2020-21 FAFSA® Updates

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Agenda

Startup enhancements

Hot topics
Children of Fallen Heroes Scholarship

• Financial Aid Administrators will identify applicants who qualify

• FAA Access to CPS Online will be used to report eligibility to CPS

• Flag will be carried on ISIR and comment set on SAR
Creating a Better User Experience

• Flow of fafsa.gov will be synchronized to align with myFAFSA
Protecting Applicant Privacy

• Social Security number (SSN) will be masked by default on Login view
  • Users will have option to display SSN
Protecting Applicant Privacy
Tracking myFAFSA Submissions

• Internally track mobile app submissions beginning 10/01/19
• Later in the processing cycle, will add the transaction source to the ISIR
2018 Tax Form Changes

• FAFSA form is being updated to reflect changes in the 2018 IRS tax forms
  • Eliminated references to 1040-A/EZ
  • Added Schedule 1 question
  • Removed exemptions questions
  • Adjusted Foreign Tax return type answer response
  • Combined untaxed pensions and untaxed portions of IRA distributions questions
Elimination of 1040-A/EZ

• Type of tax return filed questions (33 and 80) modified to remove eliminated forms

• Eligible to file 1040-A or 1040-EZ questions (35 and 82) replaced with Schedule 1 question
Schedule 1 Question

• The elimination of IRS Forms 1040-A and 1040-EZ required FSA to develop a reasonable proximation for automatic zero (AZ) and simplified needs test (SNT) EFC calculations
Schedule 1 Question (fafsa.gov)

Parent Simplified Path Determination

Parent Information

You indicated that your parents filed an IRS 1040. Did your parents file a Schedule 1 if they filed a Schedule 1 or only file it to report an Alaska Permanent Fund dividend. View other exceptions.

○ Yes  ○ No  ○ Don’t know

At today, is either of your parents a dislocated worker?

○ Yes  ○ No  ○ Don’t know

In 2018 or 2019, did you, your parents, or anyone in your parents’ household receive benefits from any of the federal benefits programs listed below?

Check all that apply or check None of the above. If, at the time you are completing the FAFSA, you, your parents, or anyone in your parents’ household did NOT receive any of these benefits during 2018 or 2019, but do receive any of them on or before December 31, 2019, you must return to the FAFSA and update your response.

Answering these questions will not reduce eligibility for student aid or these programs.

- Medicaid
- Supplemental Security Income (SSI)
- Supplemental Nutrition Assistance Program (SNAP)
- Free or Reduced Price School Lunch
- Temporary Assistance for Needy Families (TANF)
- Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- None of the above

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Did (or will) you file a Schedule 1 with your 2018 tax return?

This is question 35 on the paper Free Application for Federal Student Aid (FAFSA®) form.

Select “No” if you (and if married, your spouse) didn’t or won’t file a Schedule 1.

OR

Select “No” if you (and if married, your spouse) filed or will file a Schedule 1 but only to report one or more of the following six additions or adjustments to income on Schedule 1:

1. Capital gain (Line 13 may not be less than 0)
2. Unemployment compensation (Line 19)
3. Other income to report an Alaska Permanent Fund dividend (Line 21 may not be less than 0)
4. Educator expense (Line 23)
5. IRA deduction (Line 32)
6. Student loan interest deduction (Line 33)

Select “Yes” if you (or if married, your spouse) filed or will file a Schedule 1 to report additional income or adjustments other than one or more of the six exceptions listed above.

If you don’t know if you filed or will file a Schedule 1, select “Don’t know.”
IRS Changes

• Exemptions field eliminated on tax forms, therefore exemptions questions (38 and 87 on 2019-20 FAFSA form) were removed
• Addition of IRS Form 1040-NR and 1040-NR-EZ to response options for type of tax return filed questions (33 and 80)
If someone indicates they filed an IRS Form 1040 and uses IRS DRT but IRS indicates user filed IRS Form 1040NR/NR-EZ:

- System treats it as a foreign tax return and therefore not eligible to have used IRS DRT
- IRS data does not get transferred
- Messaging displays indicating no data transferred and user must manually provide data
IRS Changes

• IRS has combined untaxed portions of IRA distributions with untaxed pensions on IRS forms

  • Untaxed IRA distributions questions (44e & 92e) will now also include untaxed pensions

    • “Untaxed portions of IRA distributions and pensions from IRS Form 1040 – line 4a minus line 4b. Exclude rollovers. If negative, enter a zero here.”
Combined Untaxed Portions of IRA Distributions & Pensions

Student Questions for Tax Filers Only

STUDENT INFORMATION

Did you have any of the following items in 2018? Enter amounts for all that apply.

- Combat pay or special combat pay. This should be zero for enlisted persons and warrant officers (including commissioned warrant officers) because their combat pay is entirely nontaxable. Only enter taxable combat pay included in your (and, if married, your spouse’s) adjusted gross income.
- Student college grant and scholarship aid reported to the IRS in your income. Includes AmeriCorps benefits (awards, living allowances, and interest accrual payments), as well as grants and scholarship portions of fellowships and assistantships.
- Education credits (American Opportunity Tax Credit or Lifetime Learning Tax Credit) from IRS Form 1040 Schedule 3-Line 50
- Un taxed portions of IRA distributions and pensions from IRS Form 1040-Lines 4a minus 4b. Exclude rollovers. If negative, enter a zero here.
- IRA deductions and payments to self-employed SEP, SIMPLE IRA, and other qualified plans from IRS Form 1040 Schedule 1-Total of lines 20-31
- Tax-exempt interest income from IRS Form 1040-Line 2a
Mobile-Responsive IRS DRT

• IRS Data Retrieval Tool (DRT)
  • Mobile-responsive version
  • Data elements retrieved
Application was successfully saved.

**Attention!** You must provide financial information from your parents’ 2018 tax return on the following pages.

For 2018, have your parents completed their IRS income tax return or another tax return?
- **Already completed**

What type of income tax return did your parents file for 2018?
- IRS 1040

For 2018, what is your parents’ tax filing status according to their tax return?
- Married-Filing Joint Return

**IRS Data Retrieval Tool**

Applying is faster and easier if your parents transfer their tax return information into this FAFSA with the IRS Data Retrieval Tool (IRS DRT):

[Link to IRS DRT]

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Parent Log In to IRS DRT

You, the parent, should enter the information below and click Next to continue. Otherwise, click Skip IRS DRT.

If you have any questions or problems using this tool, click FASFA Help for assistance.

Provide Parent’s FSA ID

Which parent are you?
- Parent 1
- Parent 2

Parent’s FSA ID Username, E-mail Address, or Mobile Number

Parent’s FSA ID Password

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Leaving FAFSA on the Web

You, the parent, are now leaving FAFSA on the Web and will be transferred to the IRS Web site. Your FAFSA information will be saved.

Your saved FAFSA will automatically open either when you transfer your information from the IRS or choose to return to FAFSA on the Web from the IRS Web site. If you do not transfer your information or choose not to return to FAFSA on the Web from the IRS Web site, you will have to log in to open your saved FAFSA.

For your protection, your tax return information will not display on the IRS Web site or on the FAFSA.
Parent Leaving FAFSA

Leaving FAFSA on the Web

You, the parent, are now leaving FAFSA on the Web and will be transferred to the IRS Web site. Your FAFSA information will be saved.

Your saved FAFSA will automatically open either when you transfer your information from the IRS or choose to return to FAFSA on the Web from the IRS Web site. If you do not transfer your information or choose not to return to FAFSA on the Web from the IRS Web site, you will have to log in to open your saved FAFSA.

For your protection, your tax return information will not display on the IRS Web site or on the FAFSA Web site. You will receive a confirmation of your completed FAFSA application.

You are now leaving this page. Click "OK" to continue or click "Cancel" to stay on this page. Your FAFSA information will be saved if you choose to continue.

OK CANCEL
THIS U.S. GOVERNMENT SYSTEM IS FOR AUTHORIZED USE ONLY!

This U.S. government system is for authorized use only. Use of this system constitutes consent to monitoring, interception, recording, reading, copying or capturing by authorized personnel of all activities. There is no right to privacy in this system. Unauthorized use of this system is prohibited and subject to criminal and civil penalties, including all penalties applicable to willful unauthorized access (UNAAX) or inspection of taxpayer records (under 18 U.S.C. 1030 and 26 U.S.C. 7213A and 26 U.S.C. 7431).

OK
Get My Federal Income Tax Information

See our Privacy Notice regarding our request for your personal information.

Enter the following information from your 2019 Federal Income Tax Return.

All fields are required unless marked otherwise.

First Name
Jan

Last Name
Austin

Social Security Number
No input required

Date of Birth
MM/DD/YYYY
01/01/1950

Filing Status
Married-Filed Joint Return

Street Address
Must match your 2019 Federal Income Tax Return

P.O. Box
Required if entered on your tax return
By submitting this information, you certify that you are the person identified. Use of this system to access another person's information may result in civil and criminal penalties.
Street Address
Must match your 2018 Federal Income Tax Return
24 Castle Court Test

P.O. Box
Required if entered on your tax return

Apartment Number
Required if entered on your tax return

Country
United States

City, Town or Post Office
FSA

State / U.S. Territory
Massachusetts (MA)

ZIP Code
12345

By submitting this information, you certify that you are the person identified. Use of this system to access another person's information may result in civil and criminal penalties.

SUBMIT

Select the button below to exit the IRS system and return to your FAFSA.

CANCEL
2018 Federal Income Tax Information

Jane Austin

Based on the information you provided, the Internal Revenue Service (IRS) located your income tax return. With your permission below, the IRS will securely transfer your tax information to the U.S. Department of Education (ED) to populate any applicable FAFSA® questions.

For your protection, the IRS will not display your tax information and will further encrypt any tax information transferred using the IRS DRT; therefore, ED is unable to display your tax information on your FAFSA form.

The data retrieved from your tax return is limited to the items listed below as you reported to the IRS:

- Tax Year
- Name(s)
- Social Security Number
- Filing Status
- IRS Exemptions
- Type of Return Filed
- Adjusted Gross Income
- Income Earned from Work
- Income Tax
- Education Credits
- Unearned Portion of IRA Distributions & Pensions/Annuities
- Tax-exempt Interest Income
- IRA Deductions and Payments
- Status of Amended Returns Received

Refer to your tax records if you have a question about the values you reported.

Transfer My Tax Information into the FAFSA Form 

The tax information provided to f af sa.gov will populate the answers to the appropriate FAFSA questions. After the FAFSA questions are populated, your IRS session will end, and you will return to your FAFSA form. Check this box if you are choosing to transfer your information.

Do Not Transfer My Tax Information and Return to the FAFSA Form 

By clicking the “Do Not Transfer” button, you are choosing not to transfer your tax information electronically. Your IRS session will end, and you will return to your FAFSA form.
2018 Federal Income Tax Information

Jane Austin

Based on the information you provided, the Internal Revenue Service (IRS) located your income tax return. With your permission below, the IRS will securely transfer your tax information to the U.S. Department of Education (ED) to populate any applicable FAFSA® questions.

For your protection, the IRS will not display your tax information and will further encrypt any tax information transferred using the IRS DRT. Therefore, ED is unable to display your tax information on your FAFSA form.

The data retrieved from your tax return is limited to the items listed below as you reported to the IRS:

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Type of Return Filed</th>
<th>Unfiled Portion of IRA Distributions &amp; Pensions/Annuities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name(s)</td>
<td>Adjusted Gross Income</td>
<td>Tax-exempt Interest Income</td>
</tr>
<tr>
<td>Social Security Number</td>
<td>Income Earned from Work</td>
<td>IRA Deductions and Payments</td>
</tr>
<tr>
<td>Filing Status</td>
<td>Income Tax</td>
<td>Status of Amended Returns Received</td>
</tr>
<tr>
<td>IRS Exemptions</td>
<td>Education Credits</td>
<td></td>
</tr>
</tbody>
</table>

Refer to your tax records if you have a question about the values you reported.

Transfer My Tax Information into the FAFSA Form

The tax information provided to fafsa.gov will populate the answers to the appropriate FAFSA questions. After the FAFSA questions are populated, your IRS session will end, and you will return to your FAFSA form. Check this box if you are choosing to transfer your information.

Do Not Transfer My Tax Information and Return to the FAFSA Form

By clicking the 'Do Not Transfer' button, you are choosing not to transfer your tax information electronically. Your IRS session will end, and you will return to your FAFSA form.
You have successfully transferred 2018 IRS tax information.

The parents' IRS tax information has been successfully transferred into this FAFSA. Questions that were populated with tax information will be marked with "Transferred from the IRS." For your protection, IRS tax return information is not displayed on the FAFSA.

What was your parents' adjusted gross income for 2018?
Transferred from the IRS
Startup enhancements

Hot topics
Hot Topics

• Notable changes resulting from FAFSA form public comment period
  • Income tax paid – adding language to report zero if taxes paid is negative number
  • Assets – adding language to exclude ABLE (Achieving a Better Life Experience) accounts from assets
  • Other untaxed income – adding language that untaxed foreign income not taxed by any government should be reported as untaxed income in questions 44h and/or 92h
  • Questions 29 and 30 will be modified to provide more clarity
Hot Topics

• Improving user experience
  • Utilizing feedback from user experience testing, surveys and other sources to identify areas for improvement
FSA Webinar Series

October Webinars

Tools To Help You Use The myStudentAid Mobile App
(Oct. 16th 3-4pm ET)
https://cvent.me/DIIKxG
Several times a year, we email our partners with updates about our products and services, reminders about upcoming professional development opportunities, tips for outreach to students, and more!!

https://financialaidtoolkit.ed.gov/tk/contact.jsp#partner-emails
Thank you for attending a Federal Student Aid (FSA) presentation. Please take our survey so that we can receive feedback on how FSA can better serve you!

https://www.surveymonkey.com/r/FSAWebinar100919
Questions?