. • If student is married but only one person is working (the student or spouse), the allowance is zero. • If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes, or \$3,900, whichever is less. 	+
14. TOTAL ALLOWANCES	=

CONTRIBUTION FROM AVAILABLE INCOME	
TOTAL INCOME (from line 7)	
TOTAL ALLOWANCES (from line 14)	-
15. AVAILABLE INCOME (AI)	=
16. Assessment rate	× .50
17. CONTRIBUTION FROM AI May be a negative number.	=

STUDENT'S/SPOUSE'S CONTRIBUTION FROM ASSETS	
18. Cash, savings & checking (FAFSA/SAR #40)	
19. Net worth of investments* (FAFSA/SAR #41) If negative, enter zero.	
20. Net worth of business and/or investment farm (FAFSA/SAR #42) If negative, enter zero.	
21. Adjusted net worth of business/farm (Calculate using Table B3.)	+
22. Net worth (sum of lines 18, 19, and 21)	=
23. Asset protection allowance (Table B4)	-
24. Discretionary net worth (line 22 minus line 23)	=
25. Asset conversion rate	×
26. CONTRIBUTION FROM ASSETS If negative, enter zero.	=

EXPECTED FAMILY CONTRIBUTION	
CONTRIBUTION FROM AI (from line 17) May be a negative number.	
CONTRIBUTION FROM ASSETS (from line 26)	+
27. Contribution from AI and assets	=
28. Number in college in 2013-2014 (FAFSA/SAR #94)	÷
29. EXPECTED FAMILY CONTRIBUTION for nine-month enrollment. If negative, enter zero.**	=

*Do not include the student's home.

**To calculate the EFC for less than nine-month enrollment, see the next page. If the student is enrolled for more than nine months, use the nine-month EFC (line 29 above).

Note: Do not complete the shaded areas; asset information is not required in the simplified formula.

Note: Use this additional page to prorate the EFC only if the student will be enrolled for other than nine months and only to determine the student's need for campus-based aid, or a Federal Direct Subsidized Loan. Do not use this page to prorate the EFC for a Federal Pell Grant or TEACH Grant. The EFC for the Federal Pell Grant Program is the nine-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

Calculation of Expected Family Contribution for a Student Enrolled for Less than Nine Months		
Expected Family Contribution (standard contribution for nine-month enrollment, from line 29)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months of enrollment	×	
Expected Family Contribution for less than nine-month enrollment*	=	

*Substitute the student's EFC for less than nine-month enrollment in place of the EFC for the standard nine-month enrollment (EFC Formula Worksheet B, line 29.)

Table B1: State and Other Tax Allowance

Alabama.....	2%	Missouri.....	3%
Alaska.....	0%	Montana.....	3%
American Samoa.....	2%	Nebraska.....	3%
Arizona.....	2%	Nevada.....	1%
Arkansas.....	3%	New Hampshire.....	1%
California.....	5%	New Jersey.....	4%
Canada and Canadian Provinces.....	2%	New Mexico.....	2%
Colorado.....	3%	New York.....	6%
Connecticut.....	5%	North Carolina.....	4%
Delaware.....	3%	North Dakota.....	1%
District of Columbia.....	5%	Northern Mariana Islands.....	2%
Federated States of Micronesia.....	2%	Ohio.....	3%
Florida.....	1%	Oklahoma.....	3%
Georgia.....	3%	Oregon.....	5%
Guam.....	2%	Palau.....	2%
Hawaii.....	3%	Pennsylvania.....	3%
Idaho.....	3%	Puerto Rico.....	2%
Illinois.....	2%	Rhode Island.....	4%
Indiana.....	3%	South Carolina.....	3%
Iowa.....	3%	South Dakota.....	1%
Kansas.....	3%	Tennessee.....	1%
Kentucky.....	4%	Texas.....	1%
Louisiana.....	2%	Utah.....	3%
Maine.....	4%	Vermont.....	3%
Marshall Islands.....	2%	Virgin Islands.....	2%
Maryland.....	6%	Virginia.....	4%
Massachusetts.....	4%	Washington.....	1%
Mexico.....	2%	West Virginia.....	2%
Michigan.....	3%	Wisconsin.....	4%
Minnesota.....	4%	Wyoming.....	1%
Mississippi.....	3%	Blank or Invalid State.....	2%
		OTHER.....	2%

Multiply the total income of student and spouse (EFC Formula Worksheet B, line 7) by the appropriate rate from the table above to get the “state and other tax allowance” (EFC Formula Worksheet B, line 9). Use the student’s State of Legal Residence (FAFSA/SAR #18) reported on the FAFSA. If this item is blank or invalid, use the State in the Student’s Mailing Address (FAFSA/SAR #6). If both items are blank or invalid, use rate for blank or invalid state above.

Table B2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work*	Social Security Tax
\$0 - \$110,100	7.65% of income
\$110,101 or greater	\$8,422.65 + 1.45% of amount over \$110,100

*Student's 2012 income earned from work is FAFSA/SAR #38.
 Spouse's 2012 income earned from work is FAFSA/SAR #39.
 Social Security tax will never be less than zero.

Table B3: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than \$1	\$0
\$1 to \$120,000	40% of net worth of business/farm
\$120,001 to \$365,000	\$ 48,000 + 50% of net worth over \$120,000
\$365,001 to \$610,000	\$170,500 + 60% of net worth over \$365,000
\$610,001 or more	\$317,500 + 100% of net worth over \$610,000

Table B4: Asset Protection Allowance

<i>Age of student as of 12/31/2013*</i>	Allowance for—		<i>Age of student as of 12/31/2013*</i>	Allowance for—	
	Married Student	Unmarried Student		Married Student	Unmarried Student
25 or less	\$0	\$0	45.....	\$36,200	\$10,600
26.....	2,100	600	46.....	37,100	10,800
27.....	4,300	1,300	47.....	38,000	11,100
28.....	6,400	1,900	48.....	39,000	11,300
29.....	8,600	2,500	49.....	39,900	11,600
30.....	10,700	3,200	50.....	40,900	11,900
31.....	12,800	3,800	51.....	42,100	12,200
32.....	15,000	4,400	52.....	43,100	12,500
33.....	17,100	5,100	53.....	44,200	12,800
34.....	19,300	5,700	54.....	45,500	13,100
35.....	21,400	6,300	55.....	46,800	13,400
36.....	23,500	7,000	56.....	47,900	13,700
37.....	25,700	7,600	57.....	49,300	14,100
38.....	27,800	8,200	58.....	50,800	14,400
39.....	30,000	8,900	59.....	52,200	14,800
40.....	32,100	9,500	60.....	53,500	15,100
41.....	32,900	9,700	61.....	55,000	15,600
42.....	33,700	9,900	62.....	56,900	16,000
43.....	34,500	10,100	63.....	58,500	16,400
44.....	35,400	10,300	64.....	60,100	16,900
			65 or over ..	61,800	17,400

*Determine student's age as of 12/31/2013 from student's date of birth (FAFSA/SAR #9)

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2013-2014 EFC FORMULA **C**: INDEPENDENT STUDENT With Dependent(s) Other than a Spouse

REGULAR
WORKSHEET
Page 1



STUDENT/SPOUSE INCOME IN 2012	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #35) If negative, enter zero.	
2. a. Student's income earned from work (FAFSA/SAR #38)	_____
2. b. Spouse's income earned from work (FAFSA/SAR #39)	+ _____
Total student/spouse income earned from work	= _____
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)	
4. Total untaxed income and benefits (sum total of FAFSA/SAR #44.a. through 44.j.)	+ _____
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Total additional financial information (sum total of FAFSA/SAR #43.a. through 43.f.)	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	= _____

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2012 U.S. income tax paid (FAFSA/SAR #36) (tax filers only) If negative, enter zero.	
9. State and other tax allowance (Table C1) If negative, enter zero.	+ _____
10. Student's Social Security tax (Table C2)	+ _____
11. Spouse's Social Security tax (Table C2)	+ _____
12. Income protection allowance (Table C3)	+ _____
13. Employment expense allowance: <ul style="list-style-type: none"> • Student and spouse both working: 35% of the lesser of the earned incomes, or \$3,900, whichever is less • One-parent families: 35% of earned income, or \$3,900, whichever is less • Student or spouse working (not both): zero 	+ _____
14. TOTAL ALLOWANCES	= _____

*STOP HERE if the following are true:

Line 3 is \$24,000 or less **and**

- The student (and the student's spouse, if any) are eligible to file a 2012 IRS Form 1040A or 1040EZ (they are not required to file a 2012 Form 1040) or they are not required to file any income tax return **or**
- Anyone included in the student's household size (as defined on the FAFSA) received benefits during 2011 or 2012 from any of the designated means-tested Federal benefit programs **or**
- The student (or the student's spouse, if any) is a dislocated worker

If these circumstances are true, the Expected Family Contribution is automatically zero.

AVAILABLE INCOME	
TOTAL INCOME (from line 7)	
TOTAL ALLOWANCES (from line 14)	- _____
15. AVAILABLE INCOME (AI) May be a negative number.	= _____

STUDENT'S/SPOUSE'S CONTRIBUTION FROM ASSETS	
16. Cash, savings & checking (FAFSA/SAR #40)	
17. Net worth of investments** (FAFSA/SAR #41) If negative, enter zero.	
18. Net worth of business and/or investment farm (FAFSA/SAR #42) If negative, enter zero.	_____
19. Adjusted net worth of business/farm (Calculate using Table C4.)	+ _____
20. Net worth (sum of lines 16, 17, and 19)	= _____
21. Asset protection allowance (Table C5)	- _____
22. Discretionary net worth (line 20 minus line 21)	= _____
23. Asset conversion rate	× .07
24. CONTRIBUTION FROM ASSETS If negative, enter zero.	_____

EXPECTED FAMILY CONTRIBUTION	
AVAILABLE INCOME (AI) (from line 15)	
CONTRIBUTION FROM ASSETS (from line 24)	+ _____
25. Adjusted Available Income (AAI) May be a negative number.	= _____
26. Total contribution from AAI (Calculate using Table C6.) If negative, enter zero.	
27. Number in college in 2013-2014 (FAFSA/SAR #94)	÷ _____
28. EXPECTED FAMILY CONTRIBUTION for nine month enrollment. If negative, enter zero.***	_____

**Do not include the student's home.

***To calculate the EFC for less than nine-month enrollment, see the next page. If the student is enrolled for more than nine months, use the nine-month EFC (line 28 above).

Note: Use this additional page to prorate the EFC only if the student will be enrolled for other than nine months and only to determine the student's need for campus-based aid, or a Federal Direct Subsidized Loan. Do not use this page to prorate the EFC for a Federal Pell Grant or TEACH Grant. The EFC for the Federal Pell Grant Program is the nine-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

Calculation of Expected Family Contribution for a Student Enrolled for Less than Nine Months		
Expected Family Contribution (standard contribution for nine-month enrollment, from line 28)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months of enrollment	×	
Expected Family Contribution for less than nine-month enrollment*	=	

*Substitute the student's EFC for less than nine-month enrollment in place of the EFC for the standard nine-month enrollment (EFC Formula Worksheet C, line 28).

2013-2014 EFC FORMULA **C**: INDEPENDENT STUDENT With Dependent(s) Other than a Spouse

SIMPLIFIED
WORKSHEET
Page 1



STUDENT/SPOUSE INCOME IN 2012	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #35) If negative, enter zero.	
2. a. Student's income earned from work (FAFSA/SAR #38)	
2. b. Spouse's income earned from work (FAFSA/SAR #39)	+
Total student/spouse income earned from work	=
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)	
4. Total untaxed income and benefits (sum total of FAFSA/SAR #44.a. through 44.j.)	+
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. Total additional financial information (sum total of FAFSA/SAR #43.a. through 43.f.)	
7. TOTAL INCOME (line 5 minus line 6) May be a negative number.	=

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2012 U.S. income tax paid (FAFSA/SAR #36) (tax filers only) If negative, enter zero.	
9. State and other tax allowance (Table C1) If negative, enter zero.	+
10. Student's Social Security tax (Table C2)	+
11. Spouse's Social Security tax (Table C2)	+
12. Income protection allowance (Table C3)	+
13. Employment expense allowance: <ul style="list-style-type: none"> • Student and spouse both working: 35% of the lesser of the earned incomes, or \$3,900, whichever is less • One-parent families: 35% of earned income, or \$3,900, whichever is less • Student or spouse working (not both): zero 	+
14. TOTAL ALLOWANCES	=

*STOP HERE if the following are true:

Line 3 is \$24,000 or less **and**

- The student (and the student's spouse, if any) are eligible to file a 2012 IRS Form 1040A or 1040EZ (they are not required to file a 2012 Form 1040) or they are not required to file any income tax return **or**
- Anyone included in the student's household size (as defined on the FAFSA) received benefits during 2011 or 2012 from any of the designated means-tested Federal benefit programs **or**
- The student (or the student's spouse, if any) is a dislocated worker

If these circumstances are true, the Expected Family Contribution is automatically zero.

AVAILABLE INCOME	
TOTAL INCOME (from line 7)	
TOTAL ALLOWANCES (from line 14)	-
15. AVAILABLE INCOME (AI) May be a negative number.	=

STUDENT'S/SPOUSE'S CONTRIBUTION FROM ASSETS	
16. Cash, savings & checking (FAFSA/SAR #40)	
17. Net worth of investments** (FAFSA/SAR #41) If negative, enter zero.	
18. Net worth of business and/or investment farm (FAFSA/SAR #42) If negative, enter zero.	
19. Adjusted net worth of business/farm (Calculate using Table C4.)	+
20. Net worth (sum of lines 16, 17, and 19)	=
21. Asset protection allowance (Table C5)	-
22. Discretionary net worth (line 20 minus line 21)	=
23. Asset conversion rate	× .07
24. CONTRIBUTION FROM ASSETS If negative, enter zero.	

EXPECTED FAMILY CONTRIBUTION	
AVAILABLE INCOME (AI) (from line 15)	
CONTRIBUTIONS FROM ASSETS (from line 24)	+
25. Adjusted available income (AAI) May be a negative number.	=
26. Total contribution from AAI (Calculate using Table C6.) If negative, enter zero.	
27. Number in college in 2013-2014 (FAFSA/SAR #94)	÷
28. EXPECTED FAMILY CONTRIBUTION for nine month enrollment. If negative, enter zero.***	

**Do not include the student's home.

***To calculate the EFC for less than nine-month enrollment, see the next page. If the student is enrolled for more than nine months, use the nine-month EFC (line 28 above).

Note: Do not complete the shaded areas; asset information is not required in the simplified formula.

Note: Use this additional page to prorate the EFC only if the student will be enrolled for other than nine months and only to determine the student's need for campus-based aid, or a Federal Direct Subsidized Loan. Do not use this page to prorate the EFC for a Federal Pell Grant or TEACH Grant. The EFC for the Federal Pell Grant Program is the nine-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

Calculation of Expected Family Contribution for a Student Enrolled for Less than Nine Months

Expected Family Contribution (standard contribution for nine-month enrollment, from line 28)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	×	
Expected Family Contribution for less than nine-month enrollment*	=	

*Substitute the student's EFC for less than nine-month enrollment in place of the EFC for the standard nine-month enrollment (EFC Formula Worksheet C, line 28).

Table C1: State and Other Tax Allowance

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%	Missouri.....	5%	4%
Alaska.....	2%	1%	Montana.....	5%	4%
American Samoa.....	2%	1%	Nebraska.....	5%	4%
Arizona.....	4%	3%	Nevada.....	3%	2%
Arkansas.....	4%	3%	New Hampshire.....	5%	4%
California.....	8%	7%	New Jersey.....	9%	8%
Canada and Canadian Provinces.....	2%	1%	New Mexico.....	3%	2%
Colorado.....	5%	4%	New York.....	9%	8%
Connecticut.....	8%	7%	North Carolina.....	6%	5%
Delaware.....	5%	4%	North Dakota.....	3%	2%
District of Columbia.....	7%	6%	Northern Mariana Islands.....	2%	1%
Federated States of Micronesia.....	2%	1%	Ohio.....	6%	5%
Florida.....	3%	2%	Oklahoma.....	4%	3%
Georgia.....	6%	5%	Oregon.....	7%	6%
Guam.....	2%	1%	Palau.....	2%	1%
Hawaii.....	4%	3%	Pennsylvania.....	5%	4%
Idaho.....	5%	4%	Puerto Rico.....	2%	1%
Illinois.....	5%	4%	Rhode Island.....	7%	6%
Indiana.....	4%	3%	South Carolina.....	5%	4%
Iowa.....	5%	4%	South Dakota.....	2%	1%
Kansas.....	5%	4%	Tennessee.....	2%	1%
Kentucky.....	5%	4%	Texas.....	3%	2%
Louisiana.....	3%	2%	Utah.....	5%	4%
Maine.....	6%	5%	Vermont.....	6%	5%
Marshall Islands.....	2%	1%	Virgin Islands.....	2%	1%
Maryland.....	8%	7%	Virginia.....	6%	5%
Massachusetts.....	7%	6%	Washington.....	4%	3%
Mexico.....	2%	1%	West Virginia.....	3%	2%
Michigan.....	5%	4%	Wisconsin.....	7%	6%
Minnesota.....	6%	5%	Wyoming.....	2%	1%
Mississippi.....	3%	2%	Blank or Invalid State.....	2%	1%
			OTHER.....	2%	1%

Multiply the total income of student and spouse (EFC Formula Worksheet C, line 7) by the appropriate rate from the table above to get the “state and other tax allowance” (EFC Formula Worksheet C, line 9). Use the student’s State of Legal Residence (FAFSA/SAR #18) reported on the FAFSA. If this item is blank or invalid, use the State in the Student’s Mailing Address (FAFSA/SAR #6). If both items are blank or invalid, use the rate for blank or invalid state above.

Table C2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work*	Social Security Tax
\$0 - \$110,100	7.65% of income
\$110,101 or greater	\$8,422.65 + 1.45% of amount over \$110,100

*Student's 2012 income earned from work is FAFSA/SAR #38.
 Spouse's 2012 income earned from work is FAFSA/SAR #39.
 Social Security tax will never be less than zero.

Table C3: Income Protection Allowance

Number in student's household, including student (FAFSA/SAR #93)	Number of college students in household (FAFSA/SAR #94)				
	1	2	3	4	5
2	\$24,150	\$20,020	————	————	————
3	30,070	25,960	\$21,830	————	————
4	37,130	33,010	28,900	\$24,760	————
5	43,810	39,670	35,570	31,450	\$27,340
6	51,230	47,110	43,020	38,870	34,770

Note: For each additional family member, add \$5,780.
 For each additional college student, subtract \$4,110.

Table C4: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than \$1	\$0
\$1 to \$120,000	40% of net worth of business/farm
\$120,001 to \$365,000	\$ 48,000 + 50% of net worth over \$120,000
\$365,001 to \$610,000	\$170,500 + 60% of net worth over \$365,000
\$610,001 or more	\$317,500 + 100% of net worth over \$610,000

Table C5: Asset Protection Allowance					
<i>Age of student as of 12/31/2013*</i>	Allowance for Married Student	Allowance for Unmarried Student	<i>Age of student as of 12/31/2013*</i>	Allowance for Married Student	Allowance for Unmarried Student
25 or less	\$0	\$0	45.....	\$36,200	\$10,600
26.....	2,100	600	46.....	37,100	10,800
27.....	4,300	1,300	47.....	38,000	11,100
28.....	6,400	1,900	48.....	39,000	11,300
29.....	8,600	2,500	49.....	39,900	11,600
30.....	10,700	3,200	50.....	40,900	11,900
31.....	12,800	3,800	51.....	42,100	12,200
32.....	15,000	4,400	52.....	43,100	12,500
33.....	17,100	5,100	53.....	44,200	12,800
34.....	19,300	5,700	54.....	45,500	13,100
35.....	21,400	6,300	55.....	46,800	13,400
36.....	23,500	7,000	56.....	47,900	13,700
37.....	25,700	7,600	57.....	49,300	14,100
38.....	27,800	8,200	58.....	50,800	14,400
39.....	30,000	8,900	59.....	52,200	14,800
40.....	32,100	9,500	60.....	53,500	15,100
41.....	32,900	9,700	61.....	55,000	15,600
42.....	33,700	9,900	62.....	56,900	16,000
43.....	34,500	10,100	63.....	58,500	16,400
44.....	35,400	10,300	64.....	60,100	16,900
			65 or over..	61,800	17,400

*Determine the student's age as of 12/31/2013 from the student's date of birth (FAFSA/SAR #9)

Table C6: Student's Contribution from AAI	
If student's AAI is—	The student's contribution from AAI is—
Less than -\$3,409	-\$750
-\$3,409 to \$15,300	22% of AAI
\$15,301 to \$19,200	\$3,366 + 25% of AAI over \$15,300
\$19,201 to \$23,100	\$4,341 + 29% of AAI over \$19,200
\$23,101 to \$27,000	\$5,472 + 34% of AAI over \$23,100
\$27,001 to \$30,900	\$6,798 + 40% of AAI over \$27,000
\$30,901 or more	\$8,358 + 47% of AAI over \$30,900

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Exercise 1: Janet Simpson (Dependent)

Janet will be a second-year, undergraduate student Fall 2013. Her date of birth is June 25, 1994. She lives in Syracuse, New York with her mother, stepfather, and younger stepbrother, Michael, who is a high school junior.

Janet's mother, Ann, and stepfather, David, have been married 10 years. David is an Air Force reservist who was called for active duty November 2012. Ann's date of birth is June 3, 1967. David's date of birth is August 1, 1966.

Janet's mother and stepfather filed an IRS Form 1040 for the 2012 tax year. Ann owns and operates a small coffee shop with five full-time employees. In 2012, she earned \$23,500 in business income (as reported on Schedule C of the 1040). David works as an electrician and earned \$53,000 in 2012. They reported an adjusted gross income (AGI) of \$74,386, a \$2,500 American Opportunity tax credit, an \$800 taxable Combat Pay, and a tax liability of \$6,829. Ann and David claimed Janet and her stepbrother as exemptions. David contributed \$2,500 to an IRA tax-deferred pension plan. No one in the family received benefits from a means tested federal program in 2011 or 2012.

On Janet's FAFSA, Ann reported the value of her coffee shop 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 David's checking account.

Janet's parents divorced in 1996. Per the terms of the divorce, Janet's father paid Ann \$600 a month in child support for Janet until she turned 18. Ann received six months' worth on child support in 2012, in the amount of \$3,600.

Janet earned \$2,340 in 2012 working part time over the summer. She will not file a tax return for 2012. She used the money in her savings account to pay her tuition for the 2012–13 academic year and has no assets.



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Additional Approaches to Calculate the Expected Family Contribution for Summer Periods of Enrollment

To avoid double counting the student contribution when summer is packaged separately from the regular academic year, there are two other approaches schools may use as standard packaging policies for both dependent and independent students.

First Approach:

- If summer is not considered part of the upcoming award year, the school calculates the EFC for the summer enrollment by subtracting the 9-month EFC from the alternate EFC that corresponds to the total number of months the student will be enrolled during the award year.
- If summer is considered part of the upcoming award year, the school uses the appropriate alternate EFC to package the summer. Later, when packaging the student for the regular academic year, the school calculates the EFC for that enrollment period by subtracting the alternate EFC used for the summer from the alternate EFC that corresponds to the total number of months the student will be enrolled during the award year.

Example: Student attends 9-month regular academic year and plans to enroll in 2-month summer term.

- If summer is considered part of prior award year, the school subtracts the 9-month EFC from the alternate 11-month EFC, and uses the resulting 2-month EFC to package the student with summer campus-based and Direct Loan awards.
- If summer is considered part of the upcoming award year, the school uses 2-month alternate EFC to package for summer. Later, the school calculates the student's EFC for the regular academic year by subtracting the 2-month EFC used for the summer from the alternate EFC that corresponds to the total number of months the student will be enrolled during the award year.

Second Approach:

If the school knows the student's summer enrollment plans before packaging the student for the regular academic year (regardless of whether summer is the first or the last term of the award year):

1. Calculate a monthly share of the EFC by dividing the alternate EFC corresponding to the total number of months the student will be enrolled during the award year by the number of months of enrollment; and
2. Multiply the monthly share by the number of months in the summer to obtain the summer EFC, and by the number of months in the regular academic year to calculate the academic year EFC.



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