2027–28

Student Aid Index (SAI)
and Pell Grant Eligibility Guide

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Introduction and Overview

The Student Aid Index (SAI) and Pell Grant Eligibility Guide is designed to assist financial aid administrators (FAAs) and software vendors by introducing updated calculations for federal student aid eligibility, including the Pell Grant calculations, using the Student Aid Index (SAI) for the 2027-28 award year. This guide represents the implementation of the SAI at the time of publication and serves as a companion document to the FAFSA® Specifications Guide.

Determining Federal Pell Grant Eligibility

The Federal Pell Grant scheduled award determination consists of three steps.

Step 1: Determine Maximum Federal Pell Grant Eligibility

Use the Maximum Pell Grant criteria to identify applicants eligible for a maximum Pell Grant award.

- 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.

Step 2: Calculate Student Aid Index

The Student Aid Index (SAI) is a number that determines each student's eligibility for certain types of federal student aid, including Pell Grants. This number is calculated with the SAI formulas, which use the information that students provide on the FAFSA® form. All applicants will have a calculated SAI, but not all applicants will be determined to be eligible for a Pell Grant.

- If the applicant's SAI is less than or equal to zero, the student is eligible for a Maximum Pell Grant and should retain the calculated SAI.
- If the applicant's calculated SAI is greater than the corresponding award year's maximum Pell Grant award minus 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*.

Step 3: Determine Minimum Pell Grant Eligibility

Use the Minimum Pell Grant criteria to identify additional applicants eligible for a minimum Pell Grant.

- For applicants meeting the Minimum Pell Grant eligibility requirements and whose SAI calculated in *Step 2* is less than twice the Maximum Pell Grant award, package the minimum Pell Grant and retain the calculated SAI. The remainder of the aid package should be based on the calculated SAI.
- For applicants not qualifying for Minimum Pell Grant eligibility or whose SAI calculated in *Step 2* is greater than or equal to twice the Maximum Pell Grant award, package based on the calculated SAI from *Step 2*.

Step 1: Determine Maximum Pell Grant Eligibility

Use the Maximum Pell Grant criteria to determine eligibility based on tax filing status (*e.g., non-tax filer*), adjusted gross income (if tax filer), state of residence, and applicable poverty guidelines. Under HEA Sec. 401(b)(1)(A) a student is eligible for a Maximum Pell Grant if **any** of the following is true:

Dependent Student

- **Maximum Pell Indicator = 1**: The student's parent(s) did not file a federal income tax return; or
- **Maximum Pell Indicator = 2**: The student's parent **is** a single parent (as defined in Appendix G) and has an (AGI + Foreign Income Exclusion Amount) greater than zero and less than or equal to 225% of the poverty guideline for the applicant's family size and state of residence; or
- **Maximum Pell Indicator = 3**: The student's parent **is not** a single parent and has an (AGI + Foreign Income Exclusion Amount) greater than zero and less than or equal to 175% of the poverty guideline for the applicant's family size and state of residence.

Independent Student

- **Maximum Pell Indicator = 1**: The student (and spouse, if applicable) did not file a federal income tax return; or
- **Maximum Pell Indicator = 2**: The student **is** a single parent (as defined in Appendix G) and has an (AGI + Foreign Income Exclusion Amount) greater than zero and less than or equal to 225% of the poverty guideline for the applicant's family size and state of residence; or
- **Maximum Pell Indicator = 3**: The student **is not** a single parent and has an (AGI + Foreign Income Exclusion Amount) greater than zero and less than or equal to 175% of the poverty guideline for the applicant's family size and state of residence.

Note: The Maximum Pell Indicator (1, 2, or 3) will be returned on the ISIR, if applicable.

Note: Before determining maximum Pell eligibility for a tax filer, the family size needs to be determined by using Appendix C and that value will be used throughout the calculation. See Appendix D to determine non-tax filers vs. tax filer status and Appendix G to determine Single Parent status.

As a reminder, in *Step 1* for a dependent student, the parents need to both qualify as non-filers to meet Maximum Pell Indicator 1 logic. For an independent student, the student and student's spouse, if applicable, must be non-filers to meet Maximum Pell Indicator 1 logic.

State of Residence

The state of residence will either be that of a parent (for a dependent student) or student (for an independent student). There are three potential values used in the Maximum and Minimum Pell Grant eligibility determination processes. See below:

- Hawaii
- Alaska
- Other* (includes the 48-contiguous states, U.S. territories, foreign addresses, etc.)

*If the state of residence is unknown or blank, presume Other for purposes of the SAI calculation.

Poverty Guidelines

Poverty guidelines are used in the Maximum and Minimum Pell Grant eligibility determination processes. Use the *U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Programs*, produced by the Department of Health and Human Services (HHS). To access the 2025 HHS Poverty Guidelines, visit: *Federal Register 2025 HHS Poverty Guidelines*

Note: Always use the poverty guidelines for the prior-prior tax year (*e.g., for the 2027-28 award year, use the 2025 poverty guidelines*) by state of residence.

SAI for Maximum Pell Grant Recipients

- **Maximum Pell Indicator = 1:** A dependent student whose parents did not file a federal income tax return OR an independent student (and spouse, if applicable) who did not file a federal income tax return for the prior-prior tax year is assigned an SAI equal to -1,500, no family size is calculated, and no formula or intermediate values are returned on the ISIR.
- **Maximum Pell Indicator = 2 or 3:** If Maximum Pell Indicator is not 1 then determine check of (AGI + Foreign Income Exclusion) against Poverty Guidelines. If results are TRUE after this check, then SAI is temporarily zero (0). Perform the full formula calculation based on the appropriate formula in Step 2 (below). If the SAI from Step 2 is less than zero (0) then the SAI is set to the calculated value from Step 2. If the SAI from Step 2 is greater than or equal to zero, then the SAI remains zero.

Step 2: Calculate Student Aid Index

The SAI is calculated using one of three formulas; each is described in more detail below:

- Formula A – Dependent students;
- Formula B – Independent students without dependents other than a spouse; and
- Formula C – Independent students with dependents other than a spouse.

Table 1: Determination of SAI Formula Type

Determination of SAI Formula Type	
If	**Then**
Model = Dependent	Formula A
Model = Independent AND Married Indicator = Married AND Has Dependents Indicator = FALSE	Formula B
Model = Independent AND Married Indicator = Unmarried AND Has Dependents Indicator = FALSE	Formula B
Model = Independent AND Married Indicator = Married AND Has Dependents Indicator = TRUE	Formula C
Model = Independent AND Married Indicator = Unmarried AND Has Dependents Indicator = TRUE	Formula C

Note: See Appendix G to determine Single Parent status (Has Dependents Indicator)

Notes for Calculating the SAI

- All calculations, unless noted otherwise in the worksheets, should be rounded to three decimal places, and then rounded to the nearest whole numbers. Round away from zero for results of .500 to .999, round towards zero 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. For example, 11.549 when rounded = 12 and 11.449 when rounded = 11. Likewise, -11.549 when rounded = -12 and -11.449 when rounded = -11. See Note for Table A1 and Appendix K for details on payroll tax rounding.
- The Maximum and Minimum Pell HHS threshold amounts (*e.g., HHS base x 2.25*) in Step 1 and Step 3 are also first rounded to the nearest whole number before making the Maximum and Minimum Pell determinations.
- Certain applicants will be exempt from asset reporting based on income and federal benefits received (see *Appendix E: Applicants or Contributors Required to Provide Assets* for more details).
- A student's SAI can be negative. If the calculated SAI is less than -1,500, replace the value with -1,500. If calculated SAI is greater than 999,999 it is set to 999,999.

Notes for Using the SAI Formula Worksheets

- Boxes with black fill indicate that no value should be entered in those cells.

- Boxes with no fill or no text indicate cells where the user should enter a value.

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 (or Combined AGI, if the parent filed both a U.S. federal income tax return and an income tax return from Puerto Rico or another U.S. territory)		
b. Parents' Deductible Payments to IRA/KEOGH/Other	+	
c. Parents' Tax-Exempt Interest Income	+	
d. Parents' Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)	+	
e. Parents' Untaxed Portions of Pensions (Subtract Pension rollover; if total is 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	=	
Allowances Against Parents' Income		
4. Parents' Income Tax Paid (or Combined Income Tax Paid, if the parent filed both a U.S. federal income tax return and an income tax return from Puerto Rico or another U.S. territory)		
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 ▪ $5,200	+	
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	=	

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 current 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	+	
13. Adjusted net worth of businesses and/or farms (Table A3) • Net worth of businesses and/or farms 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) • (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)	=	

• May be a negative number		
Parents' Contribution		
19. Parents' Contribution (Table A5) • Adjust PAAI (line 18) using Table A5	=	

Student Contribution from Income		
Student Income Additions		
a. Student AGI (or Combined AGI, if the student filed both a U.S. federal income tax return and an income tax return from Puerto Rico or another U.S. territory)		
b. Student Deductible Payments to IRA/KEOGH/Other	+	
c. Student Exempt Interest Income	+	
d. Student Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)	+	
e. Student Untaxed Portions of Pensions (Subtract Pension rollover; if total is 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 Income Tax Paid (or Combined Income Tax Paid, if the student filed both a U.S. federal income tax return and an income tax return from Puerto Rico or another U.S. territory)		
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	+	12,220
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) • If negative (-) set to 0 (zero)	=	

Student Contribution from Assets		
31. Cash, savings, and checking accounts		
32. Net worth of current 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. Adjusted net worth of business and/or farm (Table A3) • 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) • 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) • 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*)		

Supplementary Tables for Formula A – Dependent Students

Note for Table A1: In scenarios where spouses have filed different tax returns (*e.g., one spouse filed TFS = Single, the other TFS = MFS, etc.*) and more than one income earned from work is reported, the calculations for Hospital Insurance (HI) and Old-age, survivors, and disability insurance (OASDI) are **performed individually** based on each filer's income earned from work.

Calculations for the individual Parent HI, Parent Spouse or Partner HI, Student HI, Student Spouse HI, Parent OASDI, Parent Spouse or Partner OASDI, Student OASDI, and Student Spouse OASDI are rounded to three (3) decimal places. For example, 10.4575 when rounded to three (3) decimal places = 10.458 and 10.4594 when rounded to three (3) decimal places = 10.459. Once rounded to three (3) decimal places, they are then combined to calculate the Total Parent HI, Total Parent OASDI, Total Student HI, and Total Student OASDI. Each combined total is rounded to the nearest whole number. See Appendix K: Rules for calculating integers for more details around rounding and an exemplar.

Note: When there are two different tax returns reported and **both** filing status are MFJ, the incomes earned from work are first added together, and calculations are performed based on the combined income earned from work. However, when two different tax returns are reported and only one of the reported tax returns has the filing status MFJ, then the calculations are performed separately as noted above based on their respective tax return status.

Table A1: Payroll Tax Allowance

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	If Parent and/or Parent Spouse or Partner filed as Single, HoH or Qualifying Surviving Spouse: • 1.45% of income earned from work up to $200,000, (+) plus • 2.35% of p income earned from work over $200,000 If Parent and/or Parent Spouse or Partner filed as Married-Filed Joint Return (MFJ): • 1.45% of income earned from work up to $250,000, (+) plus • 2.35% of earned from work over $250,000 If Parent and/or Parent Spouse or Partner filed as Married-Filed Separate Return (MFS): • 1.45% of income earned from work up to $125,000, (+) plus • 2.35% of income earned from work over $125,000 (+) plus If Dependent Student: • 1.45% of income earned from work up to $200,000, (+) plus • 2.35% of income earned from work over $200,000.
Step 2: Old-age, survivors, and disability insurance	If Parent and/or Parent Spouse or Partner filed as Single, Married-Filed Separate Return (MFS), HoH or Qualifying Surviving Spouse: • 6.2% of income earned from work up to Contributions and Benefit Base of $176,100 for Tax Year 2025. If income earned from work exceeds $176,100, then calculate using $176,100*.

(OASDI) Tax Rate	If Parent and/or Parent Spouse or Partner filed as Married-Filed Joint Return (MFJ): • 6.2% of income earned from work up to Contributions and Benefit Base of $352,200 for Tax Year 2025. If income earned from work exceeds $352,200, then calculate using $352,200*. If Dependent Student: • 6.2% of income earned from work up to Contributions and Benefit Base of $176,100 for Tax Year 2025. If income earned from work exceeds $176,100, then calculate using $176,100*.

*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 2025, this base is $176,100.

The OASDI tax rate for wages paid in 2025 is set by statute at 6.2 percent for employees and employers, each. Thus, an individual with wages equal to or larger than $176,100 would contribute $10,918 to the OASDI program in 2025.

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

The following tables are based, in part, upon the April 2026 Consumer Price Index for all Urban Consumers (CPI-U).

Table A2: Income Protection Allowance

Family Size (including student)	Income Protection Allowance Amount
2	$30,300
3	$37,720
4	$46,590
5	$54,970
6	$64,290

Note: For each additional household member, add $7,260.

Table A3: Businesses/ Farms Net Worth Adjustment

If the net worth of businesses/ farms is ___	Then the adjusted net worth is ____
Less than $1	$0
$1 to $180,000	40% of net worth of business/farm
$180,001 to $540,000	$72,000 + 50% of net worth over $180,000
$540,001 to $905,000	$252,000 + 60% of net worth over $540,000
$905,001 or more	$471,000 + 100% of net worth over $905,000

Table A4: Asset Protection Allowance (Parents Only)

Age of older parent as of 12/31/2026*	Allowance if there are two parents**	Allowance if there is only one parent	Age of older parent as of 12/31/2026*	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

Age of older parent as of 12/31/2026*	Allowance if there are two parents**	Allowance if there is only one parent	Age of older parent as of 12/31/2026*	Allowance if there are two parents**	Allowance if there is only one parent
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 12/31/2026. 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 -$8,900	-$1,958
-$8,900 to $22,600	22% of AAI
$22,601 to $28,300	$4,972 + 25% of AAI over $22,600
$28,301 to $34,000	$6,397 + 29% of AAI over $28,300
$34,001 to $39,900	$8,050 + 34% of AAI over $34,000
$39,901 to $45,600	$10,056 + 40% of AAI over $39,900
$45,601 or more	$12,336 + 47% of AAI over $45,600

Formula B – Independent Students Without Dependent(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 (or Combined AGI, if the student (and Spouse) filed both a U.S. federal income tax return and an income tax return from Puerto Rico or another U.S. territory)		
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 (Subtract IRA rollover; if total is less than zero, enter zero)	+	
e. Student (and Spouse) Untaxed Portions of Pensions (Subtract Pension rollover; if total is 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) Income Tax Paid (or Combined Income Tax Paid, if the student (and Spouse) filed both a U.S. federal income tax return and an income tax return from Puerto Rico or another U.S. territory)		
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: $19,000 • If the student indicator is married: $30,470	+	
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 ▪ $5,200	+	
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) • 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 current 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	+	
15. Adjusted net worth of businesses and/or farms (Table B2) • Net worth of businesses and/or farms 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 • 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		

Student Aid Index		
Student Contribution from Income (line 11) • May be a negative number		
Student Contribution from Assets (line 20)	+	
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*)	=	

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

Table B1: Payroll Tax Allowance

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	If Student and/or Student Spouse filed as Single, HoH or Qualifying Surviving Spouse: • 1.45% of income earned from work up to $200,000, (+) plus • 2.35% of income earned from work over $200,000 If Student and/or Student Spouse filed as Married-Filed Joint Return (MFJ): • 1.45% of income earned from work up to $250,000, (+) plus • 2.35% of income earned from work over $250,000 If Student and/or Student Spouse filed as Married-Filed Separate Return (MFS): • 1.45% of income earned from work up to $125,000, (+) plus • 2.35% of income earned from work over $125,000 (+) plus See Table A1 for Notes and Appendix K for Example.
Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate	If Student and/or Student Spouse filed as Single, Married-Filed Separate Return (MFS), HoH or Qualifying Surviving Spouse: • 6.2% of income earned from work up to Contributions and Benefit Base of $176,100 for Tax Year 2025. If income earned from work exceeds $176,100, then calculate using $176,100*. If Student and/or Student Spouse filed as Married-Filed Joint Return (MFJ): • 6.2% of income earned from work up to Contributions and Benefit Base of $352,200 for Tax Year 2025. If income earned from work exceeds $352,200, then calculate using $352,200*. See Table A1 for Notes and Appendix K for Example.

*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 2025, this base is $176,100.

The OASDI tax rate for wages paid in 2025 is set by statute at 6.2 percent for employees and employers, each. Thus, an individual with wages equal to or larger than $176,100 would contribute $10,918 to the OASDI program in 2025.

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

The following tables are based, in part, upon the April 2026 Consumer Price Index for all Urban Consumers (CPI-U).

Table B2: Businesses/ Farms Net Worth Adjustment

If the net worth of businesses/ farms is ___	Then the adjusted net worth is ____
Less than $1	$0
$1 to $180,000	40% of net worth of business/farm
$180,001 to $540,000	$72,000 + 50% of net worth over $180,000
$540,001 to $905,000	$252,000 + 60% of net worth over $540,000
$905,001 or more	$471,000 + 100% of net worth over $905,000

Table B3: Asset Protection Allowance

Age of student as of 12/31/2026	Allowance for married student	Allowance for unmarried student	Age of student as of 12/31/2026	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 (or Combined AGI, if the student (and Spouse) filed both a U.S. federal income tax return and an income tax return from Puerto Rico or another U.S. territory)		
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 (Subtract IRA rollover; if total is less than zero, enter zero)	+	
e. Student (and Spouse) Untaxed Portions of Pensions (Subtract Pension rollover; if total is 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) Income Tax Paid (or Combined Income Tax Paid, if the student (and Spouse) filed both a U.S. federal income tax return and an income tax return from Puerto Rico or another U.S. territory)		
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) • If the student indicator is unmarried, the lesser of: ▪ 35% of the student earned income, OR ▪ $5,200 • If the student indicator is married, the lesser of: ▪ 35% of the student and student's spouse combined earned income, OR ▪ $5,200	+	
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) • 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 current 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	+	
13. Adjusted net worth of businesses and/or farms (Table C4) • Net worth of businesses and/or farms 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 • Line 14 minus line 15	=	
17. Asset Conversion Rate (7%)	x	0.07
18. Student Contribution from Assets (SCA) • Line 16 times line 17	=	

• If negative, enter zero		

Student Aid Index		
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 >= -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

Table C1: Payroll Tax Allowance

Tax Rate Program	Tax Rate
Step 1: Medicare's Hospital Insurance (HI) Program Tax Rate	If Student and/or Student Spouse filed as Single, HoH or Qualifying Surviving Spouse: • 1.45% of income earned from work up to $200,000, (+) plus • 2.35% of income earned from work over $200,000 If Student and/or Student Spouse filed as Married-Filed Joint Return (MFJ): • 1.45% of income earned from work up to $250,000, (+) plus • 2.35% of income earned from work over $250,000 If Student and/or Student Spouse filed as Married-Filed Separate Return (MFS): • 1.45% of income earned from work up to $125,000, (+) plus • 2.35% of income earned from work over $125,000 (+) plus See Table A1 for Notes and Appendix K for Example.
Step 2: Old-age, survivors, and disability insurance (OASDI) Tax Rate	If Student and/or Student Spouse filed as Single, Married-Filed Separate Return (MFS), HoH or Qualifying Surviving Spouse: • 6.2% of income earned from work up to Contributions and Benefit Base of $176,100 for Tax Year 2025. If income earned from work exceeds $176,100 then calculate using $176,100*. If Student and/or Student Spouse filed as Married-Filed Joint Return (MFJ): • 6.2% of income earned from work up to Contributions and Benefit Base of $352,200 for Tax Year 2025. If income earned from work exceeds $352,200, then calculate using $352,200*. See Table A1 for Notes and Appendix K for Example.

*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 2025, this base is $176,100.

The OASDI tax rate for wages paid in 2025 is set by statute at 6.2 percent for employees and employers, each. Thus, an individual with wages equal to or larger than $176,100 would contribute $10,918 to the OASDI program in 2025.

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

The following tables are based, in part, upon the April 2026 Consumer Price Index for all Urban Consumers (CPI-U).

Table C2: Income Protection Allowance – Married with Dependents

Family Size (including Student)	Income Protection Allowance Amount
3	$59,930
4	$74,000
5	$87,320
6	$102,120

Note: For each additional household member, add $11,530.

Table C3: Income Protection Allowance – Single with Dependents

Family Size (including Student)	Income Protection Allowance Amount
2	$57,050
3	$71,040
4	$87,700
5	$103,500
6	$121,030

Note: For each additional household member, add $13,680.

Table C4: Businesses/ Farms Net Worth Adjustment

If the net worth of businesses/ farms is ___	Then the adjusted net worth is ____
Less than $1	$0
$1 to $180,000	40% of net worth of business/farm
$180,001 to $540,000	$72,000 + 50% of net worth over $180,000
$540,001 to $905,000	$252,000 + 60% of net worth over $540,000
$905,001 or more	$471,000 + 100% of net worth over $905,000

Table C5: Asset Protection Allowance

Age of student as of 12/31/2026	Allowance for married student	Allowance for unmarried student	Age of student as of 12/31/2026	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 -$8,900	-$1,958
-$8,900 to $22,600	22% of AAI
$22,601 to $28,300	$4,972 + 25% of AAI over $22,600
$28,301 to $34,000	$6,397 + 29% of AAI over $28,300
$34,001 to $39,900	$8,050 + 34% of AAI over $34,000
$39,901 to $45,600	$10,056 + 40% of AAI over $39,900
$45,601 or more	$12,336 + 47% of AAI over $45,600

Step 3: Determine Minimum Pell Grant Eligibility

Use the Minimum Pell Grant criteria to identify additional applicants eligible for a Pell Grant. Under HEA Sec. 401(b)(1)(C), a student meets the Minimum Pell Grant eligibility if **any** of the following is true:

Dependent Student

- **Minimum Pell Indicator = 1:** The student's parent **is** a single parent (as defined in Appendix G), and has an (AGI + Foreign Income Exclusion Amount) less than or equal to 325% of the poverty guideline for the applicant's family size and state of residence; or
- **Minimum Pell Indicator = 2:** The student's parent **is not** a single parent and has an (AGI + Foreign Income Exclusion Amount) less than or equal to 275% of the poverty guideline for the applicant's family size and state of residence.

Independent Student

- **Minimum Pell Indicator = 3:** The student **is** a single parent (as defined in Appendix G), and the (AGI + Foreign Income Exclusion Amount) is less than or equal to 400% of the poverty guideline for the applicant's family size and state of residence; or
- **Minimum Pell Indicator = 4:** The student **is** a parent and **is not** a single parent, and the (AGI + Foreign Income Exclusion Amount) is less than or equal to 350% of the of the poverty guideline for the applicant's family size and state of residence; or
- **Minimum Pell Indicator = 5:** The student **is not** a parent, and the student's (and spouse's if applicable) (AGI + Foreign Income Exclusion Amount) is less than or equal to 275% of the poverty guideline for the applicant's family size and state of residence.

Note: The Minimum Pell Indicator (1, 2, 3, 4, or 5) will be returned on the ISIR, if applicable.

For additional information on state of residence and poverty guidelines, see *Step 1: Determine Maximum Pell Grant Eligibility*.

SAI for Minimum Pell Grant Recipients

Students who meet one of these eligibility criteria and whose SAI calculated in *Step 2* is less than twice the Maximum Pell Grant award are eligible for a Minimum Pell Grant.

Students eligible for a Minimum Pell Grant retain the SAI calculated in *Step 2: Calculate Student Aid Index*. All other aid should be packaged using the calculated SAI.

Federal Pell Grant Flag

The Federal Pell Grant Flag, used to determine if the student is potentially eligible for a Pell Grant award, is set to Y when the following occurs.

Table 2: Pell Grant Flag

If	Then
([Graduate Flag is blank] OR [Pursuing Teacher Certification is "Yes"] OR [Enrolled in Eligible Workforce Program Indicator is "Yes" and Grade Level in College 20XX-20XX is NOT "Master's, doctorate, or graduate certificate program (MA, MBA, MD, JD, PdD, EdD, etc.)"]) AND **Any** of the following are true: SAI is non-blank AND less than or equal to Maximum Pell SAI minus the Minimum Pell SAI OR SAI is less than twice Maximum Pell SAI AND Minimum Pell Indicator is non-blank OR SAI is non-blank AND Children of Fallen Heroes Indicator is "Eligible for CFH" OR “Eligible Due to Grandfathering” OR SAI is non-blank AND Iraq Afghanistan Service Grant Indicator is "Eligible for IASG" OR "Eligible Due to Grandfathering”	Pell Grant = Yes

Note: To determine the student’s actual Pell Grant award amount, use the guidance provided in *Volume 7* of the *Federal Student Aid Handbook*.

Appendix A: Acronyms

Table 3: Acronyms

Acronym	Definition
AAI	Adjusted Available Income
AGI	Adjusted Gross Income
APA	Asset Protection Allowance
EEA	Employment Expense Allowance
EITC	Earned Income Tax Credit Received During Tax Year
FAA	Financial Aid Administrator
FAFSA	Free Application for Federal Student Aid
FTI	Federal Tax Information
FUTURE Act	Fostering Undergraduate Talent by Unlocking Resources for Education Act
FWS	Federal Work-study
HEA	Higher Education Act
HHS	Department of Health and Human Services
HI	Hospital Insurance
HoH	Head of Household
IEFW	Income Earned From Work
IPA	Income Protection Allowance
IRA	Individual Retirement Account
IRS	Internal Revenue Service
ISIR	Institutional Student Information Record
N/A	Not Applicable
OASDI	Old-age, survivors, and disability insurance

PAAI	Parent Adjusted Available Income
PAI	Parent Available Income
PCA	Parent Contribution from Assets
SAI	Student Aid Index
SCA	Student Contribution from Assets
StAI	Student Available Income
TFS	Tax Filing Status
U.S.	United States

Appendix B: Dependency Status

Dependency (independent or dependent) status determines which eligibility criteria is used to evaluate for Maximum or Minimum Pell Grant eligibility. It also drives which SAI formula to use for a student applicant.

Under HEA 480(d), a student is automatically determined to be independent for federal student aid purposes if he or she meets one or more of the following criteria:

- The student was born before January 1, 2004.
- The student is married or remarried (but not separated or divorced) as of the date of the application.
- At the beginning of the 2027-28 school year, the student will be enrolled in a master's or doctoral degree program (*e.g., MA, MBA, MD, JD, PhD, EdD, or graduate certificate*).
- The student is currently serving on active duty in the U.S. Armed Forces or is a National
- Guard or Reserves enlistee called into federal active duty for purposes other than training.
- The student is a veteran of the U.S. Armed Forces.
- The student has or will have one or more children or other people who live with and receive more than half of their support from the student, now and through the last day of the award year.
- At any time since the student turned age 13, both student's parents were deceased, or the student was in foster care or was a dependent or ward of the court.
- As determined by a court in the student's state of residence, the student is now, or was upon reaching the age of majority, an emancipated minor (that is, released from control by his or her parent or guardian).
- As determined by a court in the student's state of residence, the student is now, or was upon reaching the age of majority, in legal guardianship.
- On or after July 1, 2026, the student was determined homeless or at risk of becoming homeless by one of the following:
  - Director or designee of an emergency or transitional shelter, street outreach program, homeless youth drop-in center, or other program serving those experiencing homelessness
  - Student's high school or school district
  - Director or designee of project supported by a federal TRIO or GEAR UP program grant
  - Financial Aid Administrator

Students with Unusual Circumstances

For students who do not meet any of the above criteria but who have documented unusual circumstances, an FAA can, by professional judgment and on a case-by-case basis, override their dependency status from dependent to independent. For information about unusual circumstances and dependency overrides, see the Application and Verification Guide, which is part of the Federal Student Aid Handbook and can be found on the Knowledge Center Web site.

Provisionally Independent Students

Applicants who indicate on the FAFSA form that they do not meet the above criteria to be considered an independent student but have an unusual circumstance, or who indicated that they are an unaccompanied homeless youth but do not have a determination from an authorized official, will be processed as provisionally independent. These students will receive a provisional SAI, which is calculated using the same formulas as a standard SAI but cannot be used to pay Federal student aid. Applicants who are provisionally independent will be directed to contact the financial aid office at their school for further guidance. As a reminder, the HEA provides that unaccompanied homeless youth determinations are separate from professional judgments made under the unusual circumstances provision. These applicants are also not considered Provisionally Independent students, however, in the absence of a determination, an applicant who has indicated that they are an unaccompanied homeless youth will follow the same FAFSA flow as a Provisionally Independent student to allow them to complete a FAFSA form without parent information.

- If a FAFSA application is rejected, then no SAI will be calculated.
- If on any transaction, the only reject is for being a provisionally independent student (reject 1), then a Provisional SAI will be calculated and returned on the ISIR. If, however, a provisionally independent student has a reject other than reject 1, then a Provisional SAI will not be calculated and returned on the ISIR.

Appendix C: Family Size

Family size aligns with the number of exemptions* claimed on an individual's tax return.

*Note: While exemptions no longer exist on the tax return since the Tax Cuts and Jobs Act, the IRS database itself still contains an "exemptions" field and returns this value via the IRS FA-DDX. This "exemption" field is the count of all those claimed on the tax return including the filer(s).

Calculated Family Size

Family size can be calculated using IRS exemptions only or IRS exemptions with applied assumptions if all input sources required to calculate the family size indicate to use the IRS exemption information. Inputs to family size are:

- Dependency status;
- Married indicator;
- IRS tax filing status; and
- IRS reported exemptions.*

*In scenarios where a taxpayer's tax Filing Status = NO (did not file taxes) OR where a **dependent** students' exemption = Null (*e.g., this is a scenario where there could be no IRS information on file such as IRS response code = 203, 206, or 212 OR no IRS data retrieved on file with FTIM and self-reported income is provided, etc.*), then their exemptions would be set to zero (0) for the purposes of the family size calculation. If the calculation appears to be missing the student, then an additional exemption of one (1) is added to the total for the purposes of the family size calculation.

Table 4: Family Size Indicator

Dependent Students	
If	**Then**
Parent Married Indicator = Married, AND Parent Tax Filing Status = Married Filing Jointly (MFJ), AND Parent Exemptions + (plus) Student Exemptions > 2	Parent Family Size = [Parent Exemptions + Student Exemptions]
Parent Married Indicator = Married, AND Parent Tax Filing Status = MFJ, AND Parent Exemptions + (plus) Student Exemptions is <= 2	Parent Family Size = [Parent Exemptions + Student Exemptions] Assumed Parent Family Size = **3**
Parent Married Indicator = Married, AND Parent Tax Filing Status ≠ MFJ, AND	Parent Family Size = [Parent Exemptions + Parent Spouse or Partner Exemptions + Student Exemptions]

Dependent Students	
If	**Then**
Parent Spouse or Partner Tax Filing Status ≠ MFJ, AND Parent Exemptions + Parent Spouse or Partner Exemptions + Student Exemptions > 2	
Parent Married Indicator = Married, AND Parent Tax Filing Status ≠ MFJ, AND Parent Spouse or Partner Tax Filing Status ≠ MFJ, AND Parent Exemptions + Parent Spouse or Partner Exemptions + Student Exemptions <= 2	Parent Family Size = [Parent Exemptions + Parent Spouse or Partner Exemptions + Student Exemptions] Assumed Parent Family Size = **3**
Parent Married Indicator = Unmarried, AND Parent Exemptions + Student Exemptions >= 2	Parent Family Size = [Parent Exemptions + Student Exemptions]
Parent Married Indicator = Unmarried, AND Parent Exemptions + Student Exemptions < 2	Parent Family Size = [Parent Exemptions + Student Exemptions] Assumed Parent Family Size = **2**

Independent Students	
If	**Then**
Student Married Indicator = Married, AND student Tax Filing Status = MFJ, AND Student Exemptions is > 1	Student Family Size = [Student Exemptions]
Student Married Indicator = Married, AND student Tax Filing Status = MFJ, AND Student Exemptions <= 1	Student Family Size = [Student Exemptions] Assumed Student Family Size = **2**
Student Married Indicator = Married, AND Student Tax Filing Status ≠ MFJ, AND Student Exemptions + Student Spouse Exemptions >= 2	Student Family Size = [Student Exemptions + Student Spouse Exemptions]
Student Married Indicator = Married, AND Student Tax Filing Status ≠ MFJ, AND Student Exemptions + Student Spouse Exemptions < 2	Student Family Size = [Student Exemptions + Student Spouse Exemptions] Assumed Student Family Size = **2**

Independent Students	
If	**Then**
Student Married Indicator = Unmarried, AND Student Exemptions >= 1	Student Family Size = [Student Exemptions]
Student Married Indicator = Unmarried, AND Student Exemptions < 1	Student Family Size = [Student Exemptions] Assumed Student Family Size = [Student Exemptions] + 1 (assumed student) = **1**

Note: In a scenario where the parent (or independent student) has a TFS = MFJ – BUT they are no longer married to the same spouse, then a self-reported family size must be provided and no assumptions can be made.

Self-Reported Family Size

For individuals without a calculated family size or for whom the calculated family size is inaccurate, family size can be self-reported by the applicant. The following persons are included in the self-reported family size.

Table 5: Self-Reported Family Size

Dependent Students	Independent Students

• The student
• The student's parents, even if the student is not living with them. Exclude a parent who has died or is not living in the household because of separation or divorce. Include a parent who is on active duty in the U.S. Armed Forces apart from the family.
• The student's siblings if the following are true:
  ○ They live with the student's parents (or live apart because of college enrollment);
  ○ They receive more than half of their support from the student's parents; and
  ○ They will continue to receive more than half their support from the student's parents during the award year.
• Other persons if the following are true:
  ○ They live with the student's parents;
  ○ They receive more than half of their support from the student's parents; and
  ○ They will continue to receive more than half their support from the student's parents during the award year.
	• The student
	• The student's spouse, if applicable
	• The student's dependent children if the following are true:
	  ○ They live with the student (or live apart because of college enrollment);
	  ○ They receive more than half of their support from the student; and
	  ○ They will continue to receive more than half their support from the student during the award year.
	• Other persons if the following are true:
	  ○ They live with the student;
	  ○ They receive more than half of their support from the student; and
	  ○ They will continue to receive more than half their support from the student during the award year.

The provided criteria for “dependent children” or “other persons” aligns with the requirement that family size aligns with whom the parent (or student, if independent) could claim as a dependent on a U.S. tax return if the parent (or student, if independent) were to file a U.S tax return at the time of completing the 2027-28 FAFSA. As a result, unborn children should not be included in the family size.

Hierarchy Rules

In instances where the family size is calculated, and there is both a Calculated Family Size and a Self-Reported Family Size provided, the Self-Reported Family Size value must be used in the SAI calculation.

If more than one family size value is provided on the ISIR, the following hierarchy rules were applied:

- If the Updated Family Size field **[ID 62 or ID190]** is non-blank it is used in the SAI calculation,
- if the Assumed Family Size field **[ID 327 or ID 328]** is non-blank it is used in the SAI calculation,
- if both the Updated Family Size and Assumed Family Size fields are blank, the FTI exemptions field(s) **[ID 893, ID 933, ID 953, or ID 913]** are used as the family size in the SAI calculation.

As a reminder: Family size is not calculated nor used in the SAI calculation when Maximum Pell Indicator = 1.

If **any** taxpayer data used in the SAI calculation uses **only** self-reported information (*e.g., one spouse uses IRS and the other spouse uses **only** self-reported income or if dependent, and the dependent student uses **only** self-reported income information even if both parents use IRS data*) then the Family Size used in the SAI calculation **must be** the Self-Reported (Updated) Family Size captured on the FAFSA.

Appendix D: Tax Filer

The student or parent is determined to be a **tax filer** based upon the criteria defined under the Parameter Value Edits in the FAFSA Specifications Guide Volume 5 for the following field(s):

- Parent Spouse or Partner Tax Filer
- Parent Tax Filer
- Student Spouse Tax Filer
- Student Tax Filer

When the Tax Filer parameter set from above is *True*, a contributor is considered a **tax filer**. If *False* they are considered a **non-tax filer**. If **tax filer**, the following additional variable inputs in the appendices below may need to be determined prior to executing the SAI calculation.

Note: For *Step 1*, only the parents of dependent students need to both qualify as non-filers to meet Maximum Pell 1 logic; for independent students, both the student and spouse, if applicable, need to qualify.

Appendix E: Applicants or Contributors Required to Provide Assets

The student or parent is required to provide assets if they meet the criteria defined under the Parameter Value Edits in the FAFSA Specifications Guide Volume 5 for the following field(s):

- Independent Student Required to Provide Assets
- Parent/Dependent Student Required to Provide Assets

Appendix F: Determining Married Status Indicator

The married indicator is used in the SAI calculation for several steps. The married indicator is set using the following inputs:

- Dependency status
- Marital status

Table 6: Married Status Indicator

Dependent Students	
If	**Then**
Parents' marital status is Married, Remarried, or Unmarried and both legal parents living together	Set the parent married indicator to **Married**
Parents' marital status is Single (Never Married), Divorced, Separated, or Widowed	Set the parent married indicator to **Unmarried**

Independent Students	
If	Then
Student marital status is Single, Divorced, Separated, or Widowed	Set the student married indicator to **Unmarried**
Student marital status is Married or Remarried	Set the student married indicator to **Married**

Appendix G: Determining "Single Parent" Status Indicator

Has Dependents Indicator Logic

For the SAI calculation to use the correct look-up tables or determine if an independent student qualifies as a single parent, the Has Dependents indicator must first be determined. Inputs to Has Dependents indicator are:

- Student Married Indicator
- Student Family Size

Table 7: Has Dependents Indicator

Independent Students	
If	**Then**
Student Married Indicator = Married, AND Student Family Size >= 3	Has Dependents Indicator = TRUE
Student Married Indicator = Unmarried, AND Student Family Size >= 2	Has Dependents Indicator = TRUE
Student Married Indicator = Married, AND Student Family Size = 2	Has Dependents Indicator = FALSE
Student Married Indicator = Unmarried, AND Student Family Size =1	Has Dependents Indicator = FALSE

Single Parent Status Indicator Logic

Determine the Single Parent indicator to identify which Maximum and Minimum Pell AGI threshold percentage rate to use in the SAI calculation for Maximum Pell indicator 2 or 3 or the Minimum Pell indicator 1–4. Inputs to determine single parent indicator are:

- Dependency status
- Married indicator
- Has dependents indicator (Independent only)
- Tax filing status
- Earned income credit (EITC) during tax year response* [**ID 99** or **ID 215**].

*Note: If the Self-Reported EITC Response during tax year = [blank] or not provided, presume Response = NO for purposes of the SAI calculation.

Table 8: Single Parent Status Indicator

Dependent Students		
If	**Then**	**Else**
Parent Married Indicator = Unmarried, AND 1. Parent Tax Filing Status = Head of Household, OR 2. Parent Tax Filing Status = Qualifying Surviving Spouse, OR 3. Parent Self-Reported Parent Earned Income Tax Credit Received During Tax Year (EITC) Response = YES	Parent Single Parent Indicator = TRUE	Parent Single Parent Indicator = FALSE

Independent Students		
If	**Then**	**Else**
Student Married Indicator = Unmarried, AND Has Dependents Indicator = TRUE, AND 1. Student Tax Filing Status = Head of Household, OR 2. Student Tax Filing Status = Qualifying Surviving Spouse, OR 3. Student Self-Reported Earned Income Tax Credit Received During Tax Year (EITC) Response = YES	Student Single Parent Indicator = TRUE	Student Single Parent Indicator = FALSE

Appendix H: Determining Income Source Information

An SAI is calculated using any of the following variations, per contributor:

- Using only FTI income data (FTI data indicates the data was received from the IRS)
- Using some FTI income data and some self-reported income data (combo) OR using some FTI income data and non-tax filer (combo*), or
- Using only self-reported income data**

*In scenarios where the SAI calculation needs to use a combination of a tax filer (has income) and a non-tax filer (*e.g., has no income – did not file taxes or self-reported did not file taxes)* only the tax filer income information is used for look-up tables, etc. with one exception as noted above – the family size calculation if using IRS exemptions only.

**The FAFSA may also determine that none of the IRS information should be used or ignored.

FAFSA will determine the source of the information to use in the SAI calculation. Based on initial checks with the IRS, FAFSA uses the results to determine if the user must provide self-reported income information due to conflicts or if they are a non-U.S. tax filer and need to report foreign income.

As a rule, any self-reported income information at field level should replace FTI data at field level in an SAI calculation. For example, if on the ISIR both the FTI data field and the self-reported data field is populated (*e.g., FTI AGI and self-reported AGI fields*), the self-reported field is what is used in the SAI calculation. For more guidance around situations where a school believes there is conflicting information between FTI data and self-reported data, see Application and Verification Guide, Chapter 4: Special Cases of the Federal Student Aid Handbook (https://fsapartners.ed.gov/knowledge-center/fsa-handbook).

The student or parent is required to manually provide self-reported income if they meet the criteria defined under the Parameter Value Edits in the FAFSA Specifications Guide Volume 5 for the following field(s):

- Student Manual Entry Required
- Student Spouse Manual Entry Required
- Parent Manual Entry Required
- Parent Spouse or Partner Manual Entry Required

The student or parent is NOT required to manually provide self-reported income if they meet the criteria defined under the Parameter Value Edits in the FAFSA Specifications Guide Volume 5 for the following field(s):

- Student Manual Entry Not Required
- Student Spouse Manual Entry Not Required
- Parent Manual Entry Not Required
- Parent Spouse or Partner Manual Entry Not Required

Appendix I: Additional Resources

FAFSA Specifications Guide

The FAFSA Specifications Guide is designed to meet the reference needs of financial aid administrators (FAA), programmers and data processing staff who want to incorporate electronic Free Application for Federal Student Aid (FAFSA) functionality into their institutional systems.

EDExpress Resources

EDExpress resources are associated with the Windows software/PC application that processes, packages, and manages Title IV student financial aid records.

Appendix J: ISIR Input Field IDs Used in SAI Calculation

Included in the table below is a list of ISIR output fields that may be used in the SAI Calculation by Role. If more than one ID is listed under a contributor role in the role column, the first ID maps to the ISIRs manual (or self-reported) field(s) followed by the ISIRs FTI ID field(s) (if applicable). If there is only one ID listed, it will either map to the manual (self-reported) OR FTI ID field section of the ISIR.

Table 9: SAI Worksheet/ISIR Input Field ID Mapping

SAI Worksheet ISIR Input Fields	Student	Parent	Parent Spouse or Partner	Student Spouse
Tax Filing Status	90 891	206 931	249 951	153 911
AGI / Combined AGI	97 106 892	213 222 932	256 263 952	160 167 912
Exemptions	893	933	953	913
Income earned from work (IEFW)	91 895	207 935	250 956	154 915
Deductible Payments to IRA/KEOGH/Other	100 899	216 939	258 959	162 919
Tax-Exempt Interest Income	92 900	208 940	251 960	155 920
Untaxed Portions of IRA Distributions	93 898	209 938	252 958	156 918
IRA Rollover	94	210	253	157
Untaxed Portions of Pensions	95 901	211 941	254 961	158 921
Pension Rollover	96	212	255	159
Foreign Income Exclusion (reported on U.S. Tax Return)	105	221	262	166
Taxable College Grant and Scholarship Aid (reported as income)	104	220		
Education Credits	101 897	217 937	259 957	163 917
Federal Work-study (FWS)	315	317	318	316
Income Tax Paid / Combined Income Tax Paid	98 107 896	214 223 936	257 264 956	161 168 916

SAI Worksheet ISIR Input Fields	Student	Parent	Parent Spouse or Partner	Student Spouse
Annual child support received for the last complete calendar year	108	224		
Cash, savings, and checking accounts	109	225		
Net worth of current investments	110	226		
Adjusted net worth of businesses and/or farms	111	227		
Assumed (Calculated with Assumptions) Family Size	327	328		
Updated (Manual/Self-reported) Family Size	62	190		
Earned Income Tax Credit Received During Tax Year (EITC)	99	215		

Note: the full list of ISIR fields and IDs are defined in Volume 4a of the FAFSA Specifications Guide.

Appendix K: Rules for calculating integers

Included in the table below is a list of SAI calculation fields that involve integers which may result in a need to apply the standard rounding rules as defined in Step 2: Calculate Student Aid Index – Notes for Calculating the SAI.

See legend below for key to integers.

LEGEND

Yellow: Calculation field that may end up with decimals that needs to follow the standard decimal rounding logic to three decimal places but are **not** rounded to nearest whole number (*e.g., variable input values*)

Blue: Calculation field that may end up with decimals that needs to follow the standard decimal rounding logic to 3 decimals AND then round to nearest whole number (*e.g., intermediate values*)

Green: Calculation field that should never require rounding as will only deal with whole numbers meaning if includes “blue” fields they have already been rounded to whole numbers **before** performing the literal calculation

Purple: Calculation field that may also have additional negative rounding rules to set minimum values (*e.g., an SAI <-1,500 must be set to -1,500, OR if less than zero (negative) set to 0 (zero)*).

Table 10: Input Field Values Used in Exemplar Below

Input Field for Exemplar	Reported Value for Exemplar
Model	Dependent
Family Size	7
Parent State of Residence	Other
Parent Married Indicator	Married
Parent Tax Return Filing Status	Single
Parent Spouse or Partner Tax Return Filing Status	Qualifying Surviving Spouse
Parent AGI	$86,334
Parent Spouse or Partner AGI	$79,998
Parent Untaxed Portions of IRA Distributions	$2,000
Parent Spouse or Partner Untaxed Portions of IRA Distributions	$1,000
Parent IRA Rollover	$1,000
Parent Spouse or Partner IRA Rollover	$2,000
Parent IEFW	$95,456
Parent Spouse or Partner IEFW	$85,002
Parent Income Taxes Paid	$28,334
Parent Spouse or Partner Income Taxes Paid	$11,992
Parent Cash, Saving and Checking	$24,789
Parent Net Worth Investments	$48,574
Student Tax Return Filing Status	Single
Student AGI	$5,723
Student IEFW	$6,755
Student Income Taxes Paid	$0
Student Cash, Saving and Checking	$0
Student Net Worth Investments	$0

Note: Presume any additional input field used in the calculation is $0 (if required) or null (if not required) for purposes of the calculation below.

Exemplar: Formula A (Dependent Student):

Table 11: Exemplar – Formula A (Dependent Student)

Work-sheet A Line Ref	Worksheet A Description	Calculation Step	Calculated Value	Leg-end
a	Parents' AGI (or Combined AGI, if the parent filed both a U.S. federal income tax return and an income tax return from Puerto Rico or another U.S. territory)	Parent AGI + Parent Spouse or Partner AGI 86,334 + 79,998	166,332	Green
b	Parents' Deductible Payments to IRA/KEOGH/Other	Parent Deductible Payments to IRA/KEOGH/Other + Parent Spouse or Partner Deductible Payments to IRA/KEOGH/Other	0	Green
c	Parents' Tax Exempt Interest In-come	Parent Tax Exempt Interest Income + Parent Spouse or Partner Tax Exempt Interest Income	0	Green
d	Parents' Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)	Parent Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero) + Parent Spouse or Partner Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)) 2,000 - 1,000 (if total is less than zero, enter zero) 1,000 - 2,000 (if total is less than zero, enter zero) 1,000 + 0	1,000	Green, Purple
e	Parents' Untaxed Portions of IRA Pensions (Subtract Pen-sions rollover; if total is less than zero, enter zero)	Parent Untaxed Portions of Pensions (Subtract Pensions rollover; if total is less than zero, enter zero) + Parent Spouse or Partner Untaxed Portions of Pensions (Subtract Pensions rollover; if total is less than zero, enter zero)	0	Green, Purple

Worksheet A Line Ref	Worksheet A Description	Calculation Step	Calculated Value	Legend
f	Parents' Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	Parent Foreign Income Exclusion + Parent Spouse or Partner Foreign Income Exclusion	0	Green
1	Total Parent Income Additions (sum of lines a, b, c, d, e, and f)		167,332	Green
g	Parents' Taxable College Grant and Scholarship Aid (reported as income)	Parent Taxable College Grant and Scholarship Aid	0	Green
h	Parents' Education Credits	Parent Education Credits + Parent Spouse or Partner Education Credits	0	Green
i	Parents' Federal Work-study (FWS)	Parent Federal Work-study (FWS) + Parent Spouse or Partner Federal Work-study (FWS)	0	Green
2	Total Parent Income Offsets (sum of lines g, h, and i)		0	Green
3	Total Parent Income (line 1 minus line 2)	Total Parent Income Additions (line 1) - Total Parent Income Offsets (line 2) May be a negative number 167,332 - 0	167,332	Green
4	Parents' Income Tax Paid (or Combined Income Tax Paid, if the parent filed both a U.S. fed-	Parent Income Tax Paid + Parent Spouse or Partner Income Tax Paid 28,334 + 11,992	40,326	Green

Work-sheet A Line Ref	Worksheet A Description	Calculation Step	Calculated Value	Leg-end
	eral income tax return and an in-come tax return from Puerto Rico or another U.S. territory)			
5	Payroll Tax Allowance (Table A1)			
a	Medicare's Hospital Insurance (HI) Program Tax Rate (Total Parent HI)	Parent HI + Parent Spouse or Partner HI 1,384.112 + 1,232.529 2,616.641	2,617	Blue
	Parent HI	Table A1: Step 1 1.45 % of Parent IEFW up to $200,000 + 2.35% of Parent IEFW over $200,000 1.45% of 95,456	1,384.112	Yellow
	Parent Spouse or Partner HI	Table A1: Step 1 1.45 % of Parent Spouse or Partner IEFW up to $200,000 + 2.35% of Parent Spouse or Partner IEFW over $200,000 1.45% of 85,002	1,232.529	Yellow
b	Old-age, survivors, & disability insurance (OASDI) Tax Rate (Total Parent OASDI)	Parent OASDI + Parent Spouse or Partner OASDI 5918.272 + 5270.124 11,188.396	11,188	Blue

Work-sheet A Line Ref	Worksheet A Description	Calculation Step	Calculated Value	Leg-end
	Parent OASDI	Table A1: Step 2 6.2% of Parent IEFW up to $176,100 6.2% of 95,456	5,918.272	Yellow
	Parent Spouse or Partner OASDI	Table A1: Step 2 6.2% of Parent Spouse or Partner IEFW up to $176,100 6.2% of 85,002	5,270.124	Yellow
6	Income Protection Allowance (IPA) (Table A2)	Use the calculated Family Size to determine the IPA	71,550	Green
7	Employment Expense Allowance (EEA) The lesser of:		5,200	Green
	35% of parents' combined income	35% of (Parent IEFW + Parent Spouse or Partner IEFW) 35% of (95,456 + 85,002)	63,160	Blue
	OR $5,200		5,200	Green
8	Total Parent Allowances Against Income (sum lines 4, 5a, 5b, 6, and 7)		130,881	Green

Work-sheet A Line Ref	Worksheet A Description	Calculation Step	Calculated Value	Leg-end
9	Parent Available Income (line 3 minus line 8)	Total Parent Income (line 3) - Total Parent Allowances Against Income (line 8) May be a negative number 167,332 - 130,881	36,451	Green
10	Annual child support received for the last complete calendar year	Parent Child Support Received	0	Green
11	Cash, savings, and checking ac-counts	Parent Cash, Savings, and Checking Accounts	24,789	Green
12	Net worth of current investments	Parent Net Worth of Current Investments	48,574	Green
13	Adjusted net worth of busi-nesses and/or farms (Table A3)	Parent Net Worth of Businesses/Investment Farms	0	Blue
14	Net worth (sum of lines 10, 11, 12, and 13)		73,363	Green
15	Asset Protection Allowance (APA) (Table A4)		0	Green
16	Asset Conversion Rate (12%)		0.12	
17	Parent Contribution from Assets (PCA)	(Line 14 minus line 15) times line 16 If negative, enter zero (73,363 - 0) x 0.12	8,804	Blue, Purple

Work-sheet A Line Ref	Worksheet A Description	Calculation Step	Calculated Value	Leg-end
18	Parent Adjusted Available In-come (line 9 plus line 17)	Parent Available Income (line 9) + Parent Contribution from Assets (PCA) (line 17) May be a negative number 36,451 + 8,804	45,255	Green
19	Parents' Contribution (Table A5)	Adjust PAAI (line 18) using Table A5 $10,056 + 40% of AAI over $39,900 $10,056 + 40% of $5,355	12,198	Blue
a	Student AGI (or Combined AGI, if the student filed both a U.S. federal income tax return and an income tax return from Puerto Rico or another U.S. territory)	Student AGI	5,723	Green
b	Student Deductible Payments to IRA/KEOGH/Other	Student Deductible Payments to IRA/KEOGH/Other	0	Green
c	Student Exempt Interest Income	Student Exempt Interest Income	0	Green
d	Student Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)	Student Untaxed Portions of IRA Distributions (Subtract IRA rollover; if total is less than zero, enter zero)	0	Green, Purple
e	Student Untaxed Portions of Pensions	Student Untaxed Portions of Pensions (Subtract Pension rollover; if total is less than zero, enter zero)	0	Green, Purple

Worksheet A Line Ref	Worksheet A Description	Calculation Step	Calculated Value	Legend
	(Subtract Pension rollover; if total is less than zero, enter zero)			
f	Student Foreign Income Exclusion (reported on U.S. Tax Return; if less than zero, enter the absolute value)	Student Foreign Income Exclusion	0	Green
20	Total Student Income Additions (sum of lines a, b, c, d, e, and f)		5,723	Green
g	Student College Grant and Scholarship Aid (reported as income)	Student College Grant and Scholarship Aid	0	Green
h	Student Education Credits	Student Education Credits	0	Green
i	Student Federal Work-study (FWS)	Student Federal Work-study (FWS)	0	Green
21	Total Student Income Offsets (sum of lines g, h, and i)		0	Green
22	Total Student Income (line 20 minus line 21)	Total Student Income Additions (line 20) - Total Student Income Offsets (line 21) 5,723 - 0 May be a negative number	5,723	Green
23	Student Income Tax Paid (or Combined Income Tax Paid, if the student filed both a U.S. fed-	Student Income Tax Paid	0	Green

Work-sheet A Line Ref	Worksheet A Description	Calculation Step	Calculated Value	Leg-end
	eral income tax return and an in-come tax re-turn from Puerto Rico or another U.S. territory)			
24	Payroll Tax Allowance (Table A1)			
a	Medicare's Hospital Insurance (HI) Program Tax Rate (Total Student HI)	Table A1: Step 1 1.45 % of Student IEFW up to $200,000 + 2.35% of Student IEFW over $200,000 1.45% of 6,755 97.948	98	Blue
b	Old-age, survivors, & disability insurance (OASDI) Tax Rate (Total Student OASDI)	Table A1: Step 2 6.2% of Student IEFW up to $176,100 6.2% of 6,755 418.810	419	Blue
25	Income Protection Allowance		12,220	Green
26	Allowance for parents' negative adjusted available income	If line 18 is negative, enter line 18 as a positive number If line 18 is zero or positive, enter zero	0	Green

Work-sheet A Line Ref	Worksheet A Description	Calculation Step	Calculated Value	Leg-end
27	Total Student Allowances Against Income (sum lines 23, 24a, 24b, 25, and 26)		12,737	Green
28	Student Available Income (line 22 minus line 27)	Total Student Income (line 22) - Total Student Allowances Against Income(line 27) May be a negative number 5,723 - 12,737	-7,014	Green
29	Assessment of Student Available Income		0.50	
30	Student's Contribution from Income	Line 28 times line 29 If negative (-) set to 0 (zero) -7,014 x 0.50	0	Blue, Purple
31	Cash, savings, and checking accounts	Student Cash, Savings, and Checking Accounts	0	Green
32	Net worth of current investments	Student Net Worth of Current Investments	0	Green
33	Adjusted net worth of businesses and/or farms (Table A3)	Student Net Worth of Businesses/Investment Farms	0	Blue
34	Net worth (sum of lines 31, 32, and 33)		0	Green
35	Asset Conversion Rate (20%)		0.20	

Work-sheet A Line Ref	Worksheet A Description	Calculation Step	Calculated Value	Leg-end
36	Student Contribution from As-sets (SCA)	Line 34 times line 35 If negative, enter zero	0	Blue, Purple
37	Student Aid Index (sum of lines 19, 30, and 36)	Parents' Contribution (line 19) + Student's Contribution from Income (line 30) + Student Contribution from Assets (SCA) (line 36) If negative and < -1,500, adjust to -1,500 12,198 + 0 + 0	12,198	Green, Purple