



Deep Dive Into the Student Aid Index (SAI)

February 21, 2024

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February 2024



NASFAA Webinar

Deep Dive Into the Student Aid Index (SAI)

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024



Welcome to NASFAA's Deep Dive Into the Student Aid Index (SAI) Webinar







February 21, 2024




NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

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Webinar Housekeeping – Welcome!

-  Audio is streaming - select the “CC” icon to display captions
-  Download the handout(s)
-  Print your certificate
-  Submit your questions
-  Complete the survey
-  Chat with attendees

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Introductions



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NASFAA*



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*Compliance Generalist
and NASFAA U Instructor,
NASFAA*



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Financial Aid Compliance,
Washburn University*

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Agenda

- What is Federal Methodology and How Has It Changed?
- Maximum and Minimum Pell Grant Determinations
- SAI Formulas
- Calculated SAI Examples
- Panelist Discussion on Practical Utilization of SAI Data

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Poll Question

What is your general comfort level with the Student Aid Index (SAI) formulas?

- It's going swimmingly
- I have my goggles and air tank ready to go
- I've dipped my toes in
- I'm still on the sand

Select a single answer

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▶ What Is Federal Methodology and How Has It Changed?

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What Is Need Analysis & Federal Methodology (FM)?

- Need analysis is the broader process of assessing a student's financial need.
- FM refers to the formula used by the Department of Education (ED) to determine the student aid index (SAI).
- The formula calculates the SAI using information provided by a student and their family on the Free Application for Federal Student Aid (FAFSA).
- Calculates a standard SAI to be used for all periods of enrollment.

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FAFSA Simplification Act Changes

- SAI replaces the expected family contribution (EFC)
- Includes changes to the calculation used in FM
 - Negative SAI
 - Income protection allowance increase
 - State/other tax allowance removed
 - Small business/family farm exclusion eliminated
 - Removal of number of family members in college
- Expands the Federal Pell Grant to more students
 - Links eligibility to family size and the federal poverty level
 - More predictability of Pell Grant eligibility for those eligible for the maximum and minimum Pell Grant

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▶ Maximum and Minimum Pell Grant Determinations



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Federal Methodology Student Aid Index Eligibility Determination

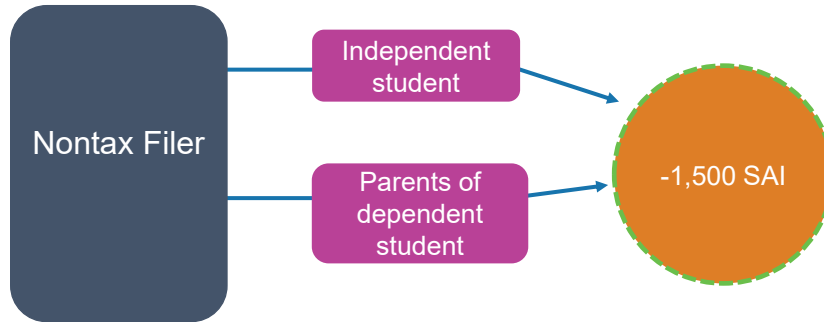
- AGI and tax filing status
- Federal poverty level
- State of legal residence
- Student's family size

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Maximum Pell Grant: Automatic Eligibility for a Negative 1,500 SAI

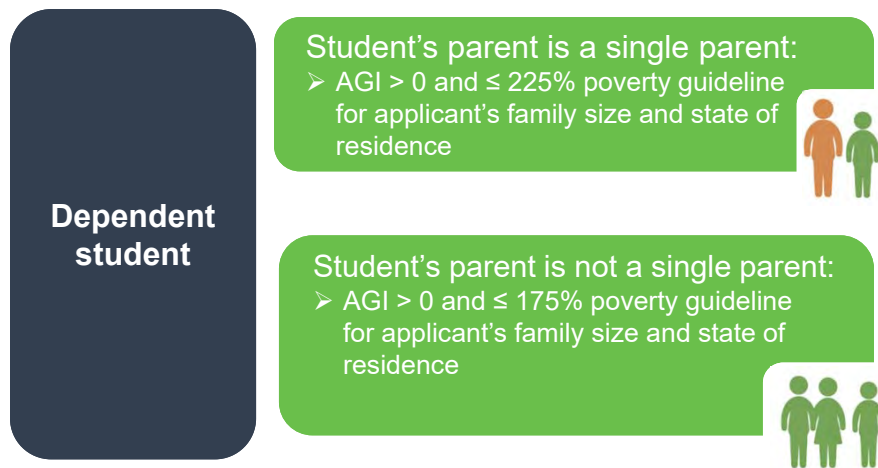


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Maximum Pell Grant: Zero or Calculated (Whichever Is Lower)



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Maximum Pell Grant: Zero or Calculated (Whichever Is Lower)

Independent student

Student is a single parent:

- AGI > 0 and \leq 225% poverty guideline for applicant's family size and state of residence

Student is not a single parent:

- AGI > 0 and \leq 175% poverty guideline for applicant's family size and state of residence

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Minimum Pell Grant

Dependent Student

Single Parent Household

- AGI \leq 325% of poverty guidelines for family size and state of residence

Not a Single Parent

- AGI \leq 275% of poverty guidelines for family size and state of residence

Independent Student

Single Parent Household

- AGI \leq 400% of poverty guidelines for family size and state of residence

Not a Single Parent

- AGI \leq 350% of poverty guidelines for family size and state of residence

Not a Parent

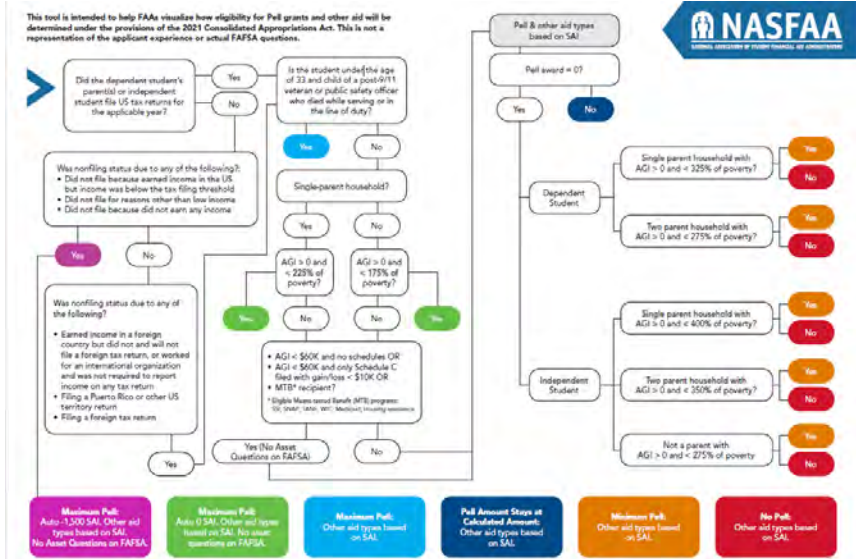
- AGI \leq 275% of poverty guidelines for family size and state of residence

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Pell Grant Eligibility and SAI Process Flow



https://www.nasfaa.org/uploads/documents/FAFSA_Methodology_Determination_Pell_Title_IV.pdf

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SAI Formulas & Components

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Student Aid Index Formulas

Formula A	Formula B	Formula C
Dependent student	Independent student No dependent(s) other than a spouse	Independent student With dependent(s) other than a spouse

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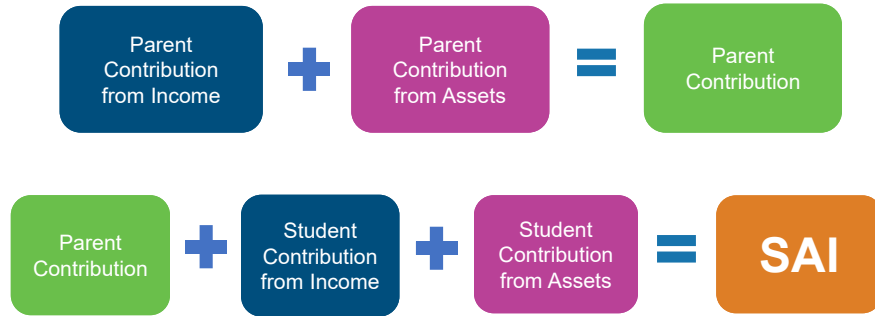
Student Aid Index Formula

$$\text{Contribution from Income} + \text{Contribution from Assets} = \text{SAI}$$

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Student Aid Index Formula A



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Parent Allowances Against Income

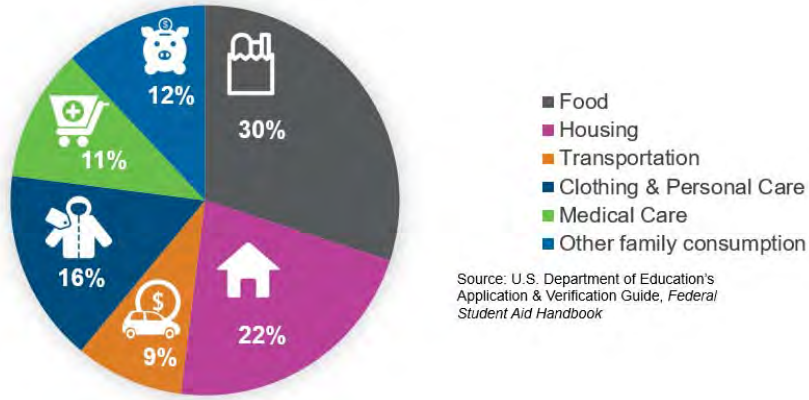


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Income Protection Allowance



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Contribution from Assets

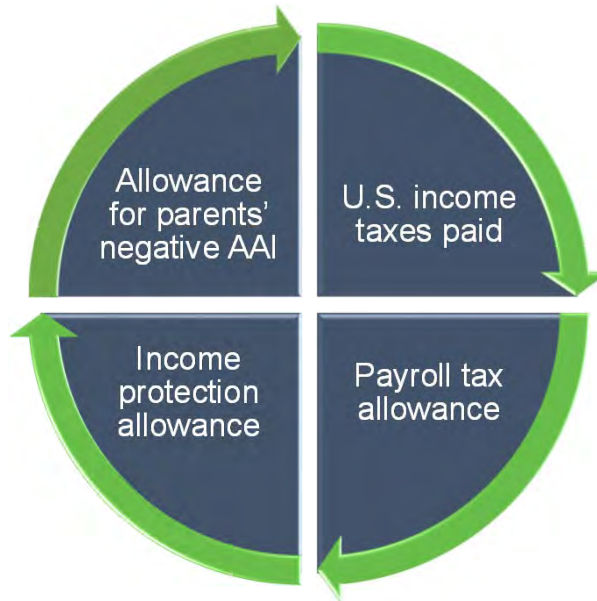
Student Aid Index (SAI)
<p>Contributions from Assets</p> <ul style="list-style-type: none"> • Cash, savings and checking • Net worth of investments, including real estate (excluding primary residence) • Adjusted net worth of business and/or farm • Annual child support received for the last complete calendar year
<p>Allowances against Assets</p> <ul style="list-style-type: none"> • Asset protection allowance

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Student Allowances Against Income

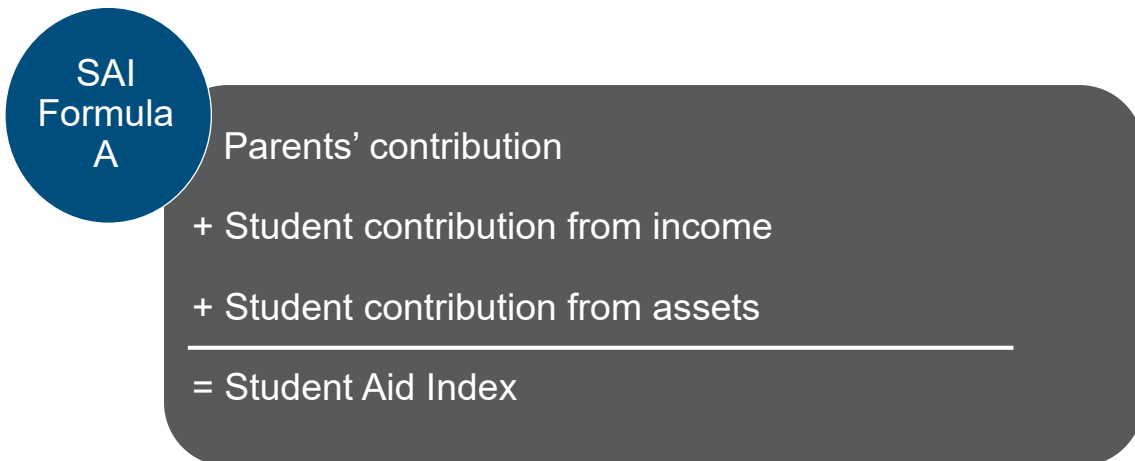


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Student Aid Index Formula A



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Poll Question

If a parent owns separate 529 plans for three children, how do they report that qualified education benefit on the FAFSA for their oldest child?

- The parent includes the value of all three 529 plans
- The parent only includes the value of the oldest child's 529 plan
- There is no need to report any of the 529 plans as assets

Select a single answer

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Poll Result

If a parent owns separate 529 plans for three children, how do they report that qualified education benefit on the FAFSA for their oldest child?

- The parent only includes the value of the oldest child's 529 plan

The U.S. Department of Education (ED) provided clarification to the change in [GEN-23-11](#) stating (bold added), "For dependent students, education savings accounts will **only be counted as a parental asset if the account is designated for the student**. Previously, if a parent had education savings accounts for their other children, the value of those was also required to be counted."

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Student Aid Index Formula B



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Student Aid Index Formula C



- Calculation identical to calculation of the parents' contribution for a dependent student, except:
 - Table values used to calculate income protection allowance
 - Asset conversion rate

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Poll Question

Have you completed a hand calculation of the SAI Formula?

- Yes
- Not with the SAI formula, but have done an EFC Formula Calculation
- No, why would I ever do that? That's what the FAM system is for

Select a single answer

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▶ Calculated SAI Examples

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Case Study #1 Maggie: Student Information

Maggie's Student Information:

- Date of Birth: June 25, 2004.
- Enrollment Status: Second-year undergraduate student starting Fall 2024.
- Completed 2024-25 FAFSA on March 15, 2024.

Formula A

Dependent student



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Case Study #1 Maggie: Household Information

Lives with mother Ann, stepfather David and younger stepbrother Miles who is a junior in high school.

Ann and David have been married for 10 years.

Ann's Date of Birth: June 3, 1975.

David's Date of Birth: August 1, 1974.

Maggie's biological father, Samuel and her mom Ann divorced in 2006.

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Case Study #1: Income and Tax Information (2022 Tax Year)

Ann's Business Income: \$21,386 (reported on Schedules 1 and C of IRS Form 1040).

David's Income: \$53,000.

Adjusted Gross Income (AGI): \$71,886.

American Opportunity Tax Credit: \$2,500.

Tax Liability: \$2,727.

Child Support Received: \$3,600 (six months' worth).

Traditional IRA Contribution by David: \$2,500.

Means-Tested Federal Program Benefits: None received in 2022 or 2023.

Maggie did not file a tax return.

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Case Study #1 Maggie: Assets



Value of Ann's Coffee Shop & Bakery: \$500,000 (with debt of \$436,000).



Joint Savings Account: \$12,848.



Ann's Checking Account: \$1,563.



David's Checking Account: \$2,367.



Maggie's Savings Account: \$0 (used to pay tuition; no assets remaining).

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Formula A: Parent Contribution from Income

Parent Contribution from Income		
Parent Income Additions		
a. Parents' AGI		71,886
b. Parents' Deductible Payments to IRA/KEOGH/Other	+	
c. Parents' Tax-Exempt Interest Income	+	
d. Parents' Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	
e. Parents' Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	
f. Parents' Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
1. Total Parent Income Additions (sum of lines a, b, c, d, e, and f)	=	
Parent Income Offsets		
g. Parents' Taxable College Grant and Scholarship Aid (reported as income)		
h. Parents' Education Credits	+	
i. Parents' Federal Work-study (FWS)	+	
2. Total Parent Income Offsets (sum of lines g, h, and i)	=	
3. Total Parent Income (line 1 minus line 2)		
• Total Parent Income Additions – Total Parent Income Offsets		
• May be a negative number	=	

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Formula A: Parent Contribution from Income

Parent Contribution from Income		
Parent Income Additions		
a. Parents' AGI		71,886
b. Parents' Deductible Payments to IRA/KEOGH/Other	+	
c. Parents' Tax-Exempt Interest Income	+	
d. Parents' Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	
e. Parents' Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	
f. Parents' Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
1. Total Parent Income Additions (sum of lines a, b, c, d, e, and f)	=	
Parent Income Offsets		
g. Parents' Taxable College Grant and Scholarship Aid (reported as income)		
h. Parents' Education Credits	+	
i. Parents' Federal Work-study (FWS)	+	
2. Total Parent Income Offsets (sum of lines g, h, and i)	=	
3. Total Parent Income (line 1 minus line 2)		
• Total Parent Income Additions – Total Parent Income Offsets		
• May be a negative number	=	

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Formula A: Parent Contribution from Income

Parent Contribution from Income		
Parent Income Additions		
a. Parents' AGI		71,886
b. Parents' Deductible Payments to IRA/KEOGH/Other	+	2,500
c. Parents' Tax-Exempt Interest Income	+	
d. Parents' Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	
e. Parents' Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	
f. Parents' Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
1. Total Parent Income Additions (sum of lines a, b, c, d, e, and f)	=	
Parent Income Offsets		
g. Parents' Taxable College Grant and Scholarship Aid (reported as income)		
h. Parents' Education Credits	+	
i. Parents' Federal Work-study (FWS)	+	
2. Total Parent Income Offsets (sum of lines g, h, and i)	=	
3. Total Parent Income (line 1 minus line 2)		
• Total Parent Income Additions – Total Parent Income Offsets		
• May be a negative number	=	

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Formula A: Parent Contribution from Income

Parent Contribution from Income		
Parent Income Additions		
a. Parents' AGI		71,886
b. Parents' Deductible Payments to IRA/KEOGH/Other	+	2,500
c. Parents' Tax-Exempt Interest Income	+	0
d. Parents' Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	0
e. Parents' Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	0
f. Parents' Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	0
1. Total Parent Income Additions (sum of lines a, b, c, d, e, and f)	=	74,386
Parent Income Offsets		
g. Parents' Taxable College Grant and Scholarship Aid (reported as income)		
h. Parents' Education Credits	+	
i. Parents' Federal Work-study (FWS)	+	
2. Total Parent Income Offsets (sum of lines g, h, and i)	=	
3. Total Parent Income (line 1 minus line 2)		
• Total Parent Income Additions – Total Parent Income Offsets		
• May be a negative number	=	

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Formula A: Parent Contribution from Income

Parent Contribution from Income		
Parent Income Additions		
a. Parents' AGI		71,886
b. Parents' Deductible Payments to IRA/KEOGH/Other	+	2,500
c. Parents' Tax-Exempt Interest Income	+	0
d. Parents' Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	0
e. Parents' Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	0
f. Parents' Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	0
1. Total Parent Income Additions (sum of lines a, b, c, d, e, and f)	=	74,386
Parent Income Offsets		
g. Parents' Taxable College Grant and Scholarship Aid (reported as income)		0
h. Parents' Education Credits	+	2,500
i. Parents' Federal Work-study (FWS)	+	0
2. Total Parent Income Offsets (sum of lines g, h, and i)	=	2,500
3. Total Parent Income (line 1 minus line 2)		
• Total Parent Income Additions – Total Parent Income Offsets	=	71,886
• May be a negative number		

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Formula A: Allowances Against Parents' Income

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	
7. Employment Expense Allowance (EEA)		
• The lesser of:		
▪ 35% of parents' combined income, OR		
▪ \$4,730	+	
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	
Parents' Available Income (PAI)		
Total Parent Income (line 3)		
Total Parent Allowances Against Income (line 8)	-	
9. Parent Available Income (line 3 minus line 8)		
• May be a negative number	=	

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Payroll Tax Allowance (Table A1)

Table A1: Payroll Tax Allowance

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	If Parent filed as Single, HoH or Qualifying Surviving Spouse: <ul style="list-style-type: none"> 1.45% of parent income earned from work up to \$200,000, (+) plus 2.35% of parent income earned from work over \$200,000 If Parent filed as Married-Filed Joint Return (MFJ): <ul style="list-style-type: none"> 1.45% of parents' combined income earned from work up to \$250,000, (+) plus 2.35% of parents' combined income earned from work over \$250,000 If Parent filed as Married-Filed Separate Return (MFS): <ul style="list-style-type: none"> 1.45% of parent income earned from work up to \$125,000, (+) plus 1.45% of parent spouse's income earned from work up to \$125,000, (+) plus 2.35% of parent income earned from work over \$125,000 (+) plus 2.35% of parent spouse's income earned from work over \$125,000 If Dependent Student: <ul style="list-style-type: none"> 1.45% of dependent student income earned from work up to \$200,000, (+) plus 2.35% of dependent student income earned from work over \$200,000.

Ann's business Income = \$21,386
 David's earned income = \$53,000
Combined earned income = \$74,386
 $\$74,386 * 1.45\% = \$1,078.597$
Rounded up to \$1,079

All calculations, unless noted otherwise in the worksheets, 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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Formula A: Allowances Against Parents' Income

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	
7. Employment Expense Allowance (EEA)		
• The lesser of:		
▪ 35% of parents' combined income, OR		
▪ \$4,730	+	
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	
Parents' Available Income (PAI)		
Total Parent Income (line 3)		
Total Parent Allowances Against Income (line 8)	-	
9. Parent Available Income (line 3 minus line 8)	=	
• May be a negative number		

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Payroll Tax Allowance (Table A1- Step 2)

<p>Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate</p>	<p>If Parent:</p> <ul style="list-style-type: none"> For those reporting a single parental income, 6.2% of parent's total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If parent's total earned income exceeds \$147,000, then input \$9,114*. For those reporting two parental incomes or whose parents filed a joint return, 6.2% of parents total earned income up to Contributions and Benefit Base of \$294,000 for Tax Year 2022. If parents' total earned income exceeds \$294,000, then input \$18,228*. <p>If Dependent Student:</p> <ul style="list-style-type: none"> 6.2% of student's total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If the student's total earned income exceeds \$147,000, then input \$9,114*.
--	--

\$74,386 * 6.2% = \$4,611.932
Rounded up to \$4,612

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Formula A: Allowances Against Parents' Income

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	4,612
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	
7. Employment Expense Allowance (EEA)		
• The lesser of:		
▪ 35% of parents' combined income, OR		
▪ \$4,730	+	
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	
Parents' Available Income (PAI)		
Total Parent Income (line 3)		
Total Parent Allowances Against Income (line 8)	-	
9. Parent Available Income (line 3 minus line 8)		
• May be a negative number	=	



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Table A2: Income Protection Allowance

Table A2: Income Protection Allowance

Family Size (including student)	Income Protection Allowance Amount
2	\$27,600
3	\$34,350
4	\$42,430
5	\$50,060
6	\$58,560

Note: For each additional household member, add \$6,610.

IPA = \$42,430

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Formula A: Allowances Against Parents' Income

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	4,612
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	42,430
7. Employment Expense Allowance (EEA)		
• The lesser of:		
▪ 35% of parents' combined income, OR		
▪ \$4,730	+	
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	
Parents' Available Income (PAI)		
Total Parent Income (line 3)		
Total Parent Allowances Against Income (line 8)	-	
9. Parent Available Income (line 3 minus line 8)		
• May be a negative number	=	



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Formula A: Allowances Against Parents' Income

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	4,612
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	42,430
7. Employment Expense Allowance (EEA)		
• The lesser of:		
▪ 35% of parents' combined income, OR		
▪ \$4,730	+	4,730
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	
Parents' Available Income (PAI)		
Total Parent Income (line 3)		
Total Parent Allowances Against Income (line 8)	-	
9. Parent Available Income (line 3 minus line 8)		
• May be a negative number	=	

$\$74,386 * 35\% = \$26,035.1$
 $\$26,035.1 > \$4,730$
 Use \$4,730

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Formula A: Allowances Against Parents' Income

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	4,612
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	42,430
7. Employment Expense Allowance (EEA)		
• The lesser of:		
▪ 35% of parents' combined income, OR		
▪ \$4,730	+	4,730
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	
Parents' Available Income (PAI)		
Total Parent Income (line 3)		
Total Parent Allowances Against Income (line 8)	-	
9. Parent Available Income (line 3 minus line 8)		
• May be a negative number	=	



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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula A: Allowances Against Parents' Income

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	4,612
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	42,430
7. Employment Expense Allowance (EEA)		
• The lesser of:		
▪ 35% of parents' combined income, OR		
▪ \$4,730	+	4,730
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	55,578
Parents' Available Income (PAI)		
Total Parent Income (line 3)		71,886
Total Parent Allowances Against Income (line 8)	-	
9. Parent Available Income (line 3 minus line 8)		
• May be a negative number	=	

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Formula A: Parents' Available Income (PAI)

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	4,612
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	42,430
7. Employment Expense Allowance (EEA)		
• The lesser of:		
▪ 35% of parents' combined income, OR		
▪ \$4,730	+	4,730
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	55,578
Parents' Available Income (PAI)		
Total Parent Income (line 3)		71,886
Total Parent Allowances Against Income (line 8)	-	
9. Parent Available Income (line 3 minus line 8)		
• May be a negative number	=	

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula A: Parents' Available Income (PAI)

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	4,612
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	42,430
7. Employment Expense Allowance (EEA)		
• The lesser of:		
▪ 35% of parents' combined income, OR		
▪ \$4,730	+	4,730
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	55,578
Parents' Available Income (PAI)		
Total Parent Income (line 3)		71,886
Total Parent Allowances Against Income (line 8)	-	55,578
9. Parent Available Income (line 3 minus line 8)		
• May be a negative number	=	

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Formula A: Parents' Available Income (PAI)

Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		2,727
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	1,079
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	4,612
6. Income Protection Allowance (Table A2)		
• Use the calculated Family Size to determine the IPA	+	42,430
7. Employment Expense Allowance (EEA)		
• The lesser of:		
▪ 35% of parents' combined income, OR		
▪ \$4,730	+	4,730
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	55,578
Parents' Available Income (PAI)		
Total Parent Income (line 3)		71,886
Total Parent Allowances Against Income (line 8)	-	55,578
9. Parent Available Income (line 3 minus line 8)		
• May be a negative number	=	16,308

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Formula A: Parent Contribution from Assets

Parent Contribution from Assets		
10. Annual child support received for the last complete calendar year		0
11. Cash, savings, and checking accounts	+	16,778
12. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	0
13. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3 	+	
14. Net worth (sum of lines 10, 11, 12, and 13)	=	
15. Asset Protection Allowance (APA) (Table A4)	-	
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> (Line 14 minus line 15) times line 16 If negative, enter zero 	=	

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Table A3: Business/Farm Net Worth Adjustment

Table A3: 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 \$165,000	40% of net worth of business/farm
\$165,001 to \$490,000	\$66,000 + 50% of net worth over \$165,000
\$490,001 to \$820,000	\$228,500 + 60% of net worth over \$490,000
\$820,001 or more	\$426,500 + 100% of net worth over \$820,000



Value of Ann's
Coffee Shop &
Bakery: \$500,000
(with debt of
\$436,000).

$$\text{Adjusted Net Worth} = \$500,000 - \$436,000$$

$$\$64,000 * 40\% = \$25,600$$

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula A: Parent Contribution from Assets

Parent Contribution from Assets		
10. Annual child support received for the last complete calendar year		0
11. Cash, savings, and checking accounts	+	16,778
12. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	0
13. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3 	+	25,600
14. Net worth (sum of lines 10, 11, 12, and 13)	=	
15. Asset Protection Allowance (APA) (Table A4)	-	
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> (Line 14 minus line 15) times line 16 If negative, enter zero 	=	

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Formula A: Parent Contribution from Assets

Parent Contribution from Assets		
10. Annual child support received for the last complete calendar year		0
11. Cash, savings, and checking accounts	+	16,778
12. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	0
13. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3 	+	25,600
14. Net worth (sum of lines 10, 11, 12, and 13)	=	42,378
15. Asset Protection Allowance (APA) (Table A4)	-	
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> (Line 14 minus line 15) times line 16 If negative, enter zero 	=	

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Table A4: Asset Protection Allowance

Table A4: Asset Protection Allowance (Parents Only)

Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent	Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent
25 or less	\$0	\$0	46	\$0	\$0
26	\$0	\$0	47	\$0	\$0
27	\$0	\$0	48	\$0	\$0
28	\$0	\$0	49	\$0	\$0
29	\$0	\$0	50	\$0	\$0
30	\$0	\$0	51	\$0	\$0
31	\$0	\$0	52	\$0	\$0
32	\$0	\$0	53	\$0	\$0
33	\$0	\$0	54	\$0	\$0
34	\$0	\$0	55	\$0	\$0
35	\$0	\$0	56	\$0	\$0
36	\$0	\$0	57	\$0	\$0
37	\$0	\$0	58	\$0	\$0
38	\$0	\$0	59	\$0	\$0

Ann's DOB: June 3, 1975
Ann is 48 years old

David's DOB: August 1, 1974
David is 49 years old

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Formula A: Parent Contribution from Assets

Parent Contribution from Assets		
10. Annual child support received for the last complete calendar year		0
11. Cash, savings, and checking accounts	+	16,778
12. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	0
13. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3 	+	25,600
14. Net worth (sum of lines 10, 11, 12, and 13)	=	42,378
15. Asset Protection Allowance (APA) (Table A4)	-	0
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> (Line 14 minus line 15) times line 16 If negative, enter zero 	=	

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula A: Parent Contribution from Assets

Parent Contribution from Assets		
10. Annual child support received for the last complete calendar year		0
11. Cash, savings, and checking accounts	+	16,778
12. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	0
13. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3 	+	25,600
14. Net worth (sum of lines 10, 11, 12, and 13)	=	42,378
15. Asset Protection Allowance (APA) (Table A4)	-	0
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> (Line 14 minus line 15) times line 16 If negative, enter zero 	=	

$$\$42,378 * .12 = \$5,085$$

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Formula A: Parent Contribution from Assets

Parent Contribution from Assets		
10. Annual child support received for the last complete calendar year		0
11. Cash, savings, and checking accounts	+	16,778
12. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	0
13. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3 	+	25,600
14. Net worth (sum of lines 10, 11, 12, and 13)	=	42,378
15. Asset Protection Allowance (APA) (Table A4)	-	0
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA) <ul style="list-style-type: none"> (Line 14 minus line 15) times line 16 If negative, enter zero 	=	5,085

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula A: Total Parent Contribution

Total Parent Contribution		
Parent Adjusted Available Income (PAAI)		
Parents' Available Income (line 9)		16,308
Parents' Contribution from Assets (line 17)	+	5,085
18. Parent Adjusted Available Income (line 9 plus line 17)		
• May be a negative number	=	21,393
Parents' Contribution		
19. Parents' Contribution (Table A5)		
• Adjust PAAI (line 18) using Table A5	=	

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A5: Parents' Contribution from Adjusted Available Income

Table A5: Parents' Contribution from Adjusted Available Income

If the parents' AAI is ____	Then the parents' contribution from AAI is ____
Less than -\$6,820	-\$1,500
-\$6,820 to \$20,600	22% of AAI
\$20,601 to \$25,800	\$4,532 + 25% of AAI over \$20,600
\$25,801 to \$31,000	\$5,832 + 29% of AAI over \$25,800
\$31,001 to \$36,300	\$7,340 + 34% of AAI over \$31,000
\$36,301 to \$41,500	\$9,142 + 40% of AAI over \$36,300
\$41,501 or more	\$11,222 + 47% of AAI over \$41,500

$$\begin{aligned}
 \text{Parent's Adjusted Available Income (PAAI)} &= \$21,393 \\
 \$21,393 - \$20,600 \text{ AAI} &= \$793 \\
 \$793 * 25\% &= \$198.25 \\
 \$4,532 + 198 &= \$4,730
 \end{aligned}$$

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula A: Total Parent Contribution

Total Parent Contribution		
Parent Adjusted Available Income (PAAI)		
Parents' Available Income (line 9)		16,308
Parents' Contribution from Assets (line 17)	+	5,085
18. Parent Adjusted Available Income (line 9 plus line 17)		
• May be a negative number	=	21,393
Parents' Contribution		
19. Parents' Contribution (Table A5)		
• Adjust PAAI (line 18) using Table A5	=	4,730

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Formula A: Student Contribution from Income

Student Contribution from Income		
Student Income Additions		
a. Student AGI		0
b. Student Deductible Payments to IRA/KEOGH/Other	+	0
c. Student Exempt Interest Income	+	0
d. Student Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	0
e. Student Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	0
f. Student Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	0
20. Total Student Income Additions (sum of lines a, b, c, d, e, and f)	=	0
Student Income Offsets		
g. Student College Grant and Scholarship Aid (reported as income)		0
h. Student Education Credits	+	0
i. Student Federal Work-study (FWS)	+	0
21. Total Student Income Offsets (sum of lines g, h, and i)	=	0
22. Total Student Income (line 20 minus line 21)		
• Total Student Income Additions – Total Student Income Offsets	=	0
• May be a negative number		

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula A: Allowances Against Student Income

Allowances Against Student Income		
23. Student U.S. Income Tax Paid (or Foreign Equivalent)		0
24. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	0
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	0
25. Income Protection Allowance	+	11,130
26. Allowance for parents' negative adjusted available income		
a. If line 18 is negative, enter line 18 as a positive number		
b. If line 18 is zero or positive, enter zero	+	0
27. Total Student Allowances Against Income (sum lines 23, 24a, 24b, 25, and 26)	=	11,130

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Formula A: Student Contributions from Income

Student's Contribution from Income		
Total Student Income (line 22)		0
Total Student Allowances Against Income (line 27)	-	11,130
28. Student Available Income (line 22 minus line 27) May be a negative number	=	-11,130
29. Assessment of Student Available Income	x	0.50
30. Student's Contribution from Income (line 28 times line 29)	=	
• If negative and < -1,500, adjust to -1,500 (e.g., if -2,000 set to -1,500)		
• If negative and >= -1,500, do not adjust (e.g., if -1,000 leave as -1,000)		

$$-11,130 * .50 = -5,565$$

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula A: Student Contributions from Income

Student's Contribution from Income		
Total Student Income (line 22)		0
Total Student Allowances Against Income (line 27)	-	11,130
28. Student Available Income (line 22 minus line 27) May be a negative number	=	-11,130
29. Assessment of Student Available Income	x	0.50
30. Student's Contribution from Income (line 28 times line 29)		
<ul style="list-style-type: none"> If negative and < -1,500, adjust to -1,500 (e.g., if -2,000 set to -1,500) If negative and >= -1,500, do not adjust (e.g., if -1,000 leave as -1,000) 	=	-1,500

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Formula A: Student Contribution from Assets

Student Contribution from Assets		
31. Cash, savings, and checking accounts		0
32. Net worth of investments		
<ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	0
33. Adjusted net worth of business and/or farm (Table A3)		
<ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3 	+	0
34. Net worth (sum of lines 31, 32, and 33)	=	0
35. Asset Conversion Rate (20%)	X	0.20
36. Student Contribution from Assets (SCA)		
<ul style="list-style-type: none"> Line 34 times line 35 If negative, enter zero 	=	0

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Student Aid Index

Student Aid Index (SAI)		
Parents' Contribution (line 19)		4,730
Student's Contribution from Income (line 30)	+	-1,500
Student's Contribution from Assets (line 36)	+	0
37. Student Aid Index (sum of lines 19, 30, and 36)		
<ul style="list-style-type: none"> If negative and < -1,500, adjust to -1,500 (e.g., if -2,000 set to -1,500) If negative and >= -1,500, do not adjust (e.g., if -1,000 leave as -1,000) 	=	

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Student Aid Index

Student Aid Index (SAI)		
Parents' Contribution (line 19)		4,730
Student's Contribution from Income (line 30)	+	-1,500
Student's Contribution from Assets (line 36)	+	0
37. Student Aid Index (sum of lines 19, 30, and 36)		
<ul style="list-style-type: none"> If negative and < -1,500, adjust to -1,500 (e.g., if -2,000 set to -1,500) If negative and >= -1,500, do not adjust (e.g., if -1,000 leave as -1,000) 	=	3,230

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Case Study #2: Devin

Formula B

Independent student

No dependent(s) other than a spouse



Date of Birth: June 1, 1995

Enrollment Status: Fourth-year undergraduate student in Fall 2024.

Household: Lives with wife, Charmaine. No children or other dependents.

Earned \$4,000 in FWS funds in 2022.

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Case Study #2: 2022 Tax and Income Information and Asset Information

- IRS Form 1040 filed jointly.
- Adjusted Gross Income (AGI): \$46,159.
- Devin's Income: \$22,000.
- Charmaine's Income: \$24,000 (earned \$2,500 in FWS funds).
- Early Savings Withdrawal Penalty: \$240 (reported on Schedule 1).
- Taxable Interest Income: \$399.
- Tax Liability: \$2,280 (did not itemize deductions).
- Assets: \$1,300 in joint checking and \$4,000 in joint savings.

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula B: Student Contribution from Income

Student Contribution from Income		
Student (and Spouse) Income Additions		
a. Student (and Spouse) AGI		46,159
b. Student (and Spouse) Deductible Payments to IRA/KEOGH/Other	+	
c. Student (and Spouse) Tax-Exempt Interest Income	+	
d. Student (and Spouse) Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	
e. Student (and Spouse) Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	
f. Student (and Spouse) Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
1. Total Student (and Spouse) Income Additions (sum of lines a, b, c, d, e, and f)	=	
Student (and Spouse) Income Offsets		
g. Student (and Spouse) College Grant and Scholarship Aid		
h. Student (and Spouse) Education Credits	+	
i. Student (and Spouse) Federal Work-study (FWS)	+	
2. Total Student (and Spouse) Income Offsets (sum of lines g, h, and i)	=	
3. Total Student (and Spouse) Income (line 1 minus line 2)		
<ul style="list-style-type: none"> Total Student (and Spouse) Income Additions – Total Student (and Spouse) Income Offsets May be a negative number 	=	

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Formula B: Student Contribution from Income

Student Contribution from Income		
Student (and Spouse) Income Additions		
a. Student (and Spouse) AGI		46,159
b. Student (and Spouse) Deductible Payments to IRA/KEOGH/Other	+	0
c. Student (and Spouse) Tax-Exempt Interest Income	+	0
d. Student (and Spouse) Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	0
e. Student (and Spouse) Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	0
f. Student (and Spouse) Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	0
1. Total Student (and Spouse) Income Additions (sum of lines a, b, c, d, e, and f)	=	46,159
Student (and Spouse) Income Offsets		
g. Student (and Spouse) College Grant and Scholarship Aid		
h. Student (and Spouse) Education Credits	+	
i. Student (and Spouse) Federal Work-study (FWS)	+	
2. Total Student (and Spouse) Income Offsets (sum of lines g, h, and i)	=	
3. Total Student (and Spouse) Income (line 1 minus line 2)		
<ul style="list-style-type: none"> Total Student (and Spouse) Income Additions – Total Student (and Spouse) Income Offsets May be a negative number 	=	

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula B: Student Contribution from Income

Student Contribution from Income		
Student (and Spouse) Income Additions		
a. Student (and Spouse) AGI		46,159
b. Student (and Spouse) Deductible Payments to IRA/KEOGH/Other	+	0
c. Student (and Spouse) Tax-Exempt Interest Income	+	0
d. Student (and Spouse) Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	0
e. Student (and Spouse) Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	0
f. Student (and Spouse) Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	0
1. Total Student (and Spouse) Income Additions (sum of lines a, b, c, d, e, and f)	=	46,159
Student (and Spouse) Income Offsets		
g. Student (and Spouse) College Grant and Scholarship Aid		0
h. Student (and Spouse) Education Credits	+	0
i. Student (and Spouse) Federal Work-study (FWS)	+	6,500
2. Total Student (and Spouse) Income Offsets (sum of lines g, h, and i)	=	6,500
3. Total Student (and Spouse) Income (line 1 minus line 2)		
• Total Student (and Spouse) Income Additions – Total Student (and Spouse) Income Offsets		
• May be a negative number	=	39,659

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Formula B: Allowances Against Student Income

Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		2,280
5. Payroll Tax Allowance (Table B1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table B1: Step 1)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table B1: Step 2)	+	
6. Income Protection Allowance (IPA)		
• If the student indicator is unmarried: \$17,310		
• If the student indicator is married: \$27,750	+	
7. Employment Expense Allowance (EEA)		
• If the student indicator is unmarried: \$0		
• If the student indicator is married, the lesser of:		
▪ 35% of the student and student's spouse combined earned income, OR		
▪ \$4,730	+	
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	

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Table B1: Payroll Tax Allowance

Table B1: Payroll Tax Allowance

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	<p>If Student filed as Not Married [e.g., single, head of household, or qualifying surviving spouse]:</p> <ul style="list-style-type: none"> 1.45% of student earned income up to \$200,000, (+) plus 2.35% of student earned income over \$200,000 <p>If Student filed as Married-Filed Joint Return (MFJ):</p> <ul style="list-style-type: none"> 1.45% of student and student spouse's combined earned income up to \$250,000, (+) plus 2.35% of student and student spouse's combined earned income over \$250,000 <p>If Student filed as Married-Filed Separate Return (MFS):</p> <ul style="list-style-type: none"> 1.45% of student earned income up to \$125,000, (+) plus 1.45% of student spouse's earned income up to \$125,000, (+) plus 2.35% of student earned income over \$125,000 (+) plus 2.35% of student spouse's earned income over \$125,000
Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate	<p>For independent students without a spouse or those who only report a single tax return, 6.2% of total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If student's total earned income exceeds \$147,000, then input \$9,114*.</p> <p>For those reporting both student and student spouse income or who are married and filed a joint return, 6.2% of total student and student spouse earned income up to Contributions and Benefit Base of \$294,000 for Tax Year 2022. If the student and student spouse total earned income exceeds \$294,000, then input \$18,228*.</p>

Step 1:
Combined earned income = \$46,000
 $\$46,000 * 1.45\% = \667

Step 2:
Combined earned income = \$46,000
 $\$46,000 * 6.2\% = 2,852$

All calculations, unless noted otherwise in the worksheets, 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.

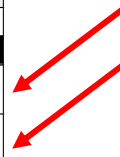
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Formula B: Allowances Against Student Income

Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		2,280
5. Payroll Tax Allowance (Table B1)		667
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table B1: Step 1)	+	667
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table B1: Step 2)	+	2,852
6. Income Protection Allowance (IPA)		27,750
• If the student indicator is unmarried: \$17,310		
• If the student indicator is married: \$27,750	+	27,750
7. Employment Expense Allowance (EEA)		4,730
• If the student indicator is unmarried: \$0		
• If the student indicator is married, the lesser of:		
▪ 35% of the student and student's spouse combined earned income, OR		
▪ \$4,730	+	4,730
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	38,279



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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula B: Student Contribution From Income

Student's Contribution from Income		
Total Student (and Spouse) Income (line 3)		39,659
Total Student (and Spouse) Allowances Against Income (line 8)	-	38,279
9. Student Available Income (SAI; line 3 minus line 8)		
• May be a negative number	=	1,380
10. Assessment of Student Available Income (50%)	x	0.50
11. Student's Contribution from Income (line 9 times line 10)	=	690

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Formula B: Student Contribution from Assets

Student Contribution from Assets		
12. Annual child support received for the last complete calendar year		0
13. Cash, savings, and checking accounts	+	5,300
14. Net worth of investments		
• Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits		
• If negative, enter zero	+	0
15. Adjusted net worth of business and/or farm (Table B2)		
• Net worth of business and/or farm multiplied by the applicable adjustment in Table B2	+	0
16. Net worth (sum of lines 12, 13, 14, and 15)	=	5,300
17. Asset Protection Allowance (Table B3)	-	
18. Discretionary Net Worth		
• Line 16 minus line 17	=	
19. Asset Conversion Rate (20%)	x	0.20
20. Student Contribution from Assets (SCA)		
• Line 18 times line 19		
• If negative, enter zero	=	

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Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Table B3: Asset Protection Allowance

Table B3: Asset Protection Allowance

Age of student as of 12/31/2023	Allowance for married student	Allowance for unmarried student	Age of student as of 12/31/2023	Allowance for married student	Allowance for unmarried student
25 or less	\$0	\$0	46	\$0	\$0
26	\$0	\$0	47	\$0	\$0
27	\$0	\$0	48	\$0	\$0
28	\$0	\$0	49	\$0	\$0
29	\$0	\$0	50	\$0	\$0
30	\$0	\$0	51	\$0	\$0
31	\$0	\$0	52	\$0	\$0
32	\$0	\$0	53	\$0	\$0
33	\$0	\$0	54	\$0	\$0
34	\$0	\$0	55	\$0	\$0
35	\$0	\$0	56	\$0	\$0
36	\$0	\$0	57	\$0	\$0
37	\$0	\$0	58	\$0	\$0
38	\$0	\$0	59	\$0	\$0
39	\$0	\$0	60	\$0	\$0
40	\$0	\$0	61	\$0	\$0
41	\$0	\$0	62	\$0	\$0
42	\$0	\$0	63	\$0	\$0
43	\$0	\$0	64	\$0	\$0
44	\$0	\$0	65 or older	\$0	\$0
45	\$0	\$0			

Devin's DOB: June 1, 1995
Devin is 28 years old

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Formula B: Student Contribution from Assets

Student Contribution from Assets		
12. Annual child support received for the last complete calendar year		0
13. Cash, savings, and checking accounts	+	5,300
14. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	0
15. Adjusted net worth of business and/or farm (Table B2) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table B2 	+	0
16. Net worth (sum of lines 12, 13, 14, and 15)	=	5,300
17. Asset Protection Allowance (Table B3)	-	0
18. Discretionary Net Worth <ul style="list-style-type: none"> Line 16 minus line 17 	=	5,300
19. Asset Conversion Rate (20%)	x	0.20
20. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 18 times line 19 If negative, enter zero 	=	1,060

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Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Formula B: Student Contribution from Assets

Student Contribution from Assets		
12. Annual child support received for the last complete calendar year		0
13. Cash, savings, and checking accounts	+	5,300
14. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	0
15. Adjusted net worth of business and/or farm (Table B2) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table B2 	+	0
16. Net worth (sum of lines 12, 13, 14, and 15)	=	5,300
17. Asset Protection Allowance (Table B3)	-	0
18. Discretionary Net Worth <ul style="list-style-type: none"> Line 16 minus line 17 	=	5,300
19. Asset Conversion Rate (20%)	x	0.20
20. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 18 times line 19 If negative, enter zero 	=	



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Formula B: Student Contribution from Assets

Student Contribution from Assets		
12. Annual child support received for the last complete calendar year		0
13. Cash, savings, and checking accounts	+	5,300
14. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	0
15. Adjusted net worth of business and/or farm (Table B2) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table B2 	+	0
16. Net worth (sum of lines 12, 13, 14, and 15)	=	5,300
17. Asset Protection Allowance (Table B3)	-	0
18. Discretionary Net Worth <ul style="list-style-type: none"> Line 16 minus line 17 	=	5,300
19. Asset Conversion Rate (20%)	x	0.20
20. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 18 times line 19 If negative, enter zero 	=	1,060

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Student Aid Index

Student Aid Index		
Student Contribution from Income (line 11) • May be a negative number		690
Student Contribution from Assets (line 20)	+	1,060
21. Student Aid Index (SAI; sum of lines 11 and 20) • If negative, and < -1,500, adjust to -1,500 (e.g., If negative 2,000 set to -1,500) • If negative, and >= -1,500, do not adjust (e.g., If -1,000 leave as -1,000)	=	

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Student Aid Index

Student Aid Index		
Student Contribution from Income (line 11) • May be a negative number		690
Student Contribution from Assets (line 20)	+	1,060
21. Student Aid Index (SAI; sum of lines 11 and 20) • If negative, and < -1,500, adjust to -1,500 (e.g., If negative 2,000 set to -1,500) • If negative, and >= -1,500, do not adjust (e.g., If -1,000 leave as -1,000)	=	1,750

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

▶ Panel Discussion: Practical Utilization of Student Aid Index

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Poll Question

Have you used NASFAA's SAI Modeling Tool?

- Yes
- No
- I didn't know about it or what it is

Select a single answer

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NASFAA's Webinar Series

Deep Dive Into the Student Aid Index (SAI)

Presented February 21, 2024

Panelists

- **Robert Fishkind, FAAC®**

*Director of Financial Aid Services,
Southern Methodist University*

- Nearly 16 years of higher education experience working in the public, proprietary, and private sectors
- Prior to joining SMU in January, worked at Texas A&M where he first gained experience working with the SAI Modeling Tool
- Along with Darcy, has been working with under-resourced schools to process their data through the SAI Modeling Tool
- Go Cowboys!

- **Darcy Johnson, FAAC®**

Assistant Director of Financial Aid Compliance, Washburn University

- Started in financial aid in 2011
- Has earned all 16 NASFAA credentials along with the FAAC designation
- Presented at numerous conferences at the state and regional level
- Taught NASFAA U Authorized events and serves as RNASFAA Summer Institute faculty
- Along with Robert, has been working with under-resourced schools to process their data through the SAI Modeling Tool
- Enjoys reading, spending time outside, and regaling anyone who will listen to the antics of Abby, her and her husband's very spoiled almost 19-year-old cat.

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Southern Methodist University

- Four-year, private non-profit university located in Dallas, TX
- Fall 2023 enrollment = 11,842
 - Undergraduate – 7,115
 - Approximately 108 are First-Generation
 - Graduate – 4,727
- Approximately 12% of students eligible for Pell (based on 21-22 enrollment)
- Entering the ACC July 1, 2024



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Washburn University

- Municipal university located in Topeka, KS
- Campuses include Washburn University and Washburn Tech
- 2021-2022 undergraduate enrollment: 5,890
- Approximately 30% Pell eligible
- Approximately 45% First Gen



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Panel Discussion: How Have You Used the SAI Modeling Tool?

- Share your experience with utilizing the SAI modeling tool.
- Explain the approach your institution took in utilizing the tool to understand the implications of SAI changes on financial aid (at a federal, state and/or institutional) level.



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Results and Surprises

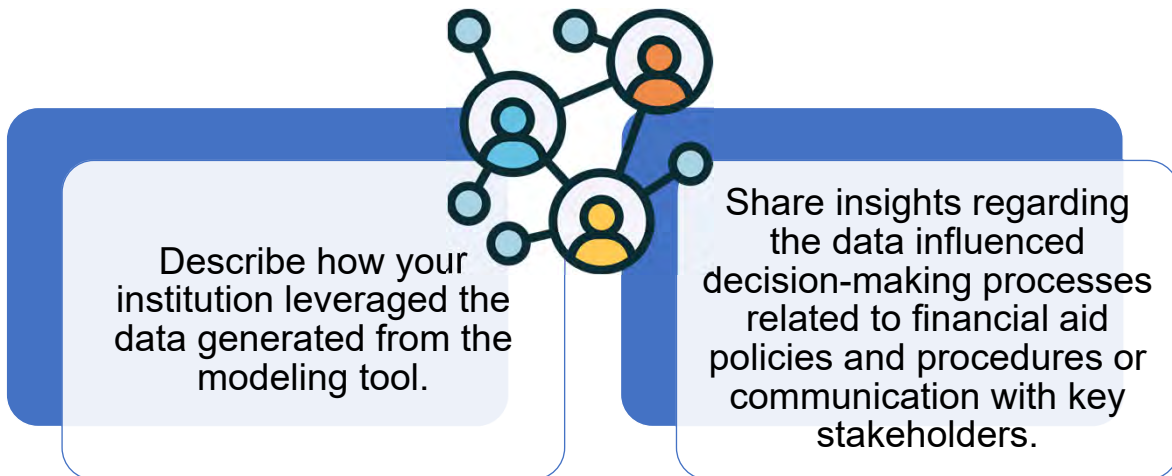


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Utilization of Data

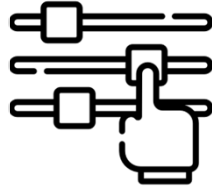


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Impact with Updated Tables?



Reflect on any significant changes or adjustments made after the modeling tool's tables were updated.



Discuss how these changes affected your institution's understanding of SAI and its implications.

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Submit Your Questions

Q&A

Enter your question

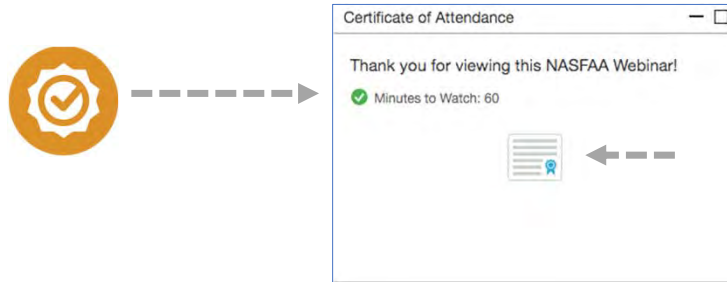
Submit

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100

Download Your Certificate of Attendance



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Complete the Survey

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 Presented February 21, 2024



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Thank you for
joining us!

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NASFAA Webinar

Deep Dive Into the Student Aid Index (SAI)

Case Study #1 - Maggie

Using the case study below, and the worksheet and tables for 2024-25 Student Aid Index and Pell Grant Eligibility Guide—Formula A-Dependent Students, calculate the dependent student's SAI.

All calculations should be carried out to three decimal places. The result is rounded to the nearest whole number: 0.001 through 0.499 is rounded down; and 0.500 through 0.999 is rounded up.

Case Study #1: Maggie

Maggie will be a second-year, undergraduate student starting in Fall 2024. Her date of birth is June 25, 2004. She lives with her mother, stepfather, and younger stepbrother, Miles, who is a high school junior. Maggie completed her FAFSA on March 15, 2024.

Maggie's mother, Ann, and stepfather, David, have been married 10 years. Ann's date of birth is June 3, 1975. David's date of birth is August 1, 1974.

Maggie's mother and stepfather filed an IRS Form 1040 for the 2022 tax year. They filed jointly and claimed the standard deduction. Ann owns and operates a small coffee shop with five full-time employees. In 2022, she earned \$21,386 in business income (as reported on Schedules 1 and C of the 1040). David works as an electrician and earned a total of \$53,000 in 2022. They reported an AGI of \$71,886, a \$2,500 American Opportunity Tax Credit, and a tax liability of \$2,727. Ann and David claimed Maggie and her stepbrother as dependents. David made a tax-deductible contribution of \$2,500 to a traditional IRA. No one in the family received benefits from a means-tested federal program in 2022 or 2023.

On Maggie's FAFSA, Ann reported the value of her coffee shop as \$500,000 with debt of \$436,000, \$12,848 in a joint savings account, \$1,563 in her checking account, and \$2,367 in David's checking account.

Maggie's parents divorced in 2006. Per the terms of the divorce, Maggie's father paid Ann \$600 a month in child support for Maggie until she turned 18. Ann received six months' worth of child support in 2022, in the amount of \$3,600.

Maggie earned \$2,340 in 2022 working part-time over the summer. She was not required to file a tax return for 2022, so she did not file one. She used the money in her savings account to pay her tuition for the 2023-24 academic year, so she has no assets.

2024-25 Student Aid Index and Pell Grant Eligibility Guide

Formula A – Dependent Students

SAI = Parents' Contribution + Student's Contribution from Income + Student's Contribution from Assets

Parent Contribution from Income		
Parent Income Additions		
a. Parents' AGI		
b. Parents' Deductible Payments to IRA/KEOGH/Other	+	
c. Parents' Tax-Exempt Interest Income	+	
d. Parents' Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	
e. Parents' Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	
f. Parents' Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
1. Total Parent Income Additions (sum of lines a, b, c, d, e, and f)	=	
Parent Income Offsets		
g. Parents' Taxable College Grant and Scholarship Aid (reported as income)		
h. Parents' Education Credits	+	
i. Parents' Federal Work-study (FWS)	+	
2. Total Parent Income Offsets (sum of lines g, h, and i)	=	
3. Total Parent Income (line 1 minus line 2)		
<ul style="list-style-type: none"> • Total Parent Income Additions – Total Parent Income Offsets • May be a negative number 	=	
Allowances Against Parents' Income		
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)		
5. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	
6. Income Protection Allowance (Table A2)		
<ul style="list-style-type: none"> • Use the calculated Family Size to determine the IPA 	+	
7. Employment Expense Allowance (EEA)		
<ul style="list-style-type: none"> • The lesser of: <ul style="list-style-type: none"> ▪ 35% of parents' combined income, OR ▪ \$4,730 	+	

2024-25 Federal Pell Eligibility and SAI Guide

8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	
Parents' Available Income (PAI)		
Total Parent Income (line 3)		
Total Parent Allowances Against Income (line 8)	-	
9. Parent Available Income (line 3 minus line 8)	=	
<ul style="list-style-type: none"> May be a negative number 		

Parent Contribution from Assets		
10. Annual child support received for the last complete calendar year		
11. Cash, savings, and checking accounts	+	
12. Net worth of investments		
<ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	
13. Adjusted net worth of business and/or farm (Table A3)		
<ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3 	+	
14. Net worth (sum of lines 10, 11, 12, and 13)	=	
15. Asset Protection Allowance (APA) (Table A4)	-	
16. Asset Conversion Rate (12%)	x	0.12
17. Parent Contribution from Assets (PCA)		
<ul style="list-style-type: none"> (Line 14 minus line 15) times line 16 If negative, enter zero 	=	

Total Parent Contribution		
Parent Adjusted Available Income (PAAI)		
Parents' Available Income (line 9)		
Parents' Contribution from Assets (line 17)	+	
18. Parent Adjusted Available Income (line 9 plus line 17)	=	
<ul style="list-style-type: none"> May be a negative number 		
Parents' Contribution		
19. Parents' Contribution (Table A5)		
<ul style="list-style-type: none"> Adjust PAAI (line 18) using Table A5 	=	

Student Contribution from Income		
Student Income Additions		
a. Student AGI		
b. Student Deductible Payments to IRA/KEOGH/Other	+	
c. Student Exempt Interest Income	+	
d. Student Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	
e. Student Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	
f. Student Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
20. Total Student Income Additions (sum of lines a, b, c, d, e, and f)	=	
Student Income Offsets		
g. Student College Grant and Scholarship Aid (reported as income)		
h. Student Education Credits	+	
i. Student Federal Work-study (FWS)	+	
21. Total Student Income Offsets (sum of lines g, h, and i)	=	
22. Total Student Income (line 20 minus line 21)		
• Total Student Income Additions – Total Student Income Offsets		
• May be a negative number	=	
Allowances Against Student Income		
23. Student U.S. Income Tax Paid (or Foreign Equivalent)		
24. Payroll Tax Allowance (Table A1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2)	+	
25. Income Protection Allowance	+	11,130
26. Allowance for parents' negative adjusted available income		
a. If line 18 is negative, enter line 18 as a positive number		
b. If line 18 is zero or positive, enter zero	+	
27. Total Student Allowances Against Income (sum lines 23, 24a, 24b, 25, and 26)	=	
Student's Contribution from Income		
Total Student Income (line 22)		
Total Student Allowances Against Income (line 27)		

28. Student Available Income (line 22 minus line 27) May be a negative number	=	
29. Assessment of Student Available Income	x	0.50
30. Student's Contribution from Income (line 28 times line 29) <ul style="list-style-type: none"> If negative and < -1,500, adjust to -1,500 (e.g., if -2,000 set to -1,500) If negative and >= -1,500, do not adjust (e.g., if -1,000 leave as -1,000) 	=	

Student Contribution from Assets		
31. Cash, savings, and checking accounts		
32. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	
33. Adjusted net worth of business and/or farm (Table A3) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table A3 	+	
34. Net worth (sum of lines 31, 32, and 33)	=	
35. Asset Conversion Rate (20%)	X	0.20
36. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 34 times line 35 If negative, enter zero 	=	

Student Aid Index (SAI)		
Parents' Contribution (line 19)		
Student's Contribution from Income (line 30)	+	
Student's Contribution from Assets (line 36)	+	
37. Student Aid Index (sum of lines 19, 30, and 36) <ul style="list-style-type: none"> If negative and < -1,500, adjust to -1,500 (e.g., if -2,000 set to -1,500) If negative and >= -1,500, do not adjust (e.g., if -1,000 leave as -1,000) 	=	

2024-25 Federal Pell Eligibility and SAI Guide

Supplementary Tables for Formula A – Dependent Students

Note for Table A1: When calculating for more than one taxpayer (e.g., the parent and parent spouse did not file MFJ) the following rounding rules apply: calculation should be carried to three decimal places only. Once the parent and parent spouse calculated results are added together, round to the nearest whole numbers using standard rounding rules defined.

Table A1: Payroll Tax Allowance

Tax Rate Program	Tax Rate
<p>Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate</p>	<p>If Parent filed as Single, HoH or Qualifying Surviving Spouse:</p> <ul style="list-style-type: none"> • 1.45% of parent income earned from work up to \$200,000, (+) plus • 2.35% of parent income earned from work over \$200,000 <p>If Parent filed as Married-Filed Joint Return (MFJ):</p> <ul style="list-style-type: none"> • 1.45% of parents' combined income earned from work up to \$250,000, (+) plus • 2.35% of parents' combined income earned from work over \$250,000 <p>If Parent filed as Married-Filed Separate Return (MFS):</p> <ul style="list-style-type: none"> • 1.45% of parent income earned from work up to \$125,000, (+) plus • 1.45% of parent spouse's income earned from work up to \$125,000, (+) plus • 2.35% of parent income earned from work over \$125,000 (+) plus • 2.35% of parent spouse's income earned from work over \$125,000 <p>If Dependent Student:</p> <ul style="list-style-type: none"> • 1.45% of dependent student income earned from work up to \$200,000, (+) plus • 2.35% of dependent student income earned from work over \$200,000.
<p>Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate</p>	<p>If Parent:</p> <ul style="list-style-type: none"> • For those reporting a single parental income, 6.2% of parent's total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If parent's total earned income exceeds \$147,000, then input \$9,114*. • For those reporting two parental incomes or whose parents filed a joint return, 6.2% of parents total earned income up to Contributions and Benefit Base of \$294,000 for Tax Year 2022. If parents' total earned income exceeds \$294,000, then input \$18,228*. <p>If Dependent Student:</p> <ul style="list-style-type: none"> • 6.2% of student's total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If the student's total earned income exceeds \$147,000, then input \$9,114*.

*Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program limits the amount of earnings subject to taxation for a given year. The same annual limit also applies when those earnings are used in a benefit computation. This limit changes each year with changes in the national average wage index. For earnings in 2022, this base is \$147,000.

The OASDI tax rate for wages paid in 2022 is set by statute at 6.2 percent for employees and employers, each. Thus, an individual with wages equal to or larger than \$147,000 would contribute \$9,114 to the OASDI program in 2022.

For more information visit: <https://www.ssa.gov/oact/cola/cbb.html>

Table A2: Income Protection Allowance

Family Size (including student)	Income Protection Allowance Amount
2	\$27,600
3	\$34,350
4	\$42,430
5	\$50,060
6	\$58,560

Note: For each additional household member, add \$6,610.

Table A3: 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 \$165,000	40% of net worth of business/farm
\$165,001 to \$490,000	\$66,000 + 50% of net worth over \$165,000
\$490,001 to \$820,000	\$228,500 + 60% of net worth over \$490,000
\$820,001 or more	\$426,500 + 100% of net worth over \$820,000

Table A4: Asset Protection Allowance (Parents Only)

Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent	Age of older parent as of 12/31/2023*	Allowance if there are two parents**	Allowance if there is only one parent
25 or less	\$0	\$0	46	\$0	\$0
26	\$0	\$0	47	\$0	\$0
27	\$0	\$0	48	\$0	\$0
28	\$0	\$0	49	\$0	\$0
29	\$0	\$0	50	\$0	\$0
30	\$0	\$0	51	\$0	\$0
31	\$0	\$0	52	\$0	\$0
32	\$0	\$0	53	\$0	\$0
33	\$0	\$0	54	\$0	\$0
34	\$0	\$0	55	\$0	\$0
35	\$0	\$0	56	\$0	\$0
36	\$0	\$0	57	\$0	\$0
37	\$0	\$0	58	\$0	\$0
38	\$0	\$0	59	\$0	\$0

39	\$0	\$0	60	\$0	\$0
40	\$0	\$0	61	\$0	\$0
41	\$0	\$0	62	\$0	\$0
42	\$0	\$0	63	\$0	\$0
43	\$0	\$0	64	\$0	\$0
44	\$0	\$0	65 or older	\$0	\$0
45	\$0	\$0			

* Determine the age of the older parent listed in FAFSA/FAFSA Submission Summary and # as of 12/31/2023. If no parent date of birth is provided, use age 45.

** Use the two-parent allowance when the parent indicator is married.

Table A5: Parents' Contribution from Adjusted Available Income

If the parents' AAI is ____	Then the parents' contribution from AAI is ____
Less than -\$6,820	-\$1,500
-\$6,820 to \$20,600	22% of AAI
\$20,601 to \$25,800	\$4,532 + 25% of AAI over \$20,600
\$25,801 to \$31,000	\$5,832 + 29% of AAI over \$25,800
\$31,001 to \$36,300	\$7,340 + 34% of AAI over \$31,000
\$36,301 to \$41,500	\$9,142 + 40% of AAI over \$36,300
\$41,501 or more	\$11,222 + 47% of AAI over \$41,500



NASFAA Webinar

Deep Dive Into the Student Aid Index (SAI)

Case Study #2 - Devin

Using the case study below, and the worksheet and tables for 2024-25 Student Aid Index and Pell Grant Eligibility Guide—Formula B-Independent Students Without Dependent(s) Other than a spouse, calculate the student's SAI.

All calculations should be carried out to three decimal places. The result is rounded to the nearest whole number: 0.001 through 0.499 is rounded down; and 0.500 through 0.999 is rounded up.

Case Study #2: Devin

Devin will be a fourth-year undergraduate student in Fall 2024. Both Devin and his wife Charmaine are employed and have no children or other dependents. Devin's date of birth is June 1, 1995.

Devin and Charmaine filed an IRS Form 1040 for the 2022 tax year. They filed jointly and did not itemize deductions. Devin and Charmaine filed a Schedule 1 to report a \$240 penalty on savings they withdrew early due to an unexpected expense. They reported an AGI of \$46,159, no dependents, \$399 in taxable interest income, no dividend income, and a tax liability of \$2,280. They have no untaxed income. Devin earned \$22,000 in 2022, \$4,000 of which was earned through the FWS Program. Charmaine earned \$24,000 in 2022, \$2,500 of which was earned through FWS. Neither Devin nor Charmaine received benefits from a means-tested federal benefit program in 2022 or 2023.

The couple's only assets are \$1,300 in a joint checking account and \$4,000 in a joint savings account, which Devin reported on his FAFSA.

2024-25 Student Aid Index and Pell Grant Eligibility Guide

Formula B – Independent Students Without Depend-ent(s) Other than a Spouse

SAI = Student’s Contribution from Income + Student’s Contribution from Assets

Student Contribution from Income		
Student (and Spouse) Income Additions		
a. Student (and Spouse) AGI		
b. Student (and Spouse) Deductible Payments to IRA/KEOGH/Other	+	
c. Student (and Spouse) Tax-Exempt Interest Income	+	
d. Student (and Spouse) Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	
e. Student (and Spouse) Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	
f. Student (and Spouse) Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
1. Total Student (and Spouse) Income Additions (sum of lines a, b, c, d, e, and f)	=	
Student (and Spouse) Income Offsets		
g. Student (and Spouse) College Grant and Scholarship Aid		
h. Student (and Spouse) Education Credits	+	
i. Student (and Spouse) Federal Work-study (FWS)	+	
2. Total Student (and Spouse) Income Offsets (sum of lines g, h, and i)	=	
3. Total Student (and Spouse) Income (line 1 minus line 2)		
• Total Student (and Spouse) Income Additions – Total Student (and Spouse) Income Offsets		
• May be a negative number	=	
Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		
5. Payroll Tax Allowance (Table B1)		
a. Medicare’s Hospital Insurance (HI) Program Tax Rate (Table B1: Step 1)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table B1: Step 2)	+	
6. Income Protection Allowance (IPA)		
• If the student indicator is unmarried: \$17,310		
• If the student indicator is married: \$27,750	+	

7. Employment Expense Allowance (EEA) <ul style="list-style-type: none"> If the student indicator is unmarried: \$0 If the student indicator is married, the lesser of: <ul style="list-style-type: none"> 35% of the student and student's spouse combined earned income, OR \$4,730 			+	
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)			=	
Student's Contribution from Income				
Total Student (and Spouse) Income (line 3)				
Total Student (and Spouse) Allowances Against Income (line 8)			-	
9. Student Available Income (StAI; line 3 minus line 8) <ul style="list-style-type: none"> May be a negative number 			=	
10. Assessment of Student Available Income (50%)			x	0.50
11. Student's Contribution from Income (line 9 times line 10)			=	

Student Contribution from Assets				
12. Annual child support received for the last complete calendar year				
13. Cash, savings, and checking accounts			+	
14. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 			+	
15. Adjusted net worth of business and/or farm (Table B2) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table B2 			+	
16. Net worth (sum of lines 12, 13, 14, and 15)			=	
17. Asset Protection Allowance (Table B3)			-	
18. Discretionary Net Worth <ul style="list-style-type: none"> Line 16 minus line 17 			=	
19. Asset Conversion Rate (20%)			x	0.20
20. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 18 times line 19 If negative, enter zero 			=	

Student Aid Index		
Student Contribution from Income (line 11) <ul style="list-style-type: none"> • May be a negative number 		
Student Contribution from Assets (line 20)	+	
21. Student Aid Index (SAI; sum of lines 11 and 20) <ul style="list-style-type: none"> • If negative, and < -1,500, adjust to -1,500 (e.g., If negative 2,000 set to -1,500) • If negative, and >= -1,500, do not adjust (e.g., If -1,000 leave as -1,000) 	=	

Supplementary Tables for Formula B – Independent Students Without Dependent(s) Other than a Spouse

Note for Table B1: When calculating for more than one taxpayer (e.g., the student and student spouse did not file MFJ) the following rounding rules apply: calculation should be carried to three decimal places only. Once the student and student spouse calculated results are added together, round to the nearest whole numbers using standard rounding rules defined.

Table B1: Payroll Tax Allowance

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	<p>If Student filed as Not Married [e.g., single, head of household, or qualifying surviving spouse]:</p> <ul style="list-style-type: none"> • 1.45% of student earned income up to \$200,000, (+) plus • 2.35% of student earned income over \$200,000 <p>If Student filed as Married-Filed Joint Return (MFJ):</p> <ul style="list-style-type: none"> • 1.45% of student and student spouse's combined earned income up to \$250,000, (+) plus • 2.35% of student and student spouse's combined earned income over \$250,000 <p>If Student filed as Married-Filed Separate Return (MFS):</p> <ul style="list-style-type: none"> • 1.45% of student earned income up to \$125,000, (+) plus • 1.45% of student spouse's earned income up to \$125,000, (+) plus • 2.35% of student earned income over \$125,000 (+) plus • 2.35% of student spouse's earned income over \$125,000
Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate	<p>For independent students without a spouse or those who only report a single tax return, 6.2% of total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If student's total earned income exceeds \$147,000, then input \$9,114*.</p> <p>For those reporting both student and student spouse income or who are married and filed a joint return, 6.2% of total student and student spouse earned income up to Contributions and Benefit Base of \$294,000 for Tax Year 2022. If the student and student spouse total earned income exceeds \$294,000, then input \$18,228*.</p>

*Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program limits the amount of earnings subject to taxation for a given year. The same annual limit also applies when those earnings are used in a benefit computation. This limit changes each year with changes in the national average wage index. For earnings in 2022, this base is \$147,000.

The OASDI tax rate for wages paid in 2022 is set by statute at 6.2 percent for employees and employers, each. Thus, an individual with wages equal to or larger than \$147,000 would contribute \$9,114 to the OASDI program in 2022.

For more information visit: <https://www.ssa.gov/oact/cola/cbb.html>

Table B2: 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 \$165,000	40% of net worth of business/farm
\$165,001 to \$490,000	\$66,000 + 50% of net worth over \$165,000
\$490,001 to \$820,000	\$228,500 + 60% of net worth over \$490,000
\$820,001 or more	\$426,500 + 100% of net worth over \$820,000

Table B3: Asset Protection Allowance

Age of student as of 12/31/2023	Allowance for married student	Allowance for unmarried student	Age of student as of 12/31/2023	Allowance for married student	Allowance for unmarried student
25 or less	\$0	\$0	46	\$0	\$0
26	\$0	\$0	47	\$0	\$0
27	\$0	\$0	48	\$0	\$0
28	\$0	\$0	49	\$0	\$0
29	\$0	\$0	50	\$0	\$0
30	\$0	\$0	51	\$0	\$0
31	\$0	\$0	52	\$0	\$0
32	\$0	\$0	53	\$0	\$0
33	\$0	\$0	54	\$0	\$0
34	\$0	\$0	55	\$0	\$0
35	\$0	\$0	56	\$0	\$0
36	\$0	\$0	57	\$0	\$0
37	\$0	\$0	58	\$0	\$0
38	\$0	\$0	59	\$0	\$0
39	\$0	\$0	60	\$0	\$0
40	\$0	\$0	61	\$0	\$0
41	\$0	\$0	62	\$0	\$0
42	\$0	\$0	63	\$0	\$0
43	\$0	\$0	64	\$0	\$0
44	\$0	\$0	65 or older	\$0	\$0
45	\$0	\$0			

Formula C – Independent Students with Dependent(s) Other than a Spouse

SAI = Student's Contribution from Adjusted Available Income

Student Contribution from Income		
Student (and Spouse) Income Additions		
a. Student (and Spouse) AGI		
b. Student (and Spouse) Deductible Payments to IRA/KEOGH/Other	+	
c. Student (and Spouse) Tax-Exempt Interest Income	+	
d. Student (and Spouse) Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, enter zero)	+	
e. Student (and Spouse) Untaxed Portions of Pensions (Excluding rollovers; if less than zero, enter zero)	+	
f. Student (and Spouse) Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	+	
1. Total Student (and Spouse) Income Additions (sum of lines a, b, c, d, e, and f)	=	
Student (and Spouse) Income Offsets		
g. Student (and Spouse) College Grant and Scholarship Aid		
h. Student (and Spouse) Education Credits	+	
i. Student (and Spouse) Federal Work-study (FWS)	+	
2. Total Student (and Spouse) Income Offsets (sum of lines g, h, and i)	=	
3. Total Student (and Spouse) Income (line 1 minus line 2)		
• Total Student (and Spouse) Income Additions – Total Student (and Spouse) Income Offsets		
• May be a negative number	=	
Allowances Against Student (and Spouse) Income		
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)		
5. Payroll Tax Allowance (Table C1)		
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table C1: Step 1)	+	
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table C1: Step 2)	+	
6. Income Protection Allowance (IPA)		
• See Table C2 if the student indicator is married with dependents		
• Table C3 if the student indicator is unmarried with dependents	+	
7. Employment Expense Allowance (EEA)	+	

<ul style="list-style-type: none"> If the student indicator is unmarried, the lesser of: <ul style="list-style-type: none"> 35% of the student earned income, OR \$4,730 If the student indicator is married, the lesser of: <ul style="list-style-type: none"> 35% of the student and student's spouse combined earned income, OR \$4,730 		
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	=	
Student's Available Income (StAI)		
Total Student (and Spouse) Income (line 3)		
Total Student (and Spouse) Allowances Against Income (line 8)	-	
9. Student Available Income (StAI; line 3 minus line 8) <ul style="list-style-type: none"> May be a negative number 	=	

Student Contribution from Assets		
10. Annual child support received for the last complete calendar year		
11. Cash, savings, and checking accounts	+	
12. Net worth of investments <ul style="list-style-type: none"> Includes: time deposits, money market funds, real estate (excluding primary residence), vacation homes, income producing property, trusts, stocks, bonds, derivatives, securities, mutual funds, tax shelters, and qualified education benefits If negative, enter zero 	+	
13. Adjusted net worth of business and/or farm (Table C4) <ul style="list-style-type: none"> Net worth of business and/or farm multiplied by the applicable adjustment in Table C4 	+	
14. Net worth (sum of lines 10, 11, 12, and 13)	=	
15. Asset Protection Allowance (APA; Table C5)	-	
16. Discretionary Net Worth <ul style="list-style-type: none"> Line 14 minus line 15 	=	
17. Asset Conversion Rate (7%)	x	0.07
18. Student Contribution from Assets (SCA) <ul style="list-style-type: none"> Line 16 times line 17 If negative, enter zero 	=	

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Student Aid Index		
Student Available Income (line 9) <ul style="list-style-type: none"> • May be a negative number 		
Student Contribution from Assets (line 18)	+	
19. Student Adjusted Available Income (AAI; sum of lines 9 and 18) <ul style="list-style-type: none"> • May be a negative number 	=	
20. Total Student Contribution from AAI (Table C6)	=	
Student Aid Index (SAI) <ul style="list-style-type: none"> • If line 20 is positive, SAI = line 20 • If line 20 is negative, and < -1,500, adjust to -1,500 (e.g., If negative 2,000 set to -1,500) • If line 20 is negative, and >= -1,500, do not adjust (e.g., If -1,000 leave as -1,000) 	=	

Supplementary Tables for Formula C – Independent Students with Dependent(s) Other than a Spouse

Note for Table C1: When calculating for more than one taxpayer (e.g., the student and student spouse did not file MFJ) the following rounding rules apply: calculation should be carried to three decimal places only. Once the student and student spouse calculated results are added together, round to the nearest whole numbers using standard rounding rules defined.

Table C1: Payroll Tax Allowance

Tax Rate Program	Tax Rate
<p>Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate</p>	<p>If Student filed as Not Married [e.g., single, head of household, or qualifying surviving spouse]:</p> <ul style="list-style-type: none"> • 1.45% of student earned income up to \$200,000, (+) plus • 2.35% of student earned income over \$200,000 <p>If Student filed as Married-Filed Joint Return (MFJ):</p> <ul style="list-style-type: none"> • 1.45% of student and student spouse's combined earned income up to \$250,000, (+) plus • 2.35% of student and student spouse's combined earned income over \$250,000 <p>If Student filed as Married-Filed Separate Return (MFS):</p> <ul style="list-style-type: none"> • 1.45% of student earned income up to \$125,000, (+) plus • 1.45% of student spouse's earned income up to \$125,000, (+) plus • 2.35% of student earned income over \$125,000 (+) plus • 2.35% of student spouse's earned income over \$125,000
<p>Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate</p>	<p>For independent students without a spouse or those who only report a single tax return, 6.2% of total earned income up to Contributions and Benefit Base of \$147,000 for Tax Year 2022. If student's total earned income exceeds \$147,000, then input \$9,114*.</p> <p>For those reporting both student and student spouse income or who are married and filed a joint return, 6.2% of total student and student spouse earned income up to Contributions and Benefit Base of \$294,000 for Tax Year 2022. If the student and student spouse total earned income exceeds \$294,000, then input \$18,228*.</p>

*Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program limits the amount of earnings subject to taxation for a given year. The same annual limit also applies when those earnings are used in a benefit computation. This limit changes each year with changes in the national average wage index. For earnings in 2022, this base is \$147,000.

The OASDI tax rate for wages paid in 2022 is set by statute at 6.2 percent for employees and employers, each. Thus, an individual with wages equal to or larger than \$147,000 would contribute \$9,114 to the OASDI program in 2022.

For more information visit: <https://www.ssa.gov/oact/cola/cbb.html>.

2024-25 Federal Pell Eligibility and SAI Guide

Table C2: Income Protection Allowance – Married with Dependents

Family Size (including Student)	Income Protection Allowance Amount
3	\$54,580
4	\$67,400
5	\$79,530
6	\$93,010

Note: For each additional household member, add \$10,510.

Table C3: Income Protection Allowance – Single with Dependents

Family Size (including Student)	Income Protection Allowance Amount
2	\$51,960
3	\$64,700
4	\$79,880
5	\$94,260
6	\$110,230

Note: For each additional household member, add \$12,460.

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 \$165,000	40% of net worth of business/farm
\$165,001 to \$490,000	\$66,000 + 50% of net worth over \$165,000
\$490,001 to \$820,000	\$228,500 + 60% of net worth over \$490,000
\$820,001 or more	\$426,500 + 100% of net worth over \$820,000

2024-25 Federal Pell Eligibility and SAI Guide

Table C5: Asset Protection Allowance

Age of student as of 12/31/2023	Allowance for married student	Allowance for unmarried student	Age of student as of 12/31/2023	Allowance for married student	Allowance for unmarried student
25 or less	\$0	\$0	46	\$0	\$0
26	\$0	\$0	47	\$0	\$0
27	\$0	\$0	48	\$0	\$0
28	\$0	\$0	49	\$0	\$0
29	\$0	\$0	50	\$0	\$0
30	\$0	\$0	51	\$0	\$0
31	\$0	\$0	52	\$0	\$0
32	\$0	\$0	53	\$0	\$0
33	\$0	\$0	54	\$0	\$0
34	\$0	\$0	55	\$0	\$0
35	\$0	\$0	56	\$0	\$0
36	\$0	\$0	57	\$0	\$0
37	\$0	\$0	58	\$0	\$0
38	\$0	\$0	59	\$0	\$0
39	\$0	\$0	60	\$0	\$0
40	\$0	\$0	61	\$0	\$0
41	\$0	\$0	62	\$0	\$0
42	\$0	\$0	63	\$0	\$0
43	\$0	\$0	64	\$0	\$0
44	\$0	\$0	65 or older	\$0	\$0
45	\$0	\$0			

Table C6: Assessment from Adjusted Available Income

If the AAI is ____	Then the contribution from AAI is ____
Less than -\$6,820	-\$1,500
-\$6,820 to \$20,600	22% of AAI
\$20,601 to \$25,800	\$4,532 + 25% of AAI over \$20,600
\$25,801 to \$31,000	\$5,832 + 29% of AAI over \$25,800
\$31,001 to \$36,300	\$7,340 + 34% of AAI over \$31,000
\$36,301 to \$41,500	\$9,142 + 40% of AAI over \$36,300
\$41,501 or more	\$11,222 + 47% of AAI over \$41,500

2024-25 Federal Pell Eligibility and SAI Guide



NASFAA Webinar

Deep Dive Into the Student Aid Index (SAI) Resources

February 21, 2024

National Association of Student Financial Aid Administrators (NASFAA)

NASFAA FAFSA Simplification Center: This web center was created to keep NASFAA members and the financial aid community updated on pertinent news related to FAFSA Simplification updates. Check back often as this page is updated regularly. https://www.nasfaa.org/fafsa_simplification

2024-25 Federal Methodology and Pell Formula Changes Flowchart:

https://www.nasfaa.org/uploads/documents/FAFSA_Methodology_Determination_Pell_Title_IV.pdf

Student Aid Index Modeling Tool:

https://www.nasfaa.org/sai_modeling_tool

NASFAA Deep Dive: Why Did the SAI Inflation Adjustments Reduce the Asset Protection Allowance to Zero? NASFAA's *Today's News*, February 1, 2024

https://www.nasfaa.org/news-item/32738/NASFAA_Deep_Dive_Why_Did_the_SAI_Inflation_Adjustments_Reduce_the_Asset_Protection_Allowance_to_Zero

U.S. Department of Education

Publications, Presentations, and Documents

2024-25 Student Aid Index (SAI) and Pell Grant Eligibility Guide:

<https://fsapartners.ed.gov/sites/default/files/2024-01/20242025FAFSAPELLeligibilityandSAIGuide.pdf>

2024-25 FAFSA Specifications:

<https://fsapartners.ed.gov/knowledge-center/library/handbooks-manuals-or-guides/2023-05-31/draft-2024-25-fafsa-specifications-guide-december-2023-update-2>

FAFSA Simplification Questions and Answers:

<https://www2.ed.gov/policy/highered/req/hearulemaking/2009/fafsa-q-and-a.html>

2024-25 FAFSA Roadmap: <https://fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information/2024-25-fafsa-roadmap>

2024-25 FAFSA PDF (English): <https://studentaid.gov/sites/default/files/2024-25-fafsa.pdf>

2024-25 FAFSA PDF (Spanish): <https://studentaid.gov/sites/default/files/2024-25-fafsa-spanish.pdf>

2024-25 FAFSA PDF for Incarcerated Students (English): <https://fsapartners.ed.gov/sites/default/files/2023-12/FAFSA2425IncarceratedEN.pdf>

2024-25 FAFSA PDF for Incarcerated Students (Spanish): <https://fsapartners.ed.gov/sites/default/files/2023-12/FAFSA2425IncarceratedES.pdf>

2024-25 Online FAFSA: <https://studentaid.gov/h/apply-for-aid/fafsa>

Better FAFSA, Better Future Webinar Series (Federal Student Aid Training Center):
<https://fsatraining.ed.gov/login/index.php>

Electronic Announcements and Dear Colleague Letters

(APP-24-01) Final 2024–25 FAFSA Form, FAFSA Form for Incarcerated Students, and FAFSA Submission Summary: <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-01-05/final-2024-25-fafsa-form-fafsa-form-incarcerated-students-and-fafsa-submission-summary>

(GENERAL-24-01) Federal Student aid Handbook – 2024-25 Application and Verification Guide and 2023-24 FSA Assessments: <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2024-01-05/federal-student-aid-handbook-2024-25-application-and-verification-guide-and-2023-2024-fsa-assessments>

(GENERAL-23-115) 2024-25 FAFSA Soft Launch Details and Timelines: <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-12-15/2024-25-fafsa-soft-launch-details-and-timelines-updated-jan-11-2024>

(GENERAL-23-63) Key Terms, Definitions, and Systems Related to FAFSA Simplification and FUTURE Acts: <https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2023-08-07/key-terms-definitions-and-systems-related-fafsa-simplification-and-future-acts-updated-aug-25-2023>

Dear Colleague Letter GEN-23-11: FAFSA Simplification Act Changes for Implementation in 2024-25: <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2023-08-04/fafsa-simplification-act-changes-implementation-2024-25>

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Best Practices in Federal Work-Study	July 26, 2023
Policy Update: FAFSA Simplification*	September 20, 2023
NASFAA Business Services: Customer Service in Financial Aid	October 11, 2023
Top AskRegs Questions: Student Eligibility	November 15, 2023
Professional Development Panel	December 6, 2023
Verification: 2023-24 (Extended Edition)	December 12, 2023
NASFAA Policy Update*	December 13, 2023
FAFSA Update: 2045-25	January 24, 2024
Deep Dive Into the Student Aid Index (SAI)	February 21, 2024
Graduate and Professional Community Update*	March 13, 2024
NASFAA Enrichment Series: TBD	March 6, 2024
NASFAA Business Services: Succession Planning	April 3, 2024
NASFAA Quiz Show: Test Your Financial Aid Knowledge	April 17, 2024
Gainful Employment	May 8, 2024
Annual Business Meeting & NASFAA Policy Update*	May 22, 2024
Hot Topic	May 22, 2024
Top AskRegs Questions: FAFSA Simplification	June 5, 2024

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