

Mapping Your Future Q & A from 2020-21 FAFSA Training September 2019

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Question	Answer
Financial Information	
1. What type of investments have to be reported? If your investment is for retirement purposes does that have to be reported?	Applicants must report investments such as college savings plans, Coverdell education savings accounts, real estate, installment and land sale contracts (including mortgages held), trust funds, mutual funds, money market funds, UGMA and UTMA accounts, certificates of deposit, stocks, stock options, bonds, commodities, and precious metals on the Free Application for Federal Student Aid (FAFSA). Applicants do not report the value of retirement accounts as an investment.
2. Where and when are taxable scholarships included on The FAFSA?	Applicants report the amount of taxable grants and scholarships in Questions 44 and 93 of the FAFSA. The amount of grants and scholarships which exceed tuition, mandatory fees, and books and supplies is taxable income and should be reported as part of an applicant's adjusted gross income (AGI). For more information, see IRS Publication 970.
3. For grants and scholarships reported on the FAFSA; does that refer to the amount received for the 2018 academic year? Is this the information stated on the W-9 sent to students in college?	For the purpose of reporting taxable grants and scholarships, applicants should review aid received during the applicable calendar year. Schools report this information to students using Form 1098-T. Please also see Question 2.
4. If a student's parent did not work all year, how does he or she provide proof of income?	Parents who did not work during 2018 should skip the tax return questions and report zero income earned from work on the FAFSA. If the student is selected for verification, the parent may be asked to provide a signed written statement verifying he or she did not earn any income in 2018.
5. When completing a FAFSA for 2020-21, which tax year information should applicants use?	Applicants must complete the 2020-21 FAFSA using 2018 tax information.

Question	Answer
<p>6. Can undocumented parents visit the Internal Revenue Service (IRS) for non-filer proof?</p>	<p>If an undocumented parent has an individual taxpayer identification number (ITIN), he or she may request proof of non-filing from the IRS. If the parent does not have an ITIN and his or her income is below the filing threshold, he or she should submit alternative documentation. Alternative documentation of non-filing is a signed and dated statement including the following information:</p> <ul style="list-style-type: none"> • Certification that the parent does not have a Social Security Number, ITIN, or Employer Identification Number; and • A listing of the sources and amount of earnings, other income, and resources which supported the parent during 2018.
<p>7. Will the Institutional Student Information Record (ISIR) still be blank when a student or parent uses the IRS Data Retrieval Tool (DRT)?</p>	<p>An applicant's ISIR (which is sent to the schools listed on the FAFSA) will include the values of data transferred using IRS DRT. However, data transferred using IRS DRT will be encrypted on the Student Aid Report (SAR) made available to the student.</p>
<p>8. Students that are citizens of the Republic of the Marshall Islands, Federated States of Micronesia, and the Republic of Palau tend to live with family members in the U.S. while biological parents are living in the islands. Some of the parents have no income, while others do. Since people do not file income in the islands, how would the students report parental income on the FAFSA?</p>	<p>Parents who did not file a tax return should skip the tax return questions on the FAFSA but answer the question regarding income earned from work. Parents may need to submit proof of non-filing (see Question 5)</p>
<p>9. With the changes to the tax code and forms, how will the Department of Education (ED) determine if an applicant is eligible for a simplified formula?</p>	<p>The 2020-21 FAFSA will include a new question asking applicants if they filed a Schedule 1 with their tax return. Tax filers use Schedule 1 to report additional income and adjustments to income.</p> <p>Applicants who do not file a Schedule 1 or who only file it to report specific items are more likely to qualify for a simplified formula (Automatic Zero Expected Family Contribution (EFC) or the Simplified Needs Test (SNT).</p>
<p>10. Has the exemptions question been removed from the 2020-21 FAFSA?</p>	<p>Yes; since the tax return no longer asks for exemptions the question has been removed from the FAFSA.</p>

Question	Answer
11. Have the questions regarding the amount of untaxed pension distributions and the amount of untaxed IRA distributions been combined on the 2020-21 FAFSA?	Yes; since the tax return now asks filers to report income from IRAs, pensions, and annuities in a single question, the questions regarding the untaxed portions of pensions and IRAs have been combined on the FAFSA.
12. Which students need to submit verification of non-filing from the IRS?	Only independent students selected for verification need to submit verification of non-filing from the IRS. Dependent students selected for verification are exempt from this requirement.
General	
13. What is changing on the FAFSA for 2020-21?	Changes to the 2020-21 FAFSA are due primarily to recent changes to the tax code (and tax forms).
14. How does a student have more than 10 colleges receive information from his or her FAFSA?	Students may update the list of schools to which processed FAFSA information will be sent by submitting a correction at fafsa.gov . To add a new school, students will need to remove a school from the list.
15. Will a student receive a new data release number (DRN) if he or she changes the schools listed on the FAFSA?	No; a student's DRN remains unchanged if he or she submits corrections. A student will receive a new SAR when he or she submits corrections.
16. If applicants need additional help with the FAFSA, where can they go?	The financial aid office at a local college can help applicants complete the FAFSA.
17. Do both students and parents need to create an FSA ID?	Yes; both students and parents should create FSA IDs. Applicants can't use their FSA IDs until their identity is confirmed, which generally takes a few days.
18. Is there an advantage to completing the FAFSA using a desktop versus a mobile device?	No; the FAFSA website and mobile application include the same information and similar features.
19. Does the demo site calculate an estimated EFC?	No; if applicants would like estimated information regarding their eligibility, they should use FAFSA4caster, which is available at studentaid.ed.gov .
20. What is GEN-15-16?	Dear Colleague Letter GEN-15-16 is guidance provided to the financial aid community by ED regarding making determinations of unaccompanied homeless youth status.
21. If a student doesn't have a home address, which address should he or she use on the FAFSA?	If a student does not have a home address, he or she may use an address at the college, such as the address of the admissions office, on the FAFSA.

Question	Answer
Household Information	
22. Should older siblings under the age of 24 be included in the parents' household if they live on their own?	<p>Use the following two-part test to determine if a sibling should be included in parent household size:</p> <ol style="list-style-type: none"> 1. Does the parent provide more than 50 percent of the sibling's support? If Yes, include sibling in household. If No, go to Question 2. 2. Can the sibling answer "No" to all of the dependency status questions? If Yes, include sibling in household. If No, do not include sibling in household.
Parental Information	
23. If a student completes the FAFSA, but the parent refuses to provide information, how does the student move forward in receiving financial aid?	<p>The student should indicate on the FAFSA that he or she is unable to provide parental information. This response will add a special circumstance flag to the ISIR. The financial aid administrator will follow up with the student to determine the best course of action, which could be a dependency status appeal or eligibility for non-need-based financial aid only if the parent refuses to provide support or complete the FAFSA.</p>
24. If a student's parents are divorced, should the student's parent of record for the FAFSA be the parent he or she lives with or the parent who claims the student as a dependent for tax purposes?	<p>If a dependent student's parents are divorced, the parent of record for the FAFSA is the parent with whom the student lived the most during the previous 12 months. If the student lived an equal amount of time with each parent, the parent of record is the one who provided the most financial support during the previous 12 months.</p>
25. A student lives with his or her grandparents, who have not legally adopted the student. The student has no contact with his or her parents. How should the student do?	<p>The student should indicate on the FAFSA that he or she is unable to provide parental information. This response will add a special circumstance flag to the ISIR. The financial aid administrator will follow up with the student to determine the best course of action, which likely will be a dependency status appeal.</p> <p>If the student already knows what school he or she will attend, he or she should contact the financial aid office about submitting a dependency status appeal. If approved, the financial aid office can submit an override when the student completes the FAFSA.</p>