

## Summary of Enhancements to the 2014-2015 Free Application for Federal Student Aid (FAFSA)

The changes listed below include resolution of public feedback from the comment period announced in the Federal Register (78 FR 26334, 26334 -26336) and tracked in the document entitled *2014-2015 Federal Student Aid Application Comments Tracking Summary*.

### General Changes

**Field Lengths** - The field lengths for dollar amounts on the FAFSA are increased to seven digits for the following Questions: 36, 37, 39-45, 85, 86, and 88-94. The EFC field length is increased to six digits.

### FAFSA Question/Response Changes

#### Page 1

- Revised the “Using Your Tax Return” section to read:

“We recommend that you complete and submit your FAFSA as soon as possible on or after January 1, 2014. If you (or your parents) need to file a 2013 income tax return with the Internal Revenue Service (IRS), and have not done so yet, you can submit your FAFSA now using estimated tax information, and then you **must correct** that information **after you file** your return.

The easiest way to complete or correct your FAFSA with accurate tax information is by using the IRS Data Retrieval Tool through [www.fafsa.gov](http://www.fafsa.gov). In a few simple steps, most students and parents who filed a 2013 tax return can view and transfer their tax return information directly into their FAFSA.

**Note:** Both parents or both the student and spouse may need to report income information on the FAFSA if they did not file a joint tax return for 2013. For assistance with answering the income information questions in this situation, call 1-800-4-FED-AID.”

- Revised the first paragraph of the “Filling Out the FAFSA” section to read:

“If you or your family experienced significant changes to your financial situation (such as loss of employment), complete this form to the extent you can and submit it as instructed. Consult with the financial aid office at the college(s) you applied to or plan to attend.”

#### Page 2

- Added instructional text for residents of the Freely Associated States (Notes for question 8 (page 3)) to read:

“Enter your Social Security Number (SSN). If you are a resident of the Freely Associated States (i.e., the Republic of Palau, the Republic of the Marshall Islands, or the Federated States of Micronesia) and were issued an identification number beginning with “666” when submitting a FAFSA previously, enter that number here. If you are a first-time applicant from the Freely Associated States, enter “666” in the first three boxes of the SSN field and leave the remaining six positions blank and we will create an identification number to be used for federal student aid purposes.”

- Clarified that while students who are neither a citizen nor an eligible noncitizen can submit a FAFSA, they must have a Social Security Number in order to do so. The last sentence in paragraph two of the “Notes for questions 14 and 15” now reads:

“If you have a Social Security Number but are not a citizen or an eligible noncitizen, you should still complete the FAFSA because you may be eligible for state or college aid.”

- As a result of the Supreme Court ruling striking down Section Three of DOMA, the Department removed the reference to DOMA in the “Notes for questions 16 and 17 (page3)” and added instructional text to read:

“Consistent with the Supreme Court decision on the Defense of Marriage Act (DOMA), same-sex couples must report their marital status as married if they were legally married in a state or other jurisdiction (foreign country) that permits same-sex marriage.”

This text has also been added to the instructional text for parents’ marital status in the “Notes for Step Four, questions 59–94 (pages 6 and 7)” on page 9 of the FAFSA.

- Revised the “Notes for questions 35 (page 4) and 83 (page 6)” to remove the reference to the Hope Tax Credit.
- Revised the “Notes for questions 42 and 43 (page 4), 45j (page 5), and 91 and 92 (page 7)” to include guidance on the rental portion of a family home:

“**Investments include** real estate (do not include the home you live in), rental property (includes a unit within a family home that has its own entrance, kitchen, and bath rented to someone other than a family member), trust funds, UGMA and UTMA accounts, money market funds, mutual funds, certificates of deposit, stocks, stock options, bonds, other securities, installment and land sale contracts (including mortgages held), commodities, etc.”

- Revised the “Notes for question 50” to include basic training:

“Answer “**Yes**” (you are a veteran) if you (1) have engaged in active duty (including basic training) in the U.S. Armed Forces, or are a National Guard or Reserves enlistee who was

called to active duty for other than state or training purposes, or were a cadet or midshipman at one of the service academies, **and** (2) were released under a condition other than dishonorable. Also answer “**Yes**” if you are not a veteran now but will be one by June 30, 2015.

Answer “**No**” (you are not a veteran) if you (1) have never engaged in active duty (including basic training) in the U.S. Armed Forces, (2) are currently an ROTC student or a cadet or midshipman at a service academy, (3) are a National Guard or Reserves enlistee activated only for state or training purposes, or (4) were engaged in active duty in the U.S. Armed Forces but released under dishonorable conditions.

Also answer “**No**” if you are currently serving in the U.S. Armed Forces and will continue to serve through June 30, 2015.”

### Page 3

- Revised first sentence of Question 23 informational text to read, “Answer ‘No’ if you have never received federal student aid or if you have never had a drug conviction for an offense that occurred while receiving federal student aid.”
- Revised Question 24 to read, “Highest school completed by Parent 1”
- Revised Question 25 to read, “Highest school completed by Parent 2”
- Revised the GED response to Question 26 to read, “General Educational Development (GED) certificate or state equivalent test.”

### Page 4 and Page 6

- The Department has added two new questions to the FAFSA which results in the renumbering of existing questions.
  - Added Question 34 (Page 4) - “For 2013, what is or will be your tax filing status according to your tax return?”
  - Added Question 82 (Page 6) - “For 2013, what is or will be your parents’ tax filing status according to their tax return?”

Applicants will have the option to select the following IRS tax filing statuses:

Single  
Head of household  
Married—filed joint return  
Married—filed separate return  
Qualifying widow(er)

Don't know

These enhancements will allow the Department to identify instances where the reported parent or student marital status on the FAFSA is inconsistent with the IRS tax return filing status. Ensuring consistency will improve the accuracy of financial information used to calculate the applicant's EFC.

## Page 5 and Page 7

- Revised Question 44a (Page 5) and 93a (Page 7) to remove the reference to the Hope Tax Credit.

- Revised Question 45a (Page 5) and 94a (Page 7) to include retirement savings plans and exclude employer contributions toward employee health benefits:

“Payments to tax-deferred pension and retirement savings plans (paid directly or withheld from earnings), including, but not limited to, amounts reported on the W-2 forms in Boxes 12a through 12d, codes D, E, F, G, H and S. **Don't include** amounts reported in code DD (employer contributions toward employee health benefits).”

- Revised Question 45i (Page 5) and 94i (Page 7) to remove the first-time homebuyer tax credit because this tax credit expired with the 2012 tax year and is not available for the 2013 tax year; include untaxed portions of health savings accounts as untaxed income; and exclude extended foster care benefits from untaxed income:

“Other untaxed income not reported in items 45a through 45h, such as workers' compensation, disability, etc. Also include the untaxed portions of health savings accounts from IRS Form 1040—line 25. **Don't include** extended foster care benefits, student aid, earned income credit, additional child tax credit, welfare payments, untaxed Social Security benefits, Supplemental Security Income, Workforce Investment Act educational benefits, on-base military housing or a military housing allowance, combat pay, benefits from flexible spending arrangements (e.g., cafeteria plans), foreign income exclusion or credit for federal tax on special fuels.”

## Page 5

- Revised Question 45j to include non-custodial parent support as untaxed income:

“Money received, or paid on your behalf (e.g., bills), not reported elsewhere on this form. This includes money that you received from a non-custodial parent that is not part of a legal child support agreement. **See Notes page 2.**”

- Revised Question 56 to read “At any time on or after July 1, 2013, did your high school or school district homeless liaison determine that you were an unaccompanied youth who was homeless or were self-supporting and at risk of being homeless?”
- Revised Question 57 to read “At any time on or after July 1, 2013, did the director of an emergency shelter or transitional housing program funded by the U.S. Department of Housing and Urban Development determine that you were an unaccompanied youth who was homeless or were self-supporting and at risk of being homeless?”

## Page 6

- Revised Step Four (Parent) instructions to read:

“Answer all the questions in Step Four even if you do not live with your legal parents (your biological and/or adoptive parents). Grandparents, foster parents, legal guardians, aunts and uncles are not considered parents on this form unless they have legally adopted you. If your legal parents are married to each other or are not married to each other and **live together**, answer the questions about both of them. If your parent was never married or is remarried, divorced, separated or widowed, **see Notes page 9** for additional instructions.”

- Revised Question 59 to read “As of today, what is the marital status of your legal parents?”
  - Revised “Single” to “Never married”
  - Added a new response, “Unmarried and both parents living together”

The Department is making this change to collect information from both of the dependent student’s legal (biological or adoptive) parents if they live together to calculate the student’s EFC regardless of the marital status or gender of the parents. This change makes the application and the EFC calculation consistent with the statute (HEA section 475) which uses the terms “parent” and “parents,” rather than “mother,” “father,” or “spouse.” The FAFSA will now use the gender neutral term “Parent” in lieu of the gender specific terms.

- Removed mother and father references in individual questions and prefaced these questions with the following:
  - “Questions 61-64 are for Parent 1 (father/mother/stepparent)”
  - “Questions 65-68 are for Parent 2 (father/mother/stepparent)”
- Added instructional text for question 80-94 to read, “If your answer to question 59 was “Unmarried and both parents living together,” contact 1-800-4FED-AID for assistance answering questions 80-94”.

## Page 7

- Reworded Question 88 to read, “How much did Parent 1 (father/mother/stepparent) earn from working in 2013?”
- Reworded Question 89 to read, “How much did Parent 2 (father/mother/stepparent) earn from working in 2013?”

## Page 9

- Revised the “Notes for Step Four, questions 59–94 (pages 6 and 7)”

Additional instructions about who is considered a parent on this form:

- If your parent was never married or is widowed and does not live with your other legal parent, answer the questions about that parent.
- If your legal parents (biological and/or adoptive) are not married to each other and **live together**, select “Unmarried and both parents living together” and provide information about both of them regardless of their gender. Do not include any person who is not married to your parent and who is not a legal or biological parent. Contact 1-800-4-FED-AID for assistance in completing questions 80-94.
- If your parents are married, select “Married or remarried.” Consistent with the Supreme Court decision on the Defense of Marriage Act (DOMA), same-sex couples must report their marital status as married if they were legally married in a state or other jurisdiction (foreign country) that permits same-sex marriage. If your legal parents are divorced but living together, select “Unmarried and both parents living together.”
- If your parents are divorced or separated, answer the questions about the parent you lived with more during the past 12 months. (If you did not live with one parent more than the other, give answers about the parent who provided more financial support during the past 12 months or during the most recent year that you actually received support from a parent.) If this parent is remarried as of today, answer the questions about that parent and your stepparent.
- If your widowed parent is remarried as of today, answer the questions about that parent and your stepparent.