2024-25 DRAFT SAI Guide Supplement: EFC-to-SAI Case Studies

Formula A: Dependent Students

Scenario 1a: Dylan

Dylan is a dependent student from New York. Dylan's parents are married and file taxes jointly with an AGI of $69,549. Dylan has one sibling living at home with their parents.

	EFC Formula:	SAI Formula:
Parent Total Income	$69,549	
Parent Assets	$0	
Student Total Income	$1,300	
Student Total Assets	$126	

	EFC Formula:	SAI Formula:
Parent Contribution from Income/Assets	$4,248	$4,623
Student Contribution from Income	$0	-$1,500
Student Contribution from Assets	$25	$25
Calculated EFC/SAI	4,273	3,148

In this scenario, the parent contribution from income and assets is slightly higher with the SAI formula. This is primarily because of the changes to allowances against income. However, the final SAI is less than the EFC because of the allowance for a negative contribution from student income in the SAI formula.

Scenario 1b: Dylan

Dylan is a dependent student from New York. Dylan's parents are married and file taxes jointly with an AGI of $69,549. In addition to the income earned from work, Dylan's mother receives a housing allowance of $20,500 for her work as a member of the clergy. Dylan has one sibling living at home with their parents.

	EFC Formula:	SAI Formula:
Parent Total Income	$90,049	$69,549
Parent Assets	$0	
Student Total Income	$1,300	
Student Total Assets	$126	

	EFC Formula:	SAI Formula:
Parent Contribution from Income/Assets	$10,207	$4,623
Student Contribution from Income	$0	-$1,500
Student Contribution from Assets	$25	$25
Calculated EFC/SAI	10,232	3,148

In this slightly modified scenario, Dylan's family must report the $20,500 housing allowance as untaxed income under the EFC formula, but not under the SAI formula. Dylan would not be eligible for a Pell Grant based on their calculated EFC but is eligible for a Pell Grant based on their calculated SAI.

Scenario 2a: Taylor

Taylor is a dependent student from Massachusetts. Taylor's parents are married and file their taxes jointly with an AGI of $97,711. Taylor has three siblings who live at home with their parents.

	EFC Formula:	SAI Formula:
Parent Total Income	$97,711	
Parent Assets	$0	
Student Total Income	$50	
Student Total Assets	$213	

	EFC Formula:	SAI Formula:
Parent Contribution from Income/Assets	$8,695	$10,014
Student Contribution from Income	$0	-$1,500
Student Contribution from Assets	$43	$43
Calculated EFC/SAI	8,738	8,557

In both formulas, Taylor does not qualify for a Pell Grant based on their calculated EFC/SAI. However, Taylor would qualify for a Minimum Pell Grant under the Pell Grant eligibility requirements established in the FAFSA Simplification Act because Taylor's parents' AGI is less than 275% of the 2022 poverty guideline for a family of 6 ($37,190). While the resulting EFC and SAI are similar, Taylor benefits from the new Minimum Pell Grant eligibility criteria.

Scenario 2b: Taylor

Taylor is a dependent student from Massachusetts. Taylor's parents are married and file their taxes jointly with an AGI of $97,711. Taylor has two siblings who live at home with their parents and one sibling attending college.

	EFC Formula:	SAI Formula:
Parent Total Income	$97,711	
Parent Assets	$0	
Student Total Income	$50	
Student Total Assets	$213	

	EFC Formula:	SAI Formula:
Parent Contribution from Income/Assets	$5,074	$10,014
Student Contribution from Income	$0	-$1,500
Student Contribution from Assets	$43	$43
Calculated EFC/SAI	5,117	8,557

Taylor benefits from having a sibling in college under the EFC formula but not under the SAI formula. In this modification of the scenario, Taylor is eligible for a Pell Grant based on their calculated EFC but is not eligible for a Pell Grant based on their calculated SAI. However, like Scenario 2a, Taylor is eligible for a Minimum Pell Grant under the Pell Grant eligibility requirements established in the FAFSA Simplification Act.

Scenario 2c: Taylor

Taylor is a dependent student from Massachusetts. Taylor's biological parents are divorced from each other but remarried. Taylor lives with their mother and stepfather who provide Taylor with the most financial support. They file their taxes jointly with an AGI of $97,711. Additionally, Taylor's mother receives $1,000 per month for Taylor's three younger siblings, who also live with her.

	EFC Formula:	SAI Formula:
Parent Total Income	$109,711	$97,711
Parent Assets	$0	$12,000
Student Total Income	$50	
Student Total Assets	$213	

	EFC Formula:	SAI Formula:
Parent Contribution from Income/Assets	$13,075	$10,353
Student Contribution from Income	$0	-$1,500
Student Contribution from Assets	$43	$43
Calculated EFC/SAI	13,748	8,896

The addition of child support received impacts both the EFC and SAI formula outcomes. However, the inclusion of child support received as income in the EFC formula has a greater impact than including child support received as an asset in the SAI formula. Like Scenario 2a, Taylor does not qualify for a Pell Grant based on the calculated EFC/SAI, but would still qualify for a Minimum Pell Grant under the Pell Grant eligibility requirements established in the FAFSA Simplification Act.

Formula B: Independent w/o Dependents other than a Spouse

Scenario 3a: Michel

Michel is an independent student from Florida. Michel files their taxes as single with an AGI of $23,650 and has no dependents.

	EFC Formula:	SAI Formula:
Student Total Income	$23,650	
Student Total Assets	$0	

Michel's AGI is greater than $0 and ≤ 175% of the 2022 poverty guideline for a family of 1 ($13,590), so Michel qualifies for a Maximum Pell Grant under the Pell Grant eligibility requirements established in the FAFSA Simplification Act. However, Michel does not qualify for an automatic -1,500 SAI, so we must calculate Michel's SAI using the SAI formula. Michel's SAI will be assigned as the calculated SAI or 0, whichever is less.

	EFC Formula:	SAI Formula:
Student Contribution from Income	$3,528	$2,242
Student Contribution from Assets	$0	$0
Calculated EFC/SAI	3,528	2,242

Since Michel's calculated SAI is greater than 0, Michel's SAI will be set at 0, and they will be eligible for a Max Pell Grant award.

Scenario 3b: Michel

Michel is an independent student from Florida. Michel files their taxes as single and has no dependents. In addition to income from work, Michel receives $8,000 in military housing assistance.

	EFC Formula:	SAI Formula:
Student Total Income	$31,650	$23,650
Student Total Assets	$0	

Michel's AGI is greater than $0 and ≤ 175% of the 2022 poverty guideline for a family of 1 ($13,590), so Michel qualifies for a Maximum Pell Grant under the Pell Grant eligibility requirements established in the FAFSA Simplification Act. However, Michel does not qualify for an automatic -1,500 SAI, so we must calculate Michel's SAI using the SAI formula. Michel's SAI will be assigned as the calculated SAI or 0, whichever is less.

	EFC Formula:	SAI Formula:
Student Contribution from Income	$7,488	$2,242
Student Contribution from Assets	$0	$0
Calculated EFC/SAI	7,448	2,242

Michel must report the $8,000 housing allowance as untaxed income under the EFC formula, but not under the SAI formula. Michel does not qualify for a Pell Grant based on their calculated EFC. Since Michel's calculated SAI is greater than 0, Michel's SAI will be set at 0, and they will be eligible for a Max Pell Grant award.

Scenario 4a: Jordan

Jordan is a married student from Arizona. Jordan files taxes jointly with their spouse with an AGI of $15,052. Both Jordan and their spouse are enrolled in college at least half time.

	EFC Formula:	SAI Formula:
Student/Spouse Total Income	\$15,052	
Student/Spouse Total Assets	\$0	

Jordan's AGI is greater than $0 and ≤ 175% of the 2022 poverty guideline for a family of 2 ($18,310), so Jordan qualifies for a Maximum Pell Grant under the Pell Grant eligibility requirements established in the FAFSA Simplification Act. However, Jordan does not qualify for an automatic -1,500 SAI, so we must calculate Jordan's SAI using the SAI formula. Jordan's SAI will be assigned as the calculated SAI or 0, whichever is less.

	EFC Formula:	SAI Formula:
Student Contribution from Income	\$1,406	-\$5,054
Student Contribution from Assets	\$0	\$0
Calculated EFC/SAI	703	-1,500

Jordan benefits from the larger income protection allowance for married students without dependents in the SAI formula. This results in a negative contribution from income and the lowest possible SAI. Jordan would be eligible for a Pell Grant under both formulas, but benefits from a lower SAI under the SAI formula.

Scenario 4b: Jordan

Jordan is a married student from Arizona. Jordan files taxes jointly with their spouse with an AGI of $15,052. Both Jordan and their spouse are enrolled in college at least half time. To help Jordan with expenses while they are in school, Jordan's grandparent pays $500 per month toward their rent.

	EFC Formula:	SAI Formula:
Student Total Income	\$21,052	\$15,052
Student Total Assets	\$0	

Jordan's AGI is greater than $0 and ≤ 175% of the 2022 poverty guideline for a family of 2 ($18,310), so Jordan qualifies for a Maximum Pell Grant under the Pell Grant eligibility requirements established in the FAFSA Simplification Act. However, Jordan does not qualify for an automatic -1,500 SAI, so we must calculate Jordan's SAI using the SAI formula. Jordan's SAI will be assigned as the calculated SAI or 0, whichever is less.

	EFC Formula:	SAI Formula:
Student Contribution from Income	\$4,346	-\$5,054
Student Contribution from Assets	\$0	\$0
Calculated EFC/SAI	2,173	-1,500

Jordan must report the $6,000 in rent assistance as money paid on their behalf under untaxed income in the EFC formula but not in the SAI formula. Jordan would be eligible for a Pell Grant under both formulas, but benefits from a lower SAI under the SAI formula.

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

Scenario 5: Angel

Angel is an independent student from Nebraska. Angel is a single parent of two children.

	EFC Formula:	SAI Formula:
Student Total Income	$30,205	
Student Total Assets	$0	

Angel's AGI is greater than $0 and ≤ 225% of the 2022 poverty guideline for a family of 3 ($23,030), so Angel qualifies for a Maximum Pell Grant under the Pell Grant eligibility requirements established in the FAFSA Simplification Act. However, Angel does not qualify for an automatic -1,500 SAI, so we must calculate Angel's SAI using the SAI formula. Angel's SAI will be assigned as the calculated SAI or 0, whichever is less.

	EFC Formula:	SAI Formula:
Student Contribution from Income	-$16,130	-$31,622
Student Contribution from Assets	$0	$0
Calculated EFC/SAI	0	-1,500

While Angel qualifies for a Maximum Pell Grant under both formulas, Angel benefits from the allowance for a negative value under the SAI formula. Angel may be considered for additional need-based aid because of their negative SAI when reviewing and packaging for state, institutional, or campus-based aid.

Scenario 6: Drew

Drew is a married independent student from Michigan. Drew and their spouse are both enrolled in college at least half time. They file their taxes jointly and have three dependent children.

	EFC Formula:	SAI Formula:
Student Total Income	$58,231	
Student Total Assets	$0	

Drew's AGI is > 175% of the 2022 poverty guideline for a family of 5 ($32,470). Therefore, Drew does not qualify for an automatic Maximum Pell Grant under the eligibility requirements established in the FAFSA Simplification Act. Drew may still qualify for a Pell Grant based on the calculated SAI.

	EFC Formula:	SAI Formula:
Student Contribution from Income	$455	-$17,635
Student Contribution from Assets	$0	$0
Calculated EFC/SAI	228	-1,500

Drew qualifies for a Pell Grant under both formulas. However, Drew benefits from a lower SAI under the SAI formula and may be considered for additional need-based aid based on their negative SAI when reviewing and packaging for state, institutional, or campus-based aid.

Though Drew qualifies for a Maximum Pell Grant due to a negative SAI, it is important to note that Drew would have been eligible for at least a Minimum Pell Grant, regardless of their contribution from assets, because Drew's AGI is < 350% of the 2022 poverty guideline for a family of 5 ($32,470).