

# Juniors & Seniors - 2015 Income used 2 Years



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& 529 INFO



- ▶ High school Juniors - This year's 2015 taxes affect your FAFSA!
- ▶ High school Seniors & college students - take note!
- ▶ Did you know the FAFSA (and CSS Profile) that you fill out this January will be used for **TWO YEARS**? This is because the new FAFSA submission date is being moved to October 2016.
- ▶ This means your 2015 income taxes will be used twice for the FAFSA and CSS
- ▶ You may want to defer 2015 taxable income to January if you have the legal option.
- ▶ I can discuss this with you, your advisor, or CPA.

# Other changes to be aware of

- ▶ **Easier Application Process:** By using financial data of two years prior (PPY), applicants will be able to take advantage of the IRS Data Retrieval tool - an instrument through which income tax data can be pulled directly from the IRS into the FAFSA form - making the completion of the form much easier.
- ▶ **FSA ID Much more difficult than PIN process.** Many families are getting stuck in accessing their FAFSA now due to the levels of authentication and simultaneous parent-student login from two computers. Call and I will help you with that.
- ▶ **Start Earlier:** Initial college financial aid decisions will be made on the basis of an earlier time-frame - the tax year which begins in the middle of the student's sophomore year of high school.
- ▶ **Finish Earlier:** The final financial aid decision will also be made on an earlier time-frame during college—the tax year which begins in the middle of the student's sophomore year of college will determine aid for the senior year.

# A bit more....

- ▶ **Extended Family Assets:** Assets held in grandparent-owned 529 accounts that are often saved for the final year of college as a planning strategy may now be used a year earlier with no negative impact on the student's future financial aid eligibility.
- ▶ **2015 Deja vu:** In light of the transition to the new rules, the 2015 tax year will be used twice in calculating financial aid. It will be used for the 2016-2017 school year under the existing PY system, and again for the 2017-2018 school year under the new PPY arrangement. It may be advantageous for parents to defer some income beyond 2015 if financial aid is being sought.



I'd be glad to assist any time. Contact me for some help with this!

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