

FACT SHEET

Starting with the 2024-2025 academic year, the Department of Education is implementing significant changes to the Free Application for Federal Student Aid (FAFSA), application process, and other aspects of federal financial aid. This fact sheet is intended to provide a brief guide on these changes and how they impact the student and family experience, as well as noting where the process will remain similar to years past. Please see the reverse of this page for a quick guide on some of the new (and old) terms related to FAFSA filing and federal aid.

SIMILARITIES TO PRIOR YEARS	DIFFERENCES IN NEW ACADEMIC YEAR
The student and at least one custodial parent will need a Federal Student AID (FSA) ID to e-sign and submit the FAFSA.	If a student’s parents are married or in a domestic partnership but file separate tax returns, <i>both</i> parents must create and use an FSA ID to complete the FAFSA.
For students with divorced or separated parents, only one parent’s data is required on the FAFSA.	Rather than the parent the student lived with for more than 50% of the prior year, the FAFSA now requires information from the parent who provided more than 50% of the student’s financial support in the prior year. This may be the same parent.
The net worth of student- or parent-owned business must be reported as an asset.	In prior years, only businesses with at least 100 full-time employees were required to have their net worth reported. Starting in 2024-2025, all business owners must report the net worth of their business regardless of how many employees the business has.
Child support received by the parent filing the FAFSA must be reported.	While it was reported as income in the Parent Income section in prior years, child support received by a parent must now be reported as an asset in the Parent Assets section of the FAFSA.
For dependent students, the parent’s household size will be a question on the FAFSA and may impact a student’s federal aid eligibility.	The FAFSA will now automatically fill in the household size question based on the number of dependents claimed on the parent’s tax return. If additional dependents are receiving at least 50% of their financial support from the parent(s) but were not claimed on their tax return, those dependents can be manually added to the household size.
The net worth of parent-owned investment farms and other non-family members must be reported as a parent asset.	The net worth of all parent-owned farms must be reported as an asset, including family farms where the family resides as their primary residence.
There is a process through which the FAFSA will be able to retrieve some of your tax data from the IRS and enter it into the FAFSA.	The previously existing IRS Data Retrieval Tool (DRT) was an option for most families who filed U.S. tax returns. The DRT has been replaced by the FUTURE Act Direct Data Exchange (FA-DDX) process. <i>All</i> student and parents who file U.S. tax returns are <i>required</i> to provide their consent for the FAFSA to use their tax information through the FA-DDX process. Declining to use the FA-DDX process will result in an incomplete and invalid FAFSA.

Along with the multiple changes to the 2024-2025 FAFSA and federal aid process, students and families may notice a variety of new terminology being used on and in reference to the FAFSA. Additionally, some familiar terms are being retired and won't be seen on federal aid applications and other materials moving forward. Please use the chart below to learn more about the terminology you'll see on the FAFSA, both old and new.

TERM	DEFINITION
<b>Base Year</b>	The tax year from which the FAFSA will request income information. For the 2024-2025 FAFSA, the base year is 2022.
<b>Consent*</b>	Formal authorization provided by a student, parent, or parent's spouse (stepparent) to use their personal identifying information (PII) on the FAFSA.
<b>Contributor*</b>	Anyone who must provide consent and authorize transfer of PII, including tax information, into the FAFSA. To determine who is a contributor, review this helpful <a href="#">handout</a> .
<b>FAFSA Submission Summary*</b>	Summary of FAFSA data delivered to applicant after FAFSA completion, including estimated federal aid offer and disclosure of Student Aid Index; replaces Student Aid Report (SAR).
<b>Federal Student Aid (FSA) ID</b>	Log-in credential to access the FAFSA and other federal aid processes; all contributors must have an FSA ID to submit FAFSA.
<b>Federal Tax Information (FTI)</b>	All information related to a contributor's federal tax return, including income, demographic, and contact information; all contributors must provide consent for the FAFSA to use this data.
<b>FUTURE Act Direct Data Exchange (FA-DDX)*</b>	The process by which, after consent is provided, a contributor's FTI is transferred to the FAFSA; replaces the IRS Data Retrieval Tool used in prior years.
<b>Personal Identifying Information (PII)</b>	Name, date of birth, and Social Security Number; used to match contributor(s) with their IRS record, and confirm applicant meets federal eligibility requirements.
<b>Student Aid Index (SAI)*</b>	Calculated figured based on family income, family size, and other demographic information; replaces the Expected Family Contribution (EFC) in determining student federal aid eligibility.

*\*These terms are newly introduced for use in the 2024-2025 FAFSA and related materials, and in some cases replace previously used terms.*

For additional information, contact: \_\_\_\_\_

Review the Financial Aid Office's website: <https://www.rochester.edu/financial-aid>.

Email your financial aid Counselor or schedule an appointment - <https://www.rochester.edu/financial-aid/contact-us/>.