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# THE EFC FORMULA, 2012-2013

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## ***What is the EFC?***

The Expected Family Contribution (EFC) is a number that is used to determine a student's eligibility for federal student aid. This number results from the financial information the student provides on his or her Free Application for Federal Student Aid (FAFSA). The EFC is reported on the Student Aid Report (SAR). Financial aid administrators (FAAs) determine an applicant's need for federal student aid from the U.S. Department of Education (the Department) and other sources of assistance by subtracting the EFC from the student's cost of attendance (COA).

The EFC formula is used to determine the EFC and ultimately determine the need for aid from the following types of federal student financial assistance programs:

- Federal Pell Grant,
- Teacher Education Assistance for College and Higher Education Grant (TEACH Grant),
- Subsidized Stafford Loan through the William D. Ford Federal Direct Loan Program, and
- "Campus-based" aid programs
  - Federal Supplemental Educational Opportunity Grant (FSEOG),
  - Federal Perkins Loan, and
  - Federal Work-Study (FWS).

The methodology for determining the EFC is found in Part F of Title IV of the Higher Education Act of 1965, as amended (HEA). Updated tables used in the computation of the EFC for the 2012-2013 Award Year were published in the *Federal Register* on May 24, 2011 ([ifap.ed.gov/fregisters/052411FedNeedAnalysisMethodology1213.html](http://ifap.ed.gov/fregisters/052411FedNeedAnalysisMethodology1213.html)) (76 FR 30139).

## ***What is the source of data used in EFC calculations?***

All data used to calculate a student's EFC comes from the information the student provides on the FAFSA. A student may submit a FAFSA:

- through the Internet by using FAFSA on the Web;
- by filing an application electronically through a school; or
- by mailing a FAFSA to the Central Processing System (CPS).

Students who applied for federal student aid in the previous award year may be eligible to reapply using a renewal FAFSA online. Applying for federal aid is free. However, to be considered for non-federal aid (such as institutional aid), a student may have to fill out additional forms.

We encourage applicants to complete the FAFSA electronically because the electronic version has built-in edits that reduce applicant errors and customize the questions presented based on answers to prior questions. The electronic version also contains additional instructions and help features and allows the Department to send application results to the applicant and schools more quickly.

## **Who processes the application, and how is a student notified of his or her EFC?**

The CPS receives the student's application data, either electronically or on the paper application, and uses it to calculate an EFC. After the FAFSA has been processed, the CPS sends the student an output document containing information about his or her application results. This document, which can be paper or electronic, is called a Student Aid Report or SAR. The SAR lists all the information from the student's application and indicates whether or not the application was complete and signed. If the application is complete and signed and there are no data conflicts, the SAR also includes the student's EFC. Students are instructed to carefully check the information on the SAR to ensure its accuracy. All schools listed on the student's FAFSA receive application information and processing results in an electronic file called an Institutional Student Information Record (ISIR).

## **Which EFC Formula Worksheet should be used?**

There are three regular (full-data) formulas and a simplified (fewer data elements) version of each formula:

- A, for a dependent student;
- B, for an independent student **without** dependents other than a spouse; and
- C, for an independent student **with** dependents other than a spouse.

Instructions for applicants who are eligible for the automatic zero EFC calculation are included in each worksheet. See page 5 for more information on which students qualify for an automatic zero EFC.

### **EFC Formula Worksheet A.....pages 9-12**

Simplified EFC Formula Worksheet A.....pages 13-16

Tables A1 through A7 (use with EFC Formula Worksheet A).....pages 17-20

### **EFC Formula Worksheet B.....pages 21-22**

Simplified EFC Formula Worksheet B .....pages 23-24

Tables B1 through B4 (use with EFC Formula Worksheet B).....pages 25-27

### **EFC Formula Worksheet C .....pages 29-30**

Simplified EFC Formula Worksheet C .....pages 31-32

Tables C1 through C6 (use with EFC Formula Worksheet C).....pages 33-35

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

## ***What is the definition of an independent student?***

Because the EFC formula for a dependent student uses parental data, and the two formulas for independent students do not, the first step in calculating a student's EFC is to determine his or her dependency status. For the 2012-2013 Award Year, a student is automatically determined to be an independent applicant for federal student aid if he or she meets one or more of the following criteria:

- Student was born before January 1, 1989.
- Student is married or separated (but not divorced) as of the date of the application.
- At the beginning of the 2012-2013 school year, the student will be enrolled in a master's or doctoral degree program (such as MA, MBA, MD, JD, PhD, EdD, or graduate certificate, etc.).
- Student is currently serving on active duty in the U.S. Armed Forces, or is a National Guard or Reserves enlistee called into federal active duty for other than training purposes.
- Student is a veteran of the U.S. Armed Forces (see the definition in the box on page 4).
- Student has one or more children who receive more than half of their support from him or her between July 1, 2012 and June 30, 2013.
- Student has dependent(s) (other than children or spouse) who live with him or her and who receive more than half of their support from the student, now and through June 30, 2013.
- At any time since the student turned age 13, both of the student's parents were deceased, the student was in foster care, or the student was a dependent/ward of the court.
- As determined by a court in the student's state of legal residence, the student is now or was upon reaching the age of majority, an emancipated minor (released from control by his or her parent or guardian).
- As determined by a court in the student's state of legal residence, the student is now or was upon reaching the age of majority, in legal guardianship.
- On or after July 1, 2011, student was determined by a high school or school district homeless liaison to be an unaccompanied youth who was homeless.
- On or after July 1, 2011, student was determined by the director of an emergency shelter or transitional housing program funded by the U.S. Department of Housing and Urban Development to be an unaccompanied youth who was homeless.
- On or after July 1, 2011, student was determined by a director of a runaway or homeless youth basic center or transitional living program to be an unaccompanied youth who was homeless or was self-supporting and at risk of being homeless.
- Student was determined by the college financial aid administrator to be an unaccompanied youth who is homeless or is self-supporting and at risk of being homeless.

An FAA can make a determination of independence with documentation of special circumstances, even if the student initially filed as a dependent student.

## ***TERMS USED IN THE DEFINITION OF AN INDEPENDENT STUDENT***

**LEGAL DEPENDENT.** Any child of the student who receives more than half of their support from the student (the child does not have to live with the student), including a biological or adopted child. Also, any person, other than a spouse, who lives with the student and receives more than half of his or her support from the student now and will continue to receive more than half of his or her support from the student through June 30, 2013.

**VETERAN.** A student who: (1) has engaged in active service in the U.S. Armed Forces (Army, Navy, Air Force, Marines, or Coast Guard), or has been a member of the National Guard or Reserves who was called to active duty for purposes other than training, or was a cadet or midshipman at one of the service academies, or attended a U.S. military academy preparatory school, and (2) was released under a condition other than dishonorable. A veteran is also a student who does not meet this definition now but will by June 30, 2013.

### ***Which students qualify for the simplified EFC formulas?***

The following criteria determine which students have their EFCs calculated by a simplified formula. Assets are not considered in the simplified EFC formulas.

For the 2012-2013 Award Year, a **dependent** student qualifies for the simplified EFC formula if both (1) below and (2) on the next page are true:

- (1) Anyone included in the **parents'** household size (as defined on the FAFSA) received benefits during 2010 or 2011 from any of the designated means-tested Federal benefit programs: the Supplemental Security Income (SSI) Program, the Food Stamp Program<sup>1</sup>, the Free and Reduced Price School Lunch Program, the Temporary Assistance for Needy Families (TANF) Program<sup>2</sup>, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); **OR**

the student's **parents**:

- filed or were eligible to file a 2011 IRS Form 1040A or 1040EZ<sup>3</sup>,
- filed a 2011 IRS Form 1040 but were not required to do so<sup>4</sup>, or
- were not required to file any income tax return; **OR**

the student's **parent** is a dislocated worker.

<sup>1</sup> The Food Stamp Program may have a different name in the student's or student's parents' state.

<sup>2</sup> The TANF Program may have a different name in the student's or student's parents' state.

<sup>3</sup> For qualifying for the simplified or automatic zero EFC calculations, the following 2011 income tax forms are considered equivalent to an IRS Form 1040A or 1040EZ: the income tax return required by the tax code of the Commonwealth of Puerto Rico, Guam, American Samoa, the U.S. Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau.

<sup>4</sup> Applicants who are not required to complete an IRS Form 1040, but do so solely to claim an educational tax credit are considered eligible if they meet all the other requirements for the simplified EFC formulas.

**AND**

(2) The 2011 income of the student's **parents** is \$49,999 or less.

- For tax filers, use the parents' adjusted gross income from the tax return to determine if income is \$49,999 or less.
- For non-tax filers, use the income shown on the 2011 W-2 forms of both parents (plus any other earnings from work not included on the W-2s) to determine if income is \$49,999 or less.

For the 2012-2013 Award Year, an **independent** student qualifies for the simplified EFC formula if both (1) and (2) below are true:

(1) Anyone included in the **student's** household size (as defined on the FAFSA) received benefits during 2010 or 2011 from any of the designated means-tested Federal benefit programs: the SSI Program, the Food Stamp Program<sup>5</sup>, the Free and Reduced Price School Lunch Program, the TANF Program<sup>6</sup>, and WIC; **OR**

the student and student's spouse (if the student is married) **both**

- filed or were eligible to file a 2011 IRS Form 1040A or 1040EZ<sup>7</sup>,
- filed a 2011 IRS Form 1040 but were not required to do so<sup>8</sup>, or
- were not required to file any income tax return; **OR**

the student (or the student's spouse, if any) is a dislocated worker.

**AND**

(2) The student's (and spouse's) 2011 income is \$49,999 or less.

- For tax filers, use the student's (and spouse's) adjusted gross income from the tax return to determine if income is \$49,999 or less.
- For non-tax filers, use the income shown on the student's (and spouse's) 2011 W-2 forms (plus any other earnings from work not included on the W-2s) to determine if income is \$49,999 or less.

### ***Which students qualify for an automatic zero EFC calculation?***

Certain students are automatically eligible for a zero EFC.

**New for 2012-2013:** The income threshold for an automatic zero EFC was initially communicated to have increased from \$31,000 to \$32,000 for the 2012-2013 Award Year. Because of legislative changes in December 2011, this amount was decreased to \$23,000.

For the 2012-2013 Award Year, a **dependent student** automatically qualifies for a zero EFC if both (1) and (2) on the next page are true.

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<sup>5</sup> See note 1 on page 4.

<sup>6</sup> See note 2 on page 4.

<sup>7</sup> See note 3 on page 4.

<sup>8</sup> See note 4 on page 4.

- (1) Anyone included in the **parents'** household size (as defined on the FAFSA) received benefits during 2010 or 2011 from any of the designated means-tested Federal benefit programs: the SSI Program, the Food Stamp Program<sup>9</sup>, the Free and Reduced Price School Lunch Program, the TANF Program<sup>10</sup>, and WIC; **OR**

The student's **parents**:

- filed or were eligible to file a 2011 IRS Form 1040A or 1040EZ<sup>11</sup>,
- filed a 2011 IRS Form 1040 but were not required to do so<sup>12</sup>, or
- were not required to file any income tax return; **OR**

the student's **parent** is a dislocated worker.

**AND**

- (2) The 2011 income of the student's **parents** is \$23,000 or less.
- For tax filers, use the parents' adjusted gross income from the tax return to determine if income is \$23,000 or less.
  - For non-tax filers, use the income shown on the 2011 W-2 forms of both parents (plus any other earnings from work not included on the W-2s) to determine if income is \$23,000 or less.

An **independent student with dependents other than a spouse** automatically qualifies for a zero EFC if both (1) and (2) below are true:

- (1) Anyone included in the **student's** household size (as defined on the FAFSA) received benefits during 2010 or 2011 from any of the designated means-tested Federal benefit programs: the SSI Program, the Food Stamp Program<sup>13</sup>, the Free and Reduced Price School Lunch Program, the TANF Program<sup>14</sup>, and WIC; **OR**

the student and student's spouse (if the student is married) **both**

- filed or were eligible to file a 2011 IRS Form 1040A or 1040EZ<sup>15</sup>,
- filed a 2011 IRS Form 1040 but were not required to do so<sup>16</sup>, or
- were not required to file any income tax return; **OR**

the student (or the student's spouse, if any) is a dislocated worker.

**AND**

- (2) The student's (and spouse's) 2011 income is \$23,000 or less.
- For tax filers, use the student's (and spouse's) adjusted gross income from the tax return to determine if income is \$23,000 or less.

<sup>9</sup> See note 1 on page 4.

<sup>10</sup> See note 2 on page 4.

<sup>11</sup> See note 3 on page 4.

<sup>12</sup> See note 4 on page 4.

<sup>13</sup> See note 1 on page 4.

<sup>14</sup> See note 2 on page 4.

<sup>15</sup> See note 3 on page 4.

<sup>16</sup> See note 4 on page 4.

- For non-tax filers, use the income shown on the student's (and spouse's) 2011 W-2 forms (plus any other earnings from work not included on the W-2s) to determine if income is \$23,000 or less.

**Note:** An **independent student without dependents other than a spouse** is not eligible for an automatic zero EFC.

### ***Why might a calculation of an EFC using these worksheets differ from the EFC reported on a student's SAR?***

When it appears that an applicant has reported inconsistent data, the CPS may make certain assumptions to resolve the inconsistency. These assumed values, which are reported on the student's SAR, are used to calculate the student's EFC. Therefore, in some cases, the EFC produced by these worksheets may differ from the EFC produced by the CPS if the assumed values are not used.

In addition, to help reconcile EFC Formula Worksheet calculations with those of the CPS, all calculations should be carried to three decimal places and then rounded to the nearest whole numbers—round upward for results of .500 to .999, round downward for results of .001 to .499. Rounding should be performed so that the intermediate value that is the result of each step does not have any decimal digits.

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# WORKSHEETS AND TABLES

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## **Dependent Student**

EFC Formula Worksheet A .....	pages 9-12
Simplified EFC Formula Worksheet A.....	pages 13-16
Tables A1 through A7.....	pages 17-20
(use Tables A1 through A7 with EFC Formula Worksheet A)	

## **Independent Student Without Dependents Other than a Spouse**

EFC Formula Worksheet B .....	pages 21-22
Simplified EFC Formula Worksheet B.....	pages 23-24
Tables B1 through B4.....	pages 25-27
(use Tables B1 through B4 with EFC Formula Worksheet B)	

## **Independent Student With Dependents Other than a Spouse**

EFC Formula Worksheet C .....	pages 29-30
Simplified EFC Formula Worksheet C.....	pages 31-32
Tables C1 through C6.....	pages 33-35
(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.***



# 2012-2013 EFC FORMULA A : DEPENDENT STUDENT

REGULAR  
WORKSHEET  
Page 1

# A

PARENTS' INCOME IN 2011	
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. <b>TOTAL INCOME</b> (line 5 minus line 6) May be a negative number.	=

ALLOWANCES AGAINST PARENTS' INCOME	
8. 2011 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"> <li>Two working parents: 35% of the lesser of the earned incomes, or \$3,600, whichever is less</li> <li>One-parent families: 35% of earned income, or \$3,600, whichever is less</li> <li>Two-parent families, one working parent: enter zero</li> </ul>	+
14. <b>TOTAL ALLOWANCES</b>	=

\*STOP HERE if the following are true:

Line 3 is \$23,000 or less **and**

- The parents are eligible to file a 2011 IRS Form 1040A or 1040EZ (they are not required to file a 2011 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 2010 or 2011 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. <b>AVAILABLE INCOME (AI)</b> 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. <b>Net worth</b> (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. <b>CONTRIBUTION FROM ASSETS</b> If negative, enter zero.	=

PARENTS' CONTRIBUTION	
<b>AVAILABLE INCOME (AI)</b> (from line 15)	
<b>CONTRIBUTION FROM ASSETS</b> (from line 24)	+
25. <b>Adjusted Available Income (AAI)</b> May be a negative number.	=
26. <b>Total parents' contribution from AAI</b> (Calculate using Table A6.) If negative, enter zero.	
27. <b>Number in college in 2012-2013</b> (Exclude parents) (FAFSA/SAR #73)	÷
28. <b>PARENTS' CONTRIBUTION</b> (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 2011**

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

**ALLOWANCES AGAINST STUDENT INCOME**

<b>36.</b> 2011 U.S. income tax paid (FAFSA/SAR #36) (tax filers only) If negative, enter zero.		
<b>37.</b> State and other tax allowance (Table A7) If negative, enter zero.	+	
<b>38.</b> Social Security tax allowance (Table A2)	+	
<b>39.</b> Income protection allowance	+	<b>6,000</b>
<b>40.</b> 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.)	+	
<b>41. TOTAL ALLOWANCES</b>	=	

**STUDENT'S CONTRIBUTION FROM INCOME**

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

**STUDENT'S CONTRIBUTION FROM ASSETS**

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

**EXPECTED FAMILY CONTRIBUTION**

<b>PARENTS' CONTRIBUTION</b> (from line 28)		
<b>STUDENT'S CONTRIBUTION FROM AI</b> (from line 44)	+	
<b>STUDENT'S CONTRIBUTION FROM ASSETS</b> (from line 50)	+	
<b>51. EXPECTED FAMILY CONTRIBUTION</b> (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.

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

<b>Calculation of Parents' Contribution for a Student Enrolled MORE than Nine Months</b>		
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	+	<b>4,530</b>
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	÷	<b>12</b>
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)	+	
<b>B14. Parents' contribution for MORE than nine-month enrollment</b>	=	

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

\*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**

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

# 2012-2013 EFC FORMULA **A** : DEPENDENT STUDENT

SIMPLIFIED  
WORKSHEET  
Page 1

# A

PARENTS' INCOME IN 2011	
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. <b>TOTAL INCOME</b> (line 5 minus line 6) May be a negative number.	=

ALLOWANCES AGAINST PARENTS' INCOME	
8. 2011 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"> <li>Two working parents: 35% of the lesser of the earned incomes, or \$3,600, whichever is less</li> <li>One-parent families: 35% of earned income, or \$3,600, whichever is less</li> <li>Two-parent families, one working parent: enter zero</li> </ul>	+
14. <b>TOTAL ALLOWANCES</b>	=

\*STOP HERE if the following are true:

Line 3 is \$23,000 or less **and**

- The parents are eligible to file a 2011 IRS Form 1040A or 1040EZ (they are not required to file a 2011 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 2010 or 2011 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. <b>AVAILABLE INCOME (AI)</b> 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. <b>Net worth</b> (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. <b>CONTRIBUTION FROM ASSETS</b> If negative, enter zero.	=

PARENTS' CONTRIBUTION	
AVAILABLE INCOME (AI) (from line 15)	
CONTRIBUTION FROM ASSETS (from line 24)	+
25. <b>Adjusted Available Income (AAI)</b> May be a negative number.	=
26. <b>Total parents' contribution from AAI</b> (Calculate using Table A6.) If negative, enter zero.	
27. <b>Number in college in 2012-2013</b> (Exclude parents) (FAFSA/SAR #73)	÷
28. <b>PARENTS' CONTRIBUTION</b> (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 2011**

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. <b>TOTAL INCOME</b> (line 33 minus line 34) May be a negative number.	=	

**ALLOWANCES AGAINST STUDENT INCOME**

36. 2011 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	+	<b>6,000</b>
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. <b>TOTAL ALLOWANCES</b>	=	

**STUDENT'S CONTRIBUTION FROM INCOME**

Total income (from line 35)		
Total allowances (from line 41)	-	
42. Available income (AI)	=	
43. Assessment of AI	×	<b>.50</b>
44. <b>STUDENT'S CONTRIBUTION FROM AI</b> 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. <b>Net worth</b> (sum of lines 45 through 47)	=	
49. Assessment rate	×	
50. <b>STUDENT'S CONTRIBUTION FROM ASSETS</b>	=	

**EXPECTED FAMILY CONTRIBUTION**

<b>PARENTS' CONTRIBUTION</b> (from line 28)		
<b>STUDENT'S CONTRIBUTION FROM AI</b> (from line 44)	+	
<b>STUDENT'S CONTRIBUTION FROM ASSETS</b> (from line 50)	+	
51. <b>EXPECTED FAMILY CONTRIBUTION</b> 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	÷	<b>9</b>
A3. Parents' contribution per month	=	
A4. Multiply by number of months of enrollment	×	
<b>A5. Parents' contribution for LESS than nine-month enrollment</b>	=	

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	+	<b>4,530</b>
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	÷	<b>12</b>
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)	+	
<b>B14. Parents' contribution for MORE than nine-month enrollment</b>	=	

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	÷	<b>9</b>
C3. Student's contribution from AI per month	=	
C4. Multiply by number of months of enrollment	×	
<b>C5. Student's contribution from AI for LESS than nine-month enrollment</b>	=	

\*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><b>Parents' Contribution—use ONE appropriate amount from previous page:</b></p> <ul style="list-style-type: none"> <li>• Enter amount from line A5 for enrollment periods less than nine months <b>OR</b></li> <li>• Enter amount from line B14 for enrollment periods greater than nine months</li> </ul>	
<p><b>Student's Contribution from Available Income—use ONE appropriate amount from previous page:</b></p> <ul style="list-style-type: none"> <li>• Enter amount from line C5 for enrollment periods less than nine months <b>OR</b></li> <li>• Enter amount from line 44 for enrollment periods greater than nine months</li> </ul>	+
<p><b>Expected Family Contribution for periods of enrollment other than nine months</b></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.....	3%	2%	Nebraska.....	5%	4%
Arizona.....	5%	4%	Nevada.....	3%	2%
Arkansas.....	4%	3%	New Hampshire.....	5%	4%
California.....	8%	7%	New Jersey.....	9%	8%
Canada and Canadian			New Mexico.....	3%	2%
Provinces.....	3%	2%	New York.....	10%	9%
Colorado.....	5%	4%	North Carolina.....	6%	5%
Connecticut.....	8%	7%	North Dakota.....	3%	2%
Delaware.....	5%	4%	Northern Mariana		
District of Columbia.....	8%	7%	Islands.....	3%	2%
Federated States			Ohio.....	6%	5%
of Micronesia.....	3%	2%	Oklahoma.....	4%	3%
Florida.....	4%	3%	Oregon.....	8%	7%
Georgia.....	6%	5%	Palau.....	3%	2%
Guam.....	3%	2%	Pennsylvania.....	6%	5%
Hawaii.....	5%	4%	Puerto Rico.....	3%	2%
Idaho.....	5%	4%	Rhode Island.....	7%	6%
Illinois.....	5%	4%	South Carolina.....	5%	4%
Indiana.....	4%	3%	South Dakota.....	2%	1%
Iowa.....	5%	4%	Tennessee.....	2%	1%
Kansas.....	5%	4%	Texas.....	3%	2%
Kentucky.....	6%	5%	Utah.....	5%	4%
Louisiana.....	4%	3%	Vermont.....	6%	5%
Maine.....	6%	5%	Virgin Islands.....	3%	2%
Marshall Islands.....	3%	2%	Virginia.....	6%	5%
Maryland.....	9%	8%	Washington.....	4%	3%
Massachusetts.....	7%	6%	West Virginia.....	3%	2%
Mexico.....	3%	2%	Wisconsin.....	8%	7%
Michigan.....	5%	4%	Wyoming.....	2%	1%
Minnesota.....	7%	6%	Blank or Invalid		
Mississippi.....	3%	2%	State.....	3%	2%
			OTHER.....	3%	2%

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 - \$106,800	7.65% of income
\$106,801 or greater	\$8,170.20 + 1.45% of amount over \$106,800

\*Father's/stepfather's 2011 income earned from work is FAFSA/SAR #86.  
 Mother's/stepmother's 2011 income earned from work is FAFSA/SAR #87.  
 Student's 2011 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 .....	\$16,390	\$13,590	————	————	————
3 .....	20,410	17,620	\$14,820	————	————
4 .....	25,210	22,400	19,620	\$16,810	————
5 .....	29,740	26,940	24,150	21,340	\$18,560
6 .....	34,790	31,990	29,200	26,390	23,600

Note: For each additional family member, add \$3,930.  
 For each additional college student (except parents), subtract \$2,790.

## 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 \$115,000	40% of net worth of business/farm
\$115,001 to \$350,000	\$ 46,000 + 50% of net worth over \$115,000
\$350,001 to \$585,000	\$163,500 + 60% of net worth over \$350,000
\$585,001 or more	\$304,500 + 100% of net worth over \$585,000

**Table A5: Education Savings and Asset Protection Allowance**  
for EFC Formula Worksheet A (parents only)

<i>Age of older parent as of 12/31/2012*</i>	Allowance if there are two parents	Allowance if there is only one parent	<i>Age of older parent as of 12/31/2012*</i>	Allowance if there are two parents	Allowance if there is only one parent
25 or less	\$0	\$0	45.....	\$41,300	\$14,200
26.....	2,400	800	46.....	42,300	14,500
27.....	4,900	1,700	47.....	43,400	14,900
28.....	7,300	2,500	48.....	44,400	15,200
29.....	9,700	3,400	49.....	45,500	15,600
30.....	12,200	4,200	50.....	46,600	16,000
31.....	14,600	5,100	51.....	48,000	16,300
32.....	17,000	5,900	52.....	49,200	16,700
33.....	19,500	6,800	53.....	50,700	17,100
34.....	21,900	7,600	54.....	51,900	17,500
35.....	24,300	8,500	55.....	53,400	17,900
36.....	26,800	9,300	56.....	54,700	18,500
37.....	29,200	10,200	57.....	56,300	18,900
38.....	31,600	11,000	58.....	58,000	19,400
39.....	34,100	11,900	59.....	59,700	19,900
40.....	36,500	12,700	60.....	61,400	20,400
41.....	37,500	13,000	61.....	63,100	20,900
42.....	38,400	13,300	62.....	65,000	21,500
43.....	39,300	13,600	63.....	66,800	22,100
44.....	40,300	13,900	64.....	68,700	22,700
			65 or over..	71,000	23,300

\*Determine the age of the older parent listed in FAFSA/SAR #63 and #67 as of 12/31/2012.  
If no parent date of birth is provided, use age 45.

**Table A6: Parents' Contribution from AAI**

<b>If parents' AAI is—</b>	<b>The parents' contribution from AAI is—</b>
Less than -\$3,409	-\$750
-\$3,409 to \$14,600	22% of AAI
\$14,601 to \$18,400	\$3,212 + 25% of AAI over \$14,600
\$18,401 to \$22,100	\$4,162 + 29% of AAI over \$18,400
\$22,101 to \$25,900	\$5,235 + 34% of AAI over \$22,100
\$25,901 to \$29,600	\$6,527 + 40% of AAI over \$25,900
\$29,601 or more	\$8,007 + 47% of AAI over \$29,600

## Table A7: State and Other Tax Allowance

for EFC Formula Worksheet A (student only)

Alabama.....	2%	Missouri.....	3%
Alaska.....	0%	Montana.....	3%
American Samoa.....	3%	Nebraska.....	3%
Arizona.....	3%	Nevada.....	1%
Arkansas.....	3%	New Hampshire.....	1%
California.....	5%	New Jersey.....	5%
Canada and Canadian Provinces.....	3%	New Mexico.....	2%
Colorado.....	3%	New York.....	7%
Connecticut.....	5%	North Carolina.....	4%
Delaware.....	4%	North Dakota.....	1%
District of Columbia.....	6%	Northern Mariana Islands.....	3%
Federated States of Micronesia.....	3%	Ohio.....	4%
Florida.....	1%	Oklahoma.....	3%
Georgia.....	4%	Oregon.....	5%
Guam.....	3%	Palau.....	3%
Hawaii.....	4%	Pennsylvania.....	3%
Idaho.....	4%	Puerto Rico.....	3%
Illinois.....	2%	Rhode Island.....	4%
Indiana.....	3%	South Carolina.....	4%
Iowa.....	3%	South Dakota.....	1%
Kansas.....	3%	Tennessee.....	1%
Kentucky.....	4%	Texas.....	1%
Louisiana.....	2%	Utah.....	4%
Maine.....	4%	Vermont.....	3%
Marshall Islands.....	3%	Virgin Islands.....	3%
Maryland.....	6%	Virginia.....	4%
Massachusetts.....	4%	Washington.....	1%
Mexico.....	3%	West Virginia.....	3%
Michigan.....	3%	Wisconsin.....	4%
Minnesota.....	5%	Wyoming.....	1%
Mississippi.....	2%	Blank or Invalid State.....	3%
		OTHER.....	3%

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.

# 2012-2013 EFC FORMULA **B** : INDEPENDENT STUDENT Without Dependent(s) Other than a Spouse

REGULAR  
WORKSHEET  
Page 1

# B

STUDENT/SPOUSE INCOME IN 2011	
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. <b>TOTAL INCOME</b> (line 5 minus line 6) May be a negative number.	=

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2011 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"> <li>• \$9,330 for single, separated or divorced/widowed student;</li> <li>• \$9,330 for married student if spouse is enrolled at least 1/2 time;</li> <li>• \$14,960 for married student if spouse is not enrolled at least 1/2 time.</li> </ul>	+
13. Employment expense allowance: <ul style="list-style-type: none"> <li>• If student is not married or is separated, the allowance is zero.</li> <li>• If student is married but only one person is working (the student or spouse), the allowance is zero.</li> <li>• If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes, or \$3,600, whichever is less.</li> </ul>	+
14. <b>TOTAL ALLOWANCES</b>	=

CONTRIBUTION FROM AVAILABLE INCOME	
TOTAL INCOME (from line 7)	
TOTAL ALLOWANCES (from line 14)	-
15. <b>AVAILABLE INCOME (AI)</b>	=
16. Assessment rate	× <b>.50</b>
17. <b>CONTRIBUTION FROM AI</b> 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. <b>Net worth</b> (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	× <b>.20</b>
26. <b>CONTRIBUTION FROM ASSETS</b> 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. <b>Contribution from AI and assets</b>	=
28. <b>Number in college in 2012-2013</b> (FAFSA/SAR #94)	÷
29. <b>EXPECTED FAMILY CONTRIBUTION</b> 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	÷	<b>9</b>
Expected Family Contribution per month	=	
Multiply by number of months of enrollment	×	
<b>Expected Family Contribution for less than nine-month enrollment*</b>	=	

\*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).

**2012-2013 EFC FORMULA B : INDEPENDENT STUDENT  
Without Dependent(s) Other than a Spouse**

SIMPLIFIED  
WORKSHEET  
Page 1

**B**

STUDENT/SPOUSE INCOME IN 2011	
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. <b>TOTAL INCOME</b> (line 5 minus line 6) May be a negative number.	=

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

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2011 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"> <li>\$9,330 for single, separated or divorced/widowed student;</li> <li>\$9,330 for married student if spouse is enrolled at least 1/2 time;</li> <li>\$14,960 for married student if only the student is enrolled at least 1/2 time.</li> </ul>	+
13. Employment expense allowance: <ul style="list-style-type: none"> <li>If student is not married or is separated, the allowance is zero.</li> <li>If student is married but only one person is working (the student or spouse), the allowance is zero.</li> <li>If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes, or \$3,600, whichever is less.</li> </ul>	+
14. <b>TOTAL ALLOWANCES</b>	=

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. <b>Net worth</b> (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. <b>CONTRIBUTION FROM ASSETS</b> 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. <b>Contribution from AI and assets</b>	=
28. <b>Number in college in 2012-2013</b> (FAFSA/SAR #94)	÷
29. <b>EXPECTED FAMILY CONTRIBUTION</b> 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	÷	<b>9</b>
Expected Family Contribution per month	=	
Multiply by number of months of enrollment	×	
<b>Expected Family Contribution for less than nine-month enrollment*</b>	=	

\*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.....	3%	Nebraska .....	3%
Arizona .....	3%	Nevada .....	1%
Arkansas .....	3%	New Hampshire .....	1%
California .....	5%	New Jersey.....	5%
Canada and Canadian		New Mexico.....	2%
Provinces.....	3%	New York .....	7%
Colorado .....	3%	North Carolina .....	4%
Connecticut.....	5%	North Dakota .....	1%
Delaware .....	4%	Northern Mariana Islands .....	3%
District of Columbia .....	6%	Ohio .....	4%
Federated States		Oklahoma.....	3%
of Micronesia.....	3%	Oregon .....	5%
Florida.....	1%	Palau .....	3%
Georgia.....	4%	Pennsylvania.....	3%
Guam.....	3%	Puerto Rico .....	3%
Hawaii.....	4%	Rhode Island .....	4%
Idaho .....	4%	South Carolina .....	4%
Illinois .....	2%	South Dakota .....	1%
Indiana .....	3%	Tennessee.....	1%
Iowa .....	3%	Texas .....	1%
Kansas.....	3%	Utah.....	4%
Kentucky.....	4%	Vermont.....	3%
Louisiana.....	2%	Virgin Islands.....	3%
Maine .....	4%	Virginia .....	4%
Marshall Islands.....	3%	Washington .....	1%
Maryland.....	6%	West Virginia .....	3%
Massachusetts .....	4%	Wisconsin.....	4%
Mexico .....	3%	Wyoming.....	1%
Michigan.....	3%	Blank or Invalid State.....	3%
Minnesota .....	5%	OTHER.....	3%
Mississippi .....	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 - \$106,800	7.65% of income
\$106,801 or greater	\$8,170.20 + 1.45% of amount over \$106,800

\*Student's 2011 income earned from work is FAFSA/SAR #38.  
 Spouse's 2011 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 \$115,000	40% of net worth of business/farm
\$115,001 to \$350,000	\$ 46,000 + 50% of net worth over \$115,000
\$350,001 to \$585,000	\$163,500 + 60% of net worth over \$350,000
\$585,001 or more	\$304,500 + 100% of net worth over \$585,000

**Table B4: Asset Protection Allowance**

<i>Age of student as of 12/31/2012*</i>	Allowance for—		<i>Age of student as of 12/31/2012*</i>	Allowance for—	
	Married Student	Unmarried Student		Married Student	Unmarried Student
25 or less	\$0	\$0	45.....	\$41,300	\$14,200
26.....	2,400	800	46.....	42,300	14,500
27.....	4,900	1,700	47.....	43,400	14,900
28.....	7,300	2,500	48.....	44,400	15,200
29.....	9,700	3,400	49.....	45,500	15,600
30.....	12,200	4,200	50.....	46,600	16,000
31.....	14,600	5,100	51.....	48,000	16,300
32.....	17,000	5,900	52.....	49,200	16,700
33.....	19,500	6,800	53.....	50,700	17,100
34.....	21,900	7,600	54.....	51,900	17,500
35.....	24,300	8,500	55.....	53,400	17,900
36.....	26,800	9,300	56.....	54,700	18,500
37.....	29,200	10,200	57.....	56,300	18,900
38.....	31,600	11,000	58.....	58,000	19,400
39.....	34,100	11,900	59.....	59,700	19,900
40.....	36,500	12,700	60.....	61,400	20,400
41.....	37,500	13,000	61.....	63,100	20,900
42.....	38,400	13,300	62.....	65,000	21,500
43.....	39,300	13,600	63.....	66,800	22,100
44.....	40,300	13,900	64.....	68,700	22,700
			65 or over..	71,000	23,300

\*Determine student's age as of 12/31/2012 from student's date of birth (FAFSA/SAR #9)

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# 2012-2013 EFC FORMULA **C**: INDEPENDENT STUDENT With Dependent(s) Other than a Spouse

REGULAR  
WORKSHEET  
Page 1

C

STUDENT/SPOUSE INCOME IN 2011	
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.)	
<b>7. TOTAL INCOME</b> (line 5 minus line 6) May be a negative number.	= _____

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2011 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"> <li>• Student and spouse both working: 35% of the lesser of the earned incomes, or \$3,600, whichever is less</li> <li>• One-parent families: 35% of earned income, or \$3,600, whichever is less</li> <li>• Student or spouse working (not both): zero</li> </ul>	+ _____
<b>14. TOTAL ALLOWANCES</b>	= _____

\*STOP HERE if the following are true:

Line 3 is \$23,000 or less **and**

- The student (and the student's spouse, if any) are eligible to file a 2011 IRS Form 1040A or 1040EZ (they are not required to file a 2011 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 2010 or 2011 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)	-
<b>15. AVAILABLE INCOME (AI)</b> 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.)	+ _____
<b>20. Net worth</b> (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	× <b>.07</b>
<b>24. CONTRIBUTION FROM ASSETS</b> If negative, enter zero.	

EXPECTED FAMILY CONTRIBUTION	
AVAILABLE INCOME (AI) (from line 15)	
CONTRIBUTION FROM ASSETS (from line 24)	+ _____
<b>25. Adjusted Available Income (AAI)</b> May be a negative number.	= _____
<b>26. Total contribution from AAI</b> (Calculate using Table C6.) If negative, enter zero.	
<b>27. Number in college in 2012-2013</b> (FAFSA/SAR #94)	÷ _____
<b>28. EXPECTED FAMILY CONTRIBUTION</b> 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.

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

\*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).

# 2012-2013 EFC FORMULA **C**: INDEPENDENT STUDENT With Dependent(s) Other than a Spouse

SIMPLIFIED  
WORKSHEET  
Page 1



STUDENT/SPOUSE INCOME IN 2011	
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. <b>TOTAL INCOME</b> (line 5 minus line 6) May be a negative number.	=

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2011 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"> <li>• Student and spouse both working: 35% of the lesser of the earned incomes, or \$3,600, whichever is less</li> <li>• One-parent families: 35% of earned income, or \$3,600, whichever is less</li> <li>• Student or spouse working (not both): zero</li> </ul>	+
14. <b>TOTAL ALLOWANCES</b>	=

\*STOP HERE if the following are true:

Line 3 is \$23,000 or less **and**

- The student (and the student's spouse, if any) are eligible to file a 2011 IRS Form 1040A or 1040EZ (they are not required to file a 2011 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 2010 or 2011 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. <b>AVAILABLE INCOME (AI)</b> 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. <b>Net worth</b> (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. <b>CONTRIBUTION FROM ASSETS</b> If negative, enter zero.	

EXPECTED FAMILY CONTRIBUTION	
AVAILABLE INCOME (AI) (from line 15)	
CONTRIBUTIONS FROM ASSETS (from line 24)	+
25. <b>Adjusted available income (AAI)</b> May be a negative number.	=
26. <b>Total contribution from AAI</b> (Calculate using Table C6.) If negative, enter zero.	
27. <b>Number in college in 2012-2013</b> (FAFSA/SAR #94)	÷
28. <b>EXPECTED FAMILY CONTRIBUTION</b> 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	÷	<b>9</b>
Expected Family Contribution per month	=	
Multiply by number of months enrollment	×	
<b>Expected Family Contribution for less than nine-month enrollment*</b>	=	

\*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.....	3%	2%	Nebraska.....	5%	4%
Arizona.....	5%	4%	Nevada.....	3%	2%
Arkansas.....	4%	3%	New Hampshire.....	5%	4%
California.....	8%	7%	New Jersey.....	9%	8%
Canada and Canadian			New Mexico.....	3%	2%
Provinces.....	3%	2%	New York.....	10%	9%
Colorado.....	5%	4%	North Carolina.....	6%	5%
Connecticut.....	8%	7%	North Dakota.....	3%	2%
Delaware.....	5%	4%	Northern Mariana		
District of Columbia.....	8%	7%	Islands.....	3%	2%
Federated States			Ohio.....	6%	5%
of Micronesia.....	3%	2%	Oklahoma.....	4%	3%
Florida.....	4%	3%	Oregon.....	8%	7%
Georgia.....	6%	5%	Palau.....	3%	2%
Guam.....	3%	2%	Pennsylvania.....	6%	5%
Hawaii.....	5%	4%	Puerto Rico.....	3%	2%
Idaho.....	5%	4%	Rhode Island.....	7%	6%
Illinois.....	5%	4%	South Carolina.....	5%	4%
Indiana.....	4%	3%	South Dakota.....	2%	1%
Iowa.....	5%	4%	Tennessee.....	2%	1%
Kansas.....	5%	4%	Texas.....	3%	2%
Kentucky.....	6%	5%	Utah.....	5%	4%
Louisiana.....	4%	3%	Vermont.....	6%	5%
Maine.....	6%	5%	Virgin Islands.....	3%	2%
Marshall Islands.....	3%	2%	Virginia.....	6%	5%
Maryland.....	9%	8%	Washington.....	4%	3%
Massachusetts.....	7%	6%	West Virginia.....	3%	2%
Mexico.....	3%	2%	Wisconsin.....	8%	7%
Michigan.....	5%	4%	Wyoming.....	2%	1%
Minnesota.....	7%	6%	Blank or Invalid		
Mississippi.....	3%	2%	State.....	3%	2%
			OTHER.....	3%	2%

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 - \$106,800	7.65% of income
\$106,801 or greater	\$8,170.20 + 1.45% of amount over \$106,800

\*Student's 2011 income earned from work is FAFSA/SAR #38.  
 Spouse's 2011 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 . . . . .	\$23,630	\$19,590	—	—	—
3 . . . . .	29,420	25,400	\$21,360	—	—
4 . . . . .	36,330	32,300	28,280	\$24,230	—
5 . . . . .	42,870	38,820	34,800	30,770	\$26,750
6 . . . . .	50,130	46,100	42,090	38,030	34,020

Note: For each additional family member, add \$5,660.  
 For each additional college student, subtract \$4,020.

### 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 \$115,000	40% of net worth of business/farm
\$115,001 to \$350,000	\$ 46,000 + 50% of net worth over \$115,000
\$350,001 to \$585,000	\$163,500 + 60% of net worth over \$350,000
\$585,001 or more	\$304,500 + 100% of net worth over \$585,000

**Table C5: Asset Protection Allowance**

<i>Age of student as of 12/31/2012*</i>	Allowance for—		<i>Age of student as of 12/31/2012*</i>	Allowance for—	
	Married Student	Unmarried Student		Married Student	Unmarried Student
25 or less	\$0	\$0	45.....	\$41,300	\$14,200
26.....	2,400	800	46.....	42,300	14,500
27.....	4,900	1,700	47.....	43,400	14,900
28.....	7,300	2,500	48.....	44,400	15,200
29.....	9,700	3,400	49.....	45,500	15,600
30.....	12,200	4,200	50.....	46,600	16,000
31.....	14,600	5,100	51.....	48,000	16,300
32.....	17,000	5,900	52.....	49,200	16,700
33.....	19,500	6,800	53.....	50,700	17,100
34.....	21,900	7,600	54.....	51,900	17,500
35.....	24,300	8,500	55.....	53,400	17,900
36.....	26,800	9,300	56.....	54,700	18,500
37.....	29,200	10,200	57.....	56,300	18,900
38.....	31,600	11,000	58.....	58,000	19,400
39.....	34,100	11,900	59.....	59,700	19,900
40.....	36,500	12,700	60.....	61,400	20,400
41.....	37,500	13,000	61.....	63,100	20,900
42.....	38,400	13,300	62.....	65,000	21,500
43.....	39,300	13,600	63.....	66,800	22,100
44.....	40,300	13,900	64.....	68,700	22,700
			65 or over..	71,000	23,300

\*Determine student's age as of 12/31/2012 from student's date of birth (FAFSA/SAR #9)

**Table C6: Contribution from AAI**

<b>If parents' AAI is—</b>	<b>The parents' contribution from AAI is—</b>
Less than -\$3,409	-\$750
-\$3,409 to \$14,600	22% of AAI
\$14,601 to \$18,400	\$3,212 + 25% of AAI over \$14,600
\$18,401 to \$22,100	\$4,162 + 29% of AAI over \$18,400
\$22,101 to \$25,900	\$5,235 + 34% of AAI over \$22,100
\$25,901 to \$29,600	\$6,527 + 40% of AAI over \$25,900
\$29,601 or more	\$8,007 + 47% of AAI over \$29,600

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