COHEAO
Coalition of Higher Education Assistance Organizations
More Education For More People

FINANCIAL WELLNESS NEWSLETTER

Winter 2024 *Volume 2, Issue 16*

- Welcome! We hope your winter is going well! Looking forward to spring and a time of renewal.

Inside This Issue

Get Your 2024 Financial Wellbeing Calendar at:
https://info.learnlux.com/financial-wellbeing-calendar

"Financial peace isn't the acquisition of stuff. It's learning to live on less than you make, so you can give money back and have money to invest. You can't win until you do this."
– Dave Ramsey

FAFSA Simplification Brings Big Changes when Applying for Student Aid

By: Sara M. Lorenzen, M.Ed., CFEI®, Outreach Specialist III – Oklahoma Money Matters/Ready Set Repay, Oklahoma College Assistance Program, a division of the Oklahoma State Regents for Higher Education.

On December 27, 2020, Congress approved the Free Application for Federal Student Aid (FAFSA) Simplification Act, signaling a significant overhaul of the processes governing the allocation of federal financial aid. The impact of this legislation extends to every state and institution utilizing FAFSA data for state grant aid and federal student aid programs. The new 2024-25 FAFSA launched on December 30, 2023.

Here are the key things you need to know:

Transition from Expected Family Contribution (EFC) to Student Aid Index (SAI): Commencing with the 2024–25 award year, students and their families will encounter a different metric for assessing their ability to finance college. The revised need analysis formula eliminates the consideration of family members in college, introduces a minimum SAI of -1500, and establishes distinct eligibility criteria for Federal Pell Grants. Notably, the SAI formula no longer considers the number of siblings in college, which could potentially lead to a larger SAI for students with multiple siblings.

Contributors, The Parent Wizard and Consent: Contributor is a new term introduced on the 2024–25 FAFSA® form—it refers to anyone (the student, the student's spouse, a biological or adoptive parent, or the parent's spouse [stepparent]) who is required to provide their information and signature on the FAFSA form. All contributors must also provide consent and approval to have their federal tax information transferred from the IRS directly into the FAFSA form. Contributors are NOT responsible for paying for the student's education costs; their information is only required to determine aid eligibility. A new parent wizard on the form will offer a series of filtering questions to determine which parent(s) of a dependent student will need an invitation to be a contributor and create an FSA ID. The information the parent provides on the FAFSA will determine if a second parent or parent's spouse (stepparent) will also be a required contributor.

Requirement of FSA IDs for all contributors: A pivotal change involves the Federal Student Aid ID or FSA ID. Every student, parent, or spouse required to complete a portion of the FAFSA must have a verified FSA ID, even those parents without a Social Security Number (SSN).

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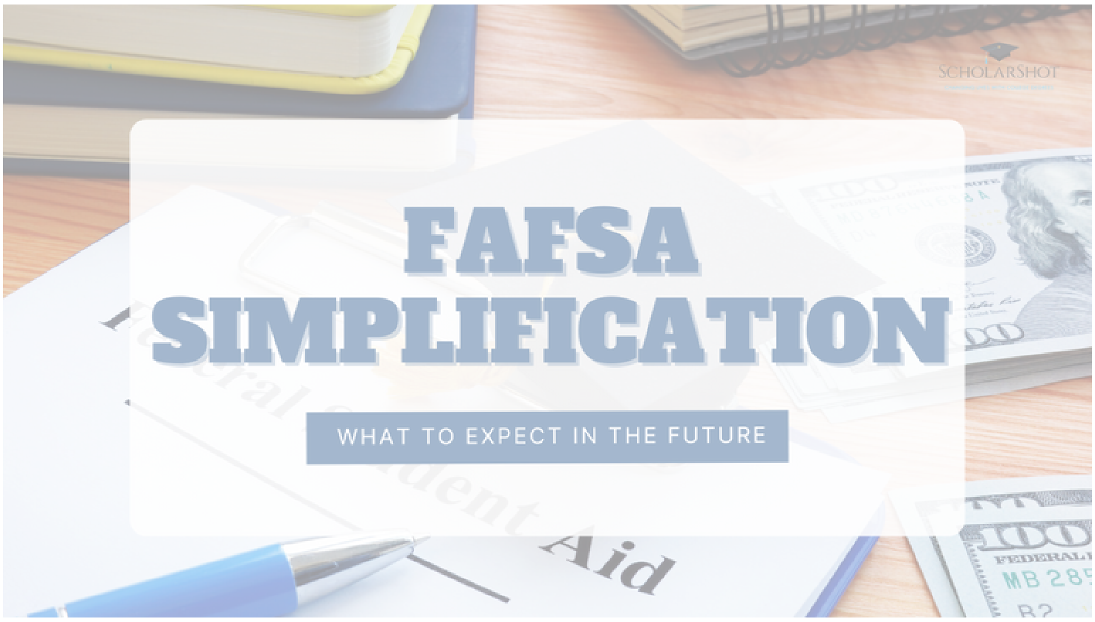
FSA IDs must be set up 3-5 days before starting the FAFSA. For help creating an FSA ID for parents without an SSN, check out these resources: https://studentaid.gov/help-center/answers/article/create-an-fsa-id-dont-have-an-ssn.

Family Size and Asset Changes: Family size is determined by exemptions reported on the federal tax return, with some exceptions allowed. Families with an adjusted gross income of $60,000 and above must answer asset questions, and there's no longer an exemption for small businesses or family farms. The net value of such entities must be reported in the asset section of the FAFSA.

FAFSA Submission Summary: The Student Aid Report (SAR) is now called the FAFSA Submission Summary. Students should start receiving their summaries near the end of January. Until the summaries are sent out, students and other contributors won't be able to make changes to a submitted FAFSA.

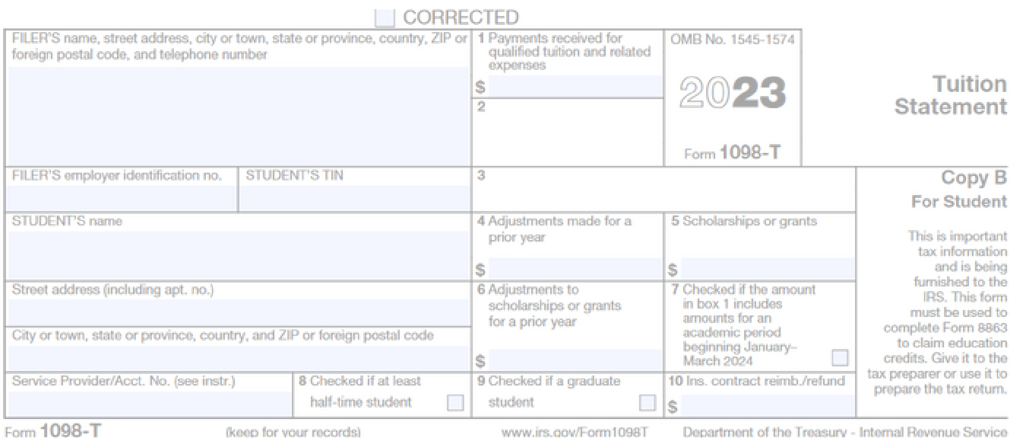
Incomplete Application Time Limits: Incomplete FAFSAs inactive for 45 days or longer must be restarted, with reminder emails sent after seven and 14 days.

For the most current information, check out the FAFSA resources on Federal Student Aid's website. https://fsapartners.ed.gov/knowledge-center/topics/fafsa-simplification-information



1098-T Specifications

Specific Instructions for Form 1098-T, **Tuition Statement,** is to be filed by eligible educational institutions for enrolled students with reportable transactions.
Exceptions for filing -include courses without academic credit, nonresident alien students (unless requested), students with fully waived or scholarship-covered expenses, and those with formal billing arrangements with their employer or government entity.
Eligible educational institutions, including government units, must file Form 1098-T, and if payments are managed by another party, that party should file if they possess the necessary information. Insurers making reimbursements for qualified tuition must also file.
Qualified tuition and related expenses encompass mandatory fees and course materials for enrollment at an eligible educational institution, excluding certain personal expenses. Academic credit is awarded for postsecondary degrees, and certain exemptions apply for courses related to job skills.
Form 1098-T must be filed for each student enrolled during an academic period in 2023, with exceptions. Information on filing and requirements can be found in Regulations section 1.6050S-1 and Notice 2006-72.
Statements must be furnished to students, and electronic delivery options may be offered alongside other institutional functions.
Student's TIN must be entered, and truncation is allowed on payee statements. The student's permanent address should be used, with additional information for contact and service provider, account number, and box specifications for payments, adjustments, scholarships, and grants.
Recommendations for school administrators include encouraging parental access to student account information, ensuring updated contact information, and referencing **IRS Publication 970 for further details.**
For more information, and the full article, visit https://www.irs.gov/instructions/i1098et



CORRECTED

FILER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone number

1 Payments received for qualified tuition and related expenses $

2

OMB No. 1545-1574

2023

Form 1098-T

Tuition Statement

FILER'S employer identification no.

STUDENT'S TIN

3

Copy B For Student

STUDENT'S name

4 Adjustments made for a prior year $

5 Scholarships or grants $

Street address (including apt. no.)

6 Adjustments to scholarships or grants for a prior year $

7 Checked if the amount in box 1 includes amounts for an academic period beginning January–March 2024

City or town, state or province, country, and ZIP or foreign postal code

Service Provider/Acct. No. (see instr.)

8 Checked if at least half-time student

9 Checked if a graduate student

10 Ins. contract reimb./refund $

This is important tax information and is being furnished to the IRS. This form must be used to complete Form 8863 to claim education credits. Give it to the tax preparer or use it to prepare the tax return.

Form 1098-T (keep for your records) www.irs.gov/Form1098T Department of the Treasury - Internal Revenue Service

Financial Wellness Calendar of Events

March 25-29, 2024	Debt Awareness Week
April 2024	Financial Literacy Month
April 8-12, 2024	America Saves Week Begins
April 11, 2024	Webinar Panel on Financial Literacy
May 29, 2024	National 529 College Savings Plan Day
June 28, 2024	National Insurance Day

Upcoming COHEAO Events

COHEAO Grassroots Calls Every other Friday at 10:00 Central:
Contact Bob Moran if you want to join these calls at rmoran@bosepublicaffairs.com

COHEAO Financial Wellness Taskforce Calls 10:00 Central:
The Next calls are:
2/27/2024
3/26/2024
4/23/2024
5/28/2024
6/25/2024

These calls are typically on the 4th Tuesday of each month.
Contact Lee Anne Wigdahl if you want to join these calls.
leeanne.wigdahl@devry.edu or (630) 577-8551