

SAI Deep Dive into Calculations: SAI & Pell Grant

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AGENDA

- 2024-25 Pell Eligibility and SAI Guide
- 2024-25 Pell Grant Awards
- SAI Calculation
- Light Overview of Hand Calculation of SAI
- Pell Grant Calculation
- Examples
- Q&A
- Resources

2024-25 Pell Eligibility & SAI Guide

- *Previously known* as the EFC Formula Guide and Federal Pell Grant Payment and Disbursement Schedules
- Draft version released on January 30, 2024
 - Reverted to this version again on March 1, 2024
 - [Final Version](#)
- [2024-25 FSA Handbook, Vol. 7](#)
 - Published February 28, 2024

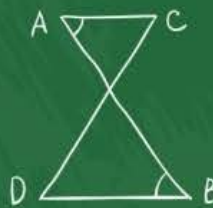
2024-25 Federal Pell Grant Max & Min

- January 31, 2024
 - FSA published [GEN-24-01](#) 2024-25 Max and Min Pell Grant
- Maximum Pell Grant \$7,395
- Minimum Pell Grant \$740 (\$739.50 rounded)
- Calculated Pell Grant
 - Max Pell – SAI and rounded to the closest \$5.00
 - Adjusted for enrollment intensity

FORMULAS



$$\pi = 3,14$$



$$S = a^2$$
$$P = 4a$$

$$d = a\sqrt{2}$$



$$r = \frac{ab}{a+b+c}$$
$$r = \frac{a+b-c}{2}$$

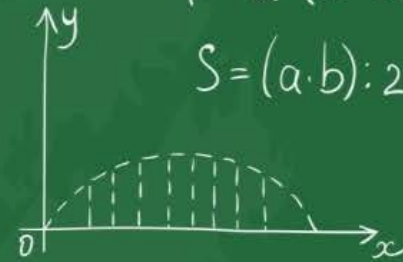
$$(ab)^n = a^n b^n$$

$$\left(\frac{a}{b}\right)^n = \frac{a^n}{b^n}$$

$$S = a^2$$

$$P = 2 \cdot (a+b)$$

$$S = (a \cdot b) : 2$$



$$\sqrt{9} = 3$$

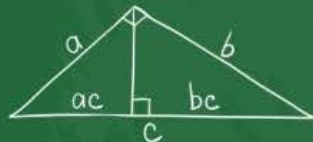
$$R = \frac{c}{2}$$

$$\begin{cases} -2x \leq 10 \\ 2x < 10 \end{cases}$$



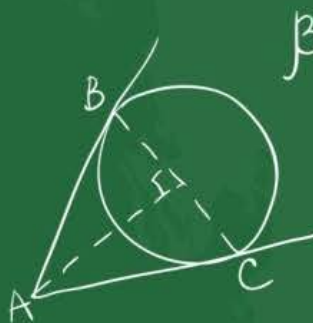
$$x - y$$

$$\begin{cases} 24(2x-2) = 7(x^2-2x) \\ 4x = 2 \end{cases}$$

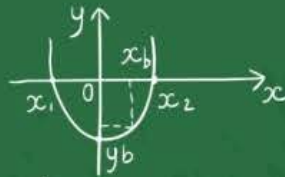
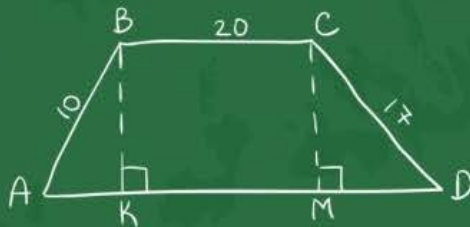


FORMULAS

$$(x_0) + f'(x_0)(x-x_0)$$



β



$$\begin{cases} x+7 > 6 \\ 3x+5 = 11 \\ 2-3 < -13 \end{cases}$$

$$2 \times 2 = 4$$

$$x_1 + x_2 = -\frac{b}{a}$$

$$x_1 \cdot x_2 = \frac{c}{a}$$

λ

$$y = ax^2 + bx + c$$

$$ma = \frac{1}{2} \sqrt{2(b^2 + c^2) - a^2}$$

$$\frac{1}{2} \pi R$$

$$y_1 = y + b$$

$$D = b^2 - 4ac$$

$$Q = \frac{\pi L}{4} \int_0^L d^2 dl$$



$$a^0 = 1$$

Formula A–Dependent Students

Parent Contribution + Student Contribution from Income + Student Contribution from Assets

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)	
If negative and $< -1,500$, adjust to $-1,500$ (e.g., if $-2,000$ set to $-1,500$)	■
If negative and $\geq -1,500$, do not adjust (e.g., if $-1,000$ leave as $-1,000$)	

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

Student Contribution from Income + Student Contribution from Assets

Student Aid Index (SAI)	
Student Contribution from Income (line 11) May be a negative number	
Student Contribution from Assets (line 20)	+
21. Student Aid Index (sum of lines 11 and 20)	
If negative and $< -1,500$, adjust to $-1,500$ (e.g., if $-2,000$ set to $-1,500$)	■
If negative and $\geq -1,500$, do not adjust (e.g., if $-1,000$ leave as $-1,000$)	

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

Student Contribution from Adjusted Available Income

Student Aid Index (SAI)	
Student Available Income (line 9) May be a negative number	
Student Contribution from Assets (line 18)	+
19. Student Adjusted Available Income (AAI) (Sum of lines 9 and 18) May be a negative number	■
20. Total Student Contribution from AAI (Table C6)	■
Student Aid Index (SAI)	
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 $\geq -1,500$, do not adjust (e.g., If $-1,000$ leave as $-1,000$)	

Hand Calculation–Formula A

Parental Information	
Married	
Family Size	7
Number in College	1
Age of Older Parent	53
State of Legal Residence	IL
Tax Filing Status	MFJ
Adjusted Gross Income (AGI)	\$291,463
Parent 1 Income Earned from Work	\$175,254
Parent 2 Income Earned from Work	\$92,903
Tax Paid	\$63,515
Tax Exempt Interest	\$523

Parent's Assets	
Cash, Saving & Checking	\$78,934
Investments Net Worth	\$107,856
Business/Farm Net Worth (10 FTE employees)	\$175,000
Child Support Received	\$12,000

Student's Tax Information	
Tax Filing Status	Non-Filer
FWS Wages	\$2,000
Cash, Saving & Checking	\$12,983

Hand Calculation–Formula A

Parent's Contribution from Income

Parents Income Additions	
a. Parents' AGI	291,463
b. Parents' Deductible Payments to IRA/KEOGH/Other	+ 0
c. Parents' Tax-Exempt Interest	+ 523
d. Parents' Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, put zero)	+ 0
e. Parents' Untaxed Portions of IRA Pensions (Excluding rollovers; if less than zero, put 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)	= 291,986

Hand Calculation–Formula A

Parents Income Offsets	
g. Parents' Taxable College Grant and Scholarship Aid (reported as Income)	0
h. Parents' Education Credits	+ 0
i. Parents' Federal Work-Study (FWS)	+ 0
2. Total Parent Income Offsets (sum of lines g, h, and i)	= 0
3. Total Parent Income (line 1 minus line 2)	= 291,986
Total Parent Income Additions - Total Parent Income Offsets May be a negative number	(291,986-0)

Hand Calculation–Formula A

Allowances Against Parents' Income	
4. Parents' U.S. Income Tax Paid (or Foreign Equivalent)	63,515
5. Payroll Tax Allowance (Table A1)	
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table A1: Step 1)	+ 4,052
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table A1: Step 2) (if less than zero, put zero)	+ 16,626
6. Income Protection Allowance (Table A2)	+ 65,170
7. Employment Expense Allowance (EEA) The lesser of: 35% of parents' combined earned income, OR \$4,730	+ 4,730 (268,157 x 0.35 = 93,854.95)
8. Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	= 154,093

Hand Calculation–Formula A

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	<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>Note: In scenarios where spouses have filed different tax returns (e.g., one spouse filed TFS = Single, the other TFS = MFS, etc.), the calculation is performed individually and then the results are added together following the rounding logic noted above.</p>

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**.

Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate	<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*.
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Step 1:

Married Couple

Income: \$268,157

$\$268,157 - \$250,000 = \$18,157$ (over \$250K)

$\$250,000 \times 0.0145$ (1.45%) = \$3,625

$\$18,157 \times 0.0235$ (2.35%) = \$426.689 (round to \$427)

$\$3625 + \$427 = \$4,052$

Step 2: 2 Parental Incomes

Income: \$268,157

$\$268,157 \times 0.062$ (6.2%) = \$16,625.734 (round to \$16,626)

Hand Calculation–Formula A

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.

$$\text{Family Size} = 7 \rightarrow \$58,560 + \$6,610 = \$65,170$$

Hand Calculation–Formula A

Parents' Available Income (PAI)	
Total Parent Income (line 3)	291,986
Total Parent Allowances Against Income (line 8)	- 154,093
9. Parent Available Income (line 3 minus line 8)	= 137,893
	(291,986-154,093=137,893)
May be a negative number	

Hand Calculation–Formula A

Parent's Contribution from Assets	
10. Annual child support received for the last complete calendar	12,000
11. Cash, savings, and checking accounts	+ 78,934
12. 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	+ 107,856
13. Adjusted net worth of business and/or farm (Table A3) Net worth of business and/or farm multiplied by the applicable adjustments in Table A3	+ 71,000
14. Net worth (sum 10, 11, 12, and 13)	= 269,790
15. Asset Protection Allowance (APA) (Table A4)	- 0
16. Asset Conversion Rate (12%)	X 0.12
17. Parent Contribution from Assets (PCA) (Line 14 minus line 15) times line 16 If negative, enter zero	= 32,375 (269,790-0)*0.12)

Hand Calculation–Formula A

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

Business Net Worth = \$175,000

\$175,000 - \$165,000 = \$10,000

\$10,000 x 0.50 (50%) = \$5,000

\$66,000 + \$5,000 = \$71,000

Table A4: Age Protection Allowance (Parents)

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.

Hand Calculation— Formula A

Everyone is 0 for 2024-2025!

Hand Calculation–Formula A

Total Parent Contribution	
Parent Adjusted Available Income (PAAI)	
Parents' Available Income (line 9)	137,893
Parents' Contribution from Assets (line 17)	+ 32,375
18. Parent Adjusted Available Income (line 9 plus line 17)	= 170,268 (137,893 + 32,375)
May be a negative number	
Parents' Contribution	
19. Parents' Contribution (Table A5)	= 71,743
Adjust PAAI (line 18) using Table A5	

Hand Calculation–Formula A

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

AAI (line 18) = \$170,478

$\$170,268 - \$41,500 = \$128,768$

$\$128,768 \times .47 (47\%) =$
 $\$60,520.96$ (round to \$60,521)

$\$11,222 + \$60,521 = \$71,743$

Hand Calculation–Formula A

Student Contribution from Income

Student Income Additions	
a. Student AGI	0
b. Student Deductible Payments to IRA/KEOGH/Other	+ 0
c. Student Exempt Income	+ 0
d. Student Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, put zero)	+ 0
e. Student Untaxed Portions of IRA Pensions (Excluding rollovers; if less than zero, put zero)	+ 0
f. Student Foreign Income Exclusion (reporting 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

Hand Calculation–Formula A

Student Income Offsets	
g. Student Taxable College Grant and Scholarship Aid (reported as Income)	0
h. Student Education Credits	+ 0
i. Student Federal Work-Study (FWS)	+ 2,000
21. Total Student Income Offsets (sum of lines g, h, and i)	= 2,000
22. Total Student Income (line 1 minus line 2) Total Student Income Additions - Total Student Income Offsets May be a negative number	= -2,000 (0-2,000)

Hand Calculation–Formula A

Allowances Against Students 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) (if less than zero, put zero)	+ 0
25. Income Protection Allowance (11,130)	+ 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

Hand Calculation–Formula A

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	<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>Note: In scenarios where spouses have filed different tax returns (e.g., one spouse filed TFS = Single, the other TFS = MFS, etc.), the calculation is performed individually and then the results are added together following the rounding logic noted above.</p>

Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate	<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*.
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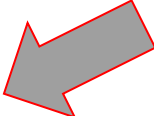
Dependent Student = 0

Step 2 = 0

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**.

Hand Calculation–Formula A



Student's Contribution from Income	
Total Student Income (line 22)	-2,000
Total Student Allowances Against Income (line 27)	- 11,130
28. Student Available Income (line 22 minus line 27)	= -13,130 (-2,000 = 11,130 = -13,130)
 May be a negative number	
29. Assessment of Student Available Income (x 0.5)	X -6,565 (-13,130 x 0.50 = -6,565)
30. Student's Contribution from Income (line 28 times line 29)	= -1,500
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)	

Hand Calculation–Formula A

Student Contribution from Assets	
31. Cash, savings, and checking accounts	12,983
32. 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	+ 0
33. Adjusted net worth of business and /or farm (Table A3) Net worth of business and/or farm multiplied by the applicable adjustments in Table A3	+ 0
34. Net worth (sum of 31, 32, and 33)	= 12,983
35. Asset Conversion Rate (20%)	X 0.20
36. Student Contribution from Assets (SCA) Line 34 times line 35 If negative, enter zero	= 2,597 (12,983 x 0.20 = 2,596.60)



Hand Calculation–Formula A

Student Aid Index (SAI)	
Parents' Contribution (line 19)	71,743
Student's Contribution from Income (line 30)	+ -1,500
Student's Contribution from Assets (line 36)	+ 2,597
37. Student Aid Index (sum of lines 19, 30, and 36)	
If negative and < -1,500, adjust to -1,500 (e.g., if -2,000 set to -1,500)	 = 72,840  $(71,743 + (-1,500) + 2,597 = 72,840)$
If negative and \geq -1,500, do not adjust (e.g., if -1,000 leave as -1,000)	

Hand Calculation–Formula B

Student Information	
Single	
Family Size	1
Student's Age	25
State of Legal Residence	FL
Tax Filing Status	Single

Income & Assets	
Adjusted Gross Income	\$37,089
Income Earned from Work	\$37,062
Taxes Paid	\$2,690
Lifetime Learning Credit	\$864
Cash, Saving & Checking	\$2,700

Hand Calculation–Formula B

Student (and Spouse) Income Additions	
a. Student (and Spouse) AGI	37,089
b. Student (and Spouse) Deductible Payments to IRA/KEOGH/Other	+ 0
c. Student (and Spouse) Exempt Income	+ 0
d. Student (and Spouse) Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, put zero)	+ 0
e. Student (and Spouse) Untaxed Portions of IRA Pensions (Excluding rollovers; if less than zero, put zero)	+ 0
f. Student (and Spouse) Foreign Income Exclusion (reporting 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)	= 37,089

Hand Calculation–Formula B

Student (and Spouse) Income Offsets	
g. Student (and Spouse) Taxable College Grant and Scholarship Aid (reported as Income)	0
h. Student (and Spouse) Education Credits	+ 864
i. Student (and Spouse) Federal Work-Study (FWS)	+ 0
2. Total Student (and Spouse) Income Offsets (sum of lines g, h, and i)	= 864
3. Total Student (and Spouse) Income (line 1 minus line 2) Total Student (and Spouse) Income Additions - Total Student Income Offsets May be a negative number	= 36,225 (37,089 – 864)

Hand Calculation–Formula B

Allowances Against Student (and Spouse) Income	
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)	2,690
5. Payroll Tax Allowance (Table B1)	
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table B1: Step 1)	+ 537
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table B1: Step 2) (if less than zero, put zero)	+ 2,298
6. Income Protection Allowance (IPA) If the student indicator is unmarried: \$17,310 If the student indicator is married: \$27,750	+ 17,310
7. Employment Expense Allowance (EEA) If the student indicator is unmarried: \$0 If the student indicator is married, the lesser or: 35% of the student and student's spouse combined earned income, OR \$4,730	+ 0
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	= 22,835

Hand Calculation–Formula B

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 Single, HoH 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>Note: In scenarios where spouses have filed different tax returns (e.g., one spouse filed TFS = Single, the other TFS = MFS, etc.), the calculation is performed individually and then the results are added together following the rounding logic noted above.</p>
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:

Earned Income \$37,062

$$\$37,062 \times 0.0145 (1.45\%) = \$537.399 \text{ (round to } \$537)$$

Step 2:

Earned Income \$37,062

$$\$37,062 \times 0.062 (6.2\%) = \$2,297.844 \text{ (round to } \$2,298)$$

Hand Calculation–Formula B

Student's Contribution from Income	
Total Student (and Spouse) Income (line 3)	36,225
Total Student (and Spouse) Allowances Against Income (line 8)	- 22,835
9. Student Available Income (StAI) (line 3 minus line 8)	= 13,390 (36,225 – 22,835)
May be a negative number	
10. Assessment of Student Available Income (x 0.5)	X 0.50
	= 6,695 (13,390 x 0.50)
11. Student's Contribution from Income (line 9 times line 10)	

Hand Calculation–Formula B

Student Contribution from Assets	
12. Annual child support received for the last complete calendar year	0
13. Cash, savings, and checking accounts	+ 2,700
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 adjustments in Table B2	+ 0
16. Net worth (sum of 12, 13, 14, and 15)	= 2,700
17. Asset Protection Allowance (B3)	- 0
18. Discretionary Net Worth (line 16 minus line 17)	2,700
19. Asset Conversion Rate (20%)	X 0.20
20. Student Contribution from Assets (SCA) Line 18 times line 19 If negative, enter zero	= 540 (2,700 x .20)



Hand Calculation–Formula B

Table B 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			

Everyone is 0 for 2024-2025!

Hand Calculation–Formula B

Student Aid Index (SAI)	
Student Contribution from Income (line 11) May be a negative number	6,695
Student Contribution from Assets (line 20)	+ 540
21. Student Aid Index (sum of lines 11 and 20) 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)	 = 7,235 

Hand Calculation–Formula C

Student Information	
Married	
Family Size	3
Number in College	1
Student's Age	30
State of Legal Residence	CO

Tax Information	
Tax Filing Status	MFJ
Adjusted Gross Income	\$82,495
Student's Income Earned from Work	\$15,657
Spouse's Income Earned from Work	\$78,695
Taxes Paid	\$6,378
Cash, Saving & Checking	\$7,392
Investments	\$33,503
Lifetime Learning Credit	\$2,000

Hand Calculation–Formula C

Student (and Spouse) Income Additions	
a. Student (and Spouse) AGI	82,495
b. Student (and Spouse) Deductible Payments to IRA/KEOGH/Other	+ 0
c. Student (and Spouse) Exempt Income	+ 0
d. Student (and Spouse) Untaxed Portions of IRA Distributions (Excluding rollovers; if less than zero, put zero)	+ 0
e. Student (and Spouse) Untaxed Portions of IRA Pensions (Excluding rollovers; if less than zero, put zero)	+ 0
f. Student (and Spouse) Foreign Income Exclusion (reporting 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)	= 82,495

Hand Calculation–Formula C

Student (and Spouse) Income Offsets	
g. Student (and Spouse) Taxable College Grant and Scholarship Aid (reported as Income)	0
h. Student (and Spouse) Education Credits	+ 2,000
i. Student (and Spouse) Federal Work-Study (FWS)	+ 0
2. Total Student (and Spouse) Income Offsets (sum of lines g, h, and i)	= 2,000
3. Total Student (and Spouse) Income (line 1 minus line 2) Total Student (and Spouse) Income Additions - Total Student Income Offsets May be a negative number	= 80,495 (82,495 – 2,000)

Hand Calculation–Formula C

Allowances Against Student (and Spouse) Income	
4. Student (and Spouse) U.S. Income Tax Paid (or Foreign Equivalent)	6,378
5. Payroll Tax Allowance (Table C1)	
a. Medicare's Hospital Insurance (HI) Program Tax Rate (Table C1: Step 1)	+ 1,368
b. Old-age, survivors, & disability insurance (OASDI) Tax Rate (Table C1: Step 2) (if less than zero, put zero)	+ 5,850
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	+ 54,580
7. Employment Expense Allowance (EEA) If the student indicator is unmarried, the lesser of: 35% of the student and student's spouse combined earned income, OR \$4,730 If the student indicator is married, the lesser or: 35% of the student and student's spouse combined earned income, OR \$4,730	+ 4,730 (94,352 x 0.35 = 33,023)
8. Total Student (and Spouse) Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)	= 72,906

Hand Calculation–Formula C

Table C1: Payroll Tax Allowance

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	<p>If Student filed as Single, HoH 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>Note: In scenarios where spouses have filed different tax returns (e.g., one spouse filed TFS = Single, the other TFS = MFS, etc.), the calculation is performed individually and then the results are added together following the rounding logic noted above.</p>
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:

Earned Income \$94,352

$\$94,352 \times 0.0145$ (1.45%) = \$1,368.104 (round to \$1,368)

Step 2:

Earned Income \$94,352

$\$94,352 \times 0.062$ (6.2%) = \$5,849.824 (round to \$5,850)

*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>.

Hand Calculation–Formula C

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.

Family Size = 3 → \$54,580

Hand Calculation–Formula C

Student's Available Income (StAI)	
Total Student (and Spouse) Income (line 3)	80,495
Total Student (and Spouse) Allowances Against Income (line 8)	- 72,906
9. Student Available Income (StAI) (line 3 minus line 8)	= 7,589
May be a negative number	

Hand Calculation–Formula C

Student Contribution from Assets	
10. Annual child support received for the last complete calendar year	0
11. Cash, savings, and checking accounts	+ 7,392
12. 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	+ 33,503
13. Adjusted net worth of business and /or farm (Table C4) Net worth of business and/or farm multiplied by the applicable adjustments in Table C4	+ 0
14. Net worth (sum of 10, 11, 12, and 13)	= 40,895
15. Asset Protection Allowance (APA) (Table C5)	- 0
16. Discretionary Net Worth (line 14 minus line 15)	40,895
17. Asset Conversion Rate (7%)	X 0.07
18. Student Contribution from Assets (SCA) Line 16 times line 17 If negative, enter zero	= 2,863 (40,895 x 0.07)



Hand Calculation–Formula C

Table 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			

Everyone is 0 for 2024-2025!

Hand Calculation–Formula C

Student Aid Index (SAI)	
Student Available Income (line 9) May be a negative number	7,589
Student Contribution from Assets (line 18)	+ 2,863
19. Student Adjusted Available Income (AAI) (Sum of lines 9 and 18) May be a negative number	= 10,452
20. Total Student Contribution from AAI (Table C6)	= 2,299
Student Aid Index (SAI)	
If line 20 is positive, SAI = line 20	= 2,299 
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)	

Hand Calculation–Formula C

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

Adjusted Available Income (AAI) =
 $\$10,452 \times 0.22$ (22%) = \$2,299.44
(round to \$2,299)

Max Pell Indicator

Dependent Student

- The student's parent(s) is not required to file an income tax return.
- The student's parent is a single parent and has an AGI greater than zero **and** less than or equal to 225% of the [poverty guideline](#) for the applicant's family size and state of residence.
- The student's parent is not a single parent **and** has an AGI greater than zero **and** less than or equal to 175% of the poverty guideline for the applicant's family size and state of residence.
- –Blank–Ineligible for Max Pell

Independent Student

- The student (and spouse, if applicable) is not required to file a federal income tax return.
- The student is a single parent and has an AGI greater than zero **and** less than or equal to 225% of the poverty guidelines for the applicant's family size and state of residence.
- The student is not a single parent and has an AGI greater than zero and less than or equal to 175% of the poverty guideline for the applicant's family size and state of residence.
- –Blank–Ineligible for Max Pell

Min Pell Indicator

Dependent Student

- The student's parent is a single parent and has an AGI less than or equal to 325% of the poverty guideline for the applicant's family size and state of residence.
- The student's parent is a single parent and has an AGI less than or equal to 275% of the poverty guidelines for the applicant's family size and state of residence.
- –Blank–Ineligible for Min Pell

Independent Student

- The student is a single parent and the AGI is less than or equal to 400% of the poverty guideline for the applicant's family size and state or legal residence; **or**
- The student is a parent and is not a single parent, and the AGI is less than or equal to 350% of the poverty guideline for the applicant's family size and state of legal residence; **or**
- The student is not a parent and the student's (and spouse's, if applicable) AGI is less than or equal to 275% of the poverty guideline for the applicant's family size and state of legal residence.
- –Blank–Ineligible for Min Pell

Pell Calculation

Step 1:

Determining Federal Pell Grant Eligibility

- Applicants who did not file taxes are assigned an SAI of -1500; *no further calculation is needed.*
- For all other applicants eligible for a Maximum Pell Grant award, proceed to Step 2: Calculate Student Aid Index

Applicants will be assigned the calculated SAI or 0, whichever is less.

Pell Calculation

Step 2:

Calculating Student Aid Index

- If the applicant's SAI is less than or equal to 0, the student is eligible for a Maximum Pell Grant and should retain the calculated SAI.
- If the applicant's SAI is greater than 0, calculate the student's Scheduled Pell Grant award by subtracting the SAI from the Maximum Scheduled Pell Grant Award amount for the year.
- If the applicant's calculated SAI is greater than the corresponding award year's Maximum Pell Grant award minus the Minimum Pell Grant award, the applicant is not eligible for a Pell Grant under Step 2 and should proceed to Step 3: Determine Minimum Pell Grant Eligibility.

Pell Calculation

Step 3:

Determine Minimum Pell Grant Eligibility

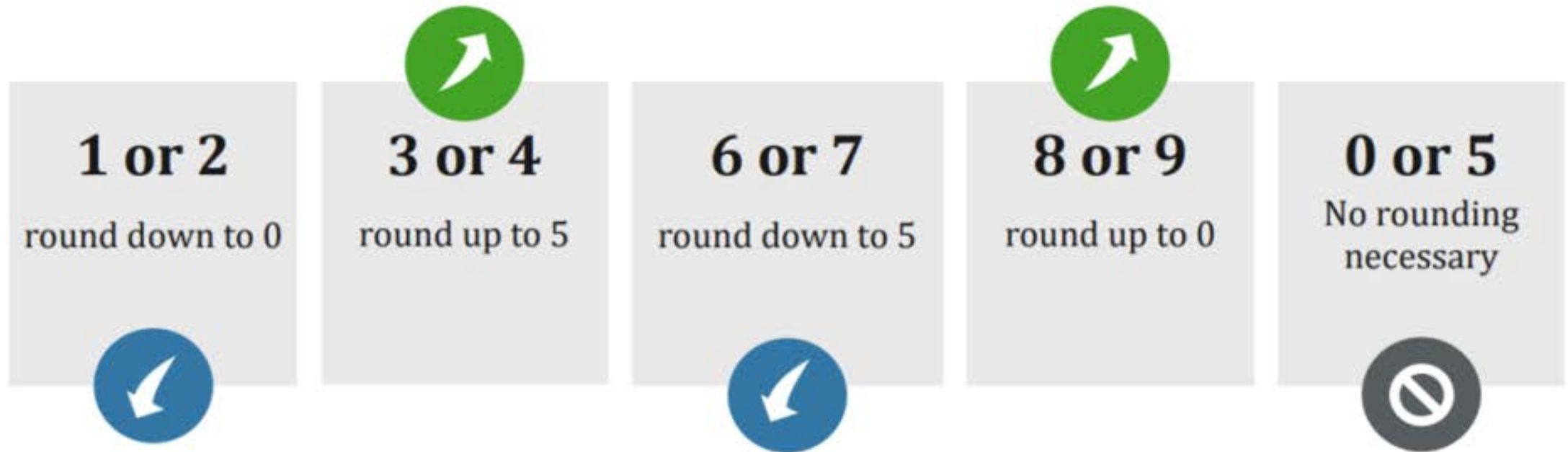
- For applicant's meeting the Minimum Pell Grant eligibility requirements, package the Minimum Pell Grant and retain the SAI calculated in Step 2. *The remainder of the aid package should be based on the calculated SAI.*
- For applicants not qualifying for Minimum Pell Grant eligibility, package based on the calculated SAI in Step 2.

Calculated Pell Grant

- If the 'Pell Grant Eligibility Flag' on the ISIR is set to 'Y', but the 'Max Pell Indicator' and 'Minimum Pell Indicator' are blank, the student is eligible for a calculated Pell Grant.
- To determine the amount of the calculated Pell Grant, subtract the student's calculated SAI from the award year's published Max Pell amount. Round the result to the nearest \$5.
- If the result is greater than the award year's published Minimum Pell amount and less than the student's COA, the student is eligible for a calculated Pell Grant of the resulting amount.

Rounding Rules

If the Calculated Scheduled Award (CSA) ends in...



Enrollment Intensity

- Clock-hour and non-term based programs are considered full-time for Pell Grant purposes.

2024-25 FSA Handbook Vol 7, Chapter 3

Standard Terms	
Credit	% of Pell
12	100%
11	92%
10	83%
9	75%
8	67%
7	58%
6	50%
5	42%
4	33%
3	25%
2	17%
1	8%

Non-Standard Terms*	
Credit	% of Pell
10	100%
9	90%
8	80%
7	70%
6	60%
5	50%
4	40%
3	30%
2	20%
1	10%

(Example in handbook is based on 10 weeks.)

*FT enrollment for Non-Standard Term is determined by multiplying the number of weeks in each term by the number of credit hours in an academic year.

Pell Grant Calculation Example (Max Pell)

Max Pell Standard Term - 2 Semesters						
\$7,395	Hours	Max Pell	% of Pell		Fall	Spring
	12	7395	100	3697.5	3698	3697
	11	6803	92	3401.5	3402	3401
	10	6138	83	3069	3069	3069
	9	5546	75	2773	2773	2773
	8	4955	67	2477.5	2478	2477
	7	4289	58	2144.5	2145	2144
	6	3698	50	1849	1849	1849
	5	3106	42	1553	1553	1553
	4	2440	33	1220	1220	1220
	3	1849	25	924.5	925	924
	2	1257	17	628.5	629	628
	1	592	8	296	296	296

Pell Grant Calculation Example (Min Pell)

Min Pell Standard Term - 2 Semesters						
\$740	Hours	Max Pell	% of Pell		Fall	Spring
	12	740	100	370	370	370
	11	681	92	340.5	341	340
	10	614	83	307	307	307
	9	555	75	277.5	278	277
	8	496	67	248	248	248
	7	429	58	214.5	215	214
	6	370	50	185	185	185
	5	311	42	155.5	156	155
	4	244	33	122	122	122
	3	185	25	92.5	93	92
	2	126	17	63	63	63
	1	59	8	29.5	30	29

Pell Grant Calculation Example

(Pell Eligible SAI & Standard Term)

		Calculated Pell Standard Term				
Max Pell	SAI	Calculated Pell	Rounded			
\$7,395	1504	5891	5890			
	Hours	Max Pell	% of Pell		Fall	Spring
	12	5890	100	2945	2945	2945
	11	5419	92	2709.5	2710	2709
	10	4889	83	2444.5	2445	2444
	9	4418	75	2209	2209	2209
	8	3946	67	1973	1973	1973
	7	3416	58	1708	1708	1708
	6	2945	50	1472.5	1473	1472
	5	2474	42	1237	1237	1237
	4	1944	33	972	972	972
	3	1473	25	736.5	737	736
	2	1001	17	500.5	501	500
	1	471	8	235.5	236	235

Max Pell - SAI = Calculated Pell
(and rounded to the nearest \$5.00)

Pell Grant Calculation Example

(Pell Eligible SAI & Non-Standard Term = 8 weeks)

		Calculated Pell Non-Standard Term		
Max Pell	SAI	Calculated Pell	Rounded	
\$7,395	3106	4289	4290	
		Calculated Pell	% of Pell	One Term
Hours				
10		4290	100	1430
9		3861	90	1287
8		3432	80	1144
7		3003	70	1001
6		2574	60	858
5		2145	50	715
4		1716	40	572
3		1287	30	429
2		858	20	286
1		429	10	143

FT enrollment for non-standard terms is determined by multiplying the # of weeks in each term by the number of credit hours in an academic year.

10 credit hours per term {(8 weeks per term * 40 credit hours)/32 weeks of instruction)} relative to 10 credit hours per term as FT.

Quarter credit example is divided by 3.

Pell Grant Calculation Examples (Continued)

Clock-Hour and Non-Term Programs

- Students enrolled in clock-hour and non-term based programs are considered to be enrolled full-time for Pell purposes.

Enrollment Intensity Standards for Clock-Hour and Other Non-Term Programs

- Full-time enrollment (clock hours): at least 24 clock hours per calendar week
- Full-time enrollment (credit hours): 24 semester hours, 24 trimester hours, or 36 quarter credit hours per academic year.
- Less than half-time enrollment (clock hours and credit hours) is defined as less than half of the workload of the minimum full-time requirement.

Pell Grant Calculation Examples (Clock-Hour)

900 clock-hour and 22 weeks of instructional length
(each PP is 450 clock-hours and 11 weeks)

- School defines the academic year for the program based on regulatory minimums of 900 clock-hours and 26 weeks instructional time.
- To determine the disbursement for the payment period, the school must multiply the Scheduled Award by the lesser of:
 - The fraction of comparing the hours in the payment period to the hours in the academic year ($450/900 = 50\%$), OR
 - The fraction comparing the weeks in the payment period to the weeks in the academic year ($11/26 = 42.31\%$).
- The lesser fraction is the one based on weeks. Therefore, the student's payment period will be $(11 \text{ weeks in the PP} * 7395) / 26 \text{ weeks in the program's academic year definition} = 3128.65$ (rounded to 3129, $3129/2 = 1565$ PP1 and 1564 PP2)

Questions?



Resources

- [2024-2025 Pell Eligibility and SAI Guide \(Final Version\)](#)
- [2024-2025 FSA Handbook, Vol 7](#)
- [GEN 24-01 2024-25 Max and Min Pell Grant](#)
- [2024-2025 FAFSA Specification Guide \(April 2024 Update\)](#)
- [Poverty Guidelines—Department of Health & Human Services](#)

Thank
You

NCASFAA would like to thank our Platinum Professional Affiliates!



NCASFAA would like to thank our Gold Professional Affiliates!



NCASFAA would like to thank our Silver
Professional Affiliates!

The logo for Ascendium features the word "Ascendium" in a dark teal, sans-serif font. A small orange triangle is positioned above the letter 'd'. A trademark symbol (TM) is located to the right of the word.

The logo for SoFi consists of the word "SoFi" in a blue, sans-serif font, followed by a graphic of eight blue circles arranged in a 2x4 grid. A registered trademark symbol (®) is located to the right of the graphic.

The logo for Oracle features the word "ORACLE" in a bold, red, sans-serif font. Below it, the text "for Higher Education" is written in a smaller, black, sans-serif font.