

Changes to the 2024-25 Free Application for Federal Student Aid (FAFSA®)

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How the FAFSA Simplification Act Affects You

The [FAFSA Simplification Act](#) represents a significant overhaul of the processes and systems used to offer federal student aid starting with the 2024-25 academic year. This includes the Free Application for Federal Student Aid (FAFSA®), needs analysis (means of determining aid eligibility), and many policies and procedures for schools that participate in federal student aid programs.

Additionally, this change has the potential to affect eligibility for CA state financial aid programs that use FAFSA® data to determine whether certain criteria are met.

In the past, the FAFSA® has typically been accessible starting on October 1st each year. However, for the 2024-25 academic year, you can expect it to become available in December 2023. We will provide updates with the exact date as soon as it is announced.

When will the 2024-2025 FAFSA be available?

The 2024-25 FAFSA will be available sometime in December 2023. Continue monitoring this page for an exact release date.

NOTE: The 2024-2025 FAFSA is applicable for the academic year August 2024 – July 2025.

Changes to the FAFSA

Students and families will see a different measure of their ability to pay for college, and they will experience a change in how eligibility for the federal student aid programs is determined. The new needs analysis formula removes the number of family members in college from the calculation, allows a minimum Student Aid Index (SAI) of -1500, and implements separate eligibility determination criteria for Federal Pell Grants.

Federal Student Aid is working on releasing a [Federal Student Aid Estimator](#) to help students find out how much federal student aid they may be eligible for using an estimate of the SAI.

Changes to Application Functionality

- Parents without a social security number previously could not create an FSA ID for the purposes of signing the FAFSA. As a part of the FAFSA Simplification Act, parents without social security numbers can and must now create an FSA ID.
- Dependent students must invite their parent(s) to contribute to their form if parent information is required.
- Independent students and a dependent student's parent must invite their spouse to contribute to the student's form if spouse information is required.
- Students and contributors must provide consent to retrieve and disclose federal tax information from the IRS for the student to be eligible for federal student aid.

- Students and parents may be eligible to transfer their FAFSA information into a state aid application. Participating states include Iowa, Minnesota, Mississippi, New York, Pennsylvania, New Jersey, and Vermont. •
- After the FAFSA form is processed, students can correct or update their application. Contributors are able to correct or update only their sections of the student's application.

Changes to Terminology

Old Terminology	New Terminology
Expected Family Contributions (EFC)	Student Aid Index (SAI)
Student Aid Report (SAR)	FAFSA® Submission Summary (FSS)
Internal Revenue Service (IRS) Data Retrieval Tool (DRT)	IRS Direct Data Exchange (DDX)

Changes to Who Must Provide Information

A contributor is anyone who is required to provide consent for Federal Tax Information (FTI) and a signature on the FAFSA® including:

- The student
- The student's spouse (if applicable)
- A biological or adoptive parent; or
- The spouse of a remarried parent who is on the FAFSA® (i.e., a stepparent)

The new FAFSA® is student-driven, meaning the student's answers on their section will determine who will be a contributor (in addition to the student). Students will need the contributor's name, date of birth, Social Security Number (SSN), and email address to invite them to complete their required portion of the FAFSA®. Contributors will need to provide personal and financial information on their section of the FAFSA®.

If a dependent student's parents are unmarried and living together, both parents will be contributors, will need to have separate Federal Student Aid (FSA) IDs, and need to provide consent. Dependent students whose parents filed their U.S. income tax return as Married Filing Jointly only require one parent contributor to complete the FAFSA®. If the student's parents filed separately, both parents will be considered contributors and therefore need separate FSA IDs.

If an independent student is married and filed separately, both individuals are contributors and must have FSA IDs.

To create an FSA ID, please visit the [Create Account webpage](#) on the Federal Student Aid website.

Requirement to Provide Consent

For the FAFSA® to process successfully, consent must be provided by all required contributors (student, parent, parent spouse, and/or student spouse) on the FAFSA®. This allows the Federal Tax Information (FTI) transferred from the IRS to be provided to higher education institutions, state higher education agencies, and designated scholarship organizations.

Consent is provided once for the academic year and cannot be revoked in that academic year. This consent is necessary even if the contributor does not have a Social Security Number (SSN), did not file taxes, or filed taxes in another country.

Changes to Parent of Record on the FAFSA® (Dependent Students Only)

Income and assets are to be reported for the parent who provides the most financial **support even if the student does not live with that parent or lives with the other parent.**

In previous years, if a student's parents were divorced or separated, the parent with whom the student lived the most in the past 12 months prior to filing the FAFSA® was to be listed; however, this is no longer the primary consideration.

Changes to Federal Pell Grant Eligibility

The [FAFSA Simplification Act](#) will expand the Federal Pell Grant to more students and will link eligibility to family size and the [federal poverty guidelines](#) that were in effect during the tax year being requested on the FAFSA®.

Pell grants will no longer be awarded per enrollment category. Pell grants will **now** be awarded per amount of credits (see diagram below).

Credit Hours	Enrollment Status (Old)	Enrollment Intensity (New)
12 (or more)	Full-Time	100%
11	Three-Quarter Time	92%
10	Three-Quarter Time	83%
9	Three-Quarter Time	75%
8	Half-Time	67%
7	Half-Time	58%
6	Half-Time	50%
5	Less-Than-Half Time	42%
4	Less-Than-Half Time	33%
3	Less-Than-Half Time	25%
2	Less-Than-Half Time	17%
1	Less-Than-Half Time	8%

Changes to Household Size and Number in College

Though the FAFSA® will ask how many of the student's household members are in college, the answer will not be calculated into the Student Aid Index (SAI). As such, undergraduate students with siblings in college may see a change in their federal aid eligibility. Guidance for how a student should report their family size will align more closely with what was reported on the student's/parent's tax returns.

Changes to Internal Revenue Service (IRS) Functionality and Federal Tax Information (FTI)

A new IRS Direct Data Exchange (DDX) will replace the IRS Data Retrieval Tool (DRT) built into the FAFSA® for importing student, parent, parent spouse, and/or student spouse Federal Tax Information (FTI). Previously, users had the option to enter their tax information manually or use the IRS DRT.

All persons on the FAFSA® must provide consent for the Department of Education to receive tax information or confirmation of non-filing status directly from the IRS. In a very small number of cases, students and families will have to enter their tax data manually, but for most, that data will be automatically transferred into the application.

Changes to Asset Reporting

When applicable, families must now report the value of their small business or family farm. If the family farm includes the principal place of residence, students should determine the total net value of all farm assets and subtract the net value of their principal residence to determine the final value of their farm assets.

Changes to Definition of "Veteran" for Purposes of Determining Independence

The Act changes the statutory basis for determining who is a veteran. The Act further provides that "veteran" includes any person who falls under 38 U.S.C. 101(21)-(23). Those paragraphs define "active duty," "active duty for training," and "inactive duty training."

Changes to Iraq and Afghanistan Service Grants and Children of Fallen Heroes Award Eligibility

Beginning with the 2024-25 award year, students who meet the eligibility requirements for Pell Grants under the Special Rule in HEA Section 401(c) will receive Max Pell, regardless of their calculated SAI. To receive a Pell Grant based on eligibility under the Special Rule, a student must be--

- The child of a parent or guardian who died in the line of duty while (a) serving on active duty as a member of the Armed Forces on or after September 11, 2001; or (b) actively serving as and performing the duties of a public safety officer; and
- Less than 33 years old as of the January 1 prior to the award year for which the applicant is applying (e.g., for the 2024-25 award year, a student must be less than 33 years old as of January 1, 2024, to be eligible).

Students will self-identify potential eligibility on the FAFSA*, and the school will be required to verify eligibility by collecting supporting documentation from the student. Schools will report Special Rule eligibility to the Department using the new FAFSA Partner Portal (formerly FAA Access to CPS Online) to generate an ISIR transaction reflecting the student's eligibility. Schools will award eligible students Max Pell, regardless of SAI. ***Other aid for these students will be based on their calculated SAI.***