



College & Retirement Keystones

A College Planning Relief® Publication

2015-2016 FAFSA

For parents of high school seniors it is likely that you are still very busy helping your kids complete college applications, going on school visits, and whittling down the final few choices of institutions where you will send your children and your money this next fall. However believe it or not, you need to add completing the FAFSA form to your plate this month.

The Free Application For Federal Student Aid (FAFSA) is the financial aid form used to disburse all federal financial aid. Furthermore many schools, both public and private, very often also use the FAFSA for disbursement of their respective aid as well. For this reason, for any family with any thought that they may want to qualify for aid at all, it is simply a good idea to complete the FAFSA form. Additionally, any family wanting their kids to have a vested interest in paying for their education via the use of the Stafford loan must complete the FAFSA in order to be eligible.

The FAFSA will become available in early January and you should be prepared to complete the form shortly thereafter. The most popular method for completing the form today is the FAFSA on the web or "FOTW." The FOTW, once available, can be accessed at www.fafsa.ed.gov. The FOTW uses skip logic which simply means that not all questions that you may find on the paper version will be asked if they do not apply to your family based on previous answers. For example, if you have stated that your son or daughter has not completed a tax return because they had no income then intuitively the FOTW will not ask you further questions about the types of income that they have. Those who are comfortable on line will find this version of the FAFSA to be the most efficient method for completing this important form. You may even stop and save partial completions of the form so that you may return to work on the application later.

A PDF version of the form is also available at www.fafsa.ed.gov with can be printed, filled out and then mailed. Lastly a paper version of the form may be obtained by calling 1-800-4FEDAID. Again these forms, like the FOTW, will be available in early January 2016.

As stated earlier it is important to be prepared to complete this form in January. While the FAFSA may be turned in as late as June 30, 2016 there will be little to no aid available and you will have missed most school deadlines for turning in financial aid applications. The deadline for turning in the FAFSA is set by the US Dept. of Education but has nothing to do with specific deadlines set by each school.

Deadlines in the college application world are just that: deadlines. They are not suggestions. If you fail to deliver the required information to the institutions on time they will likely deny or reject the information. Because of this it is very wise to put together a schedule that includes all of the schools your kids are considering as well as all of the required information that each school is requesting and when it is due.



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Note that while the FAFSA is used widely at a vast majority of schools, many schools also require their own specific financial aid form to be completed. Additionally there are also schools that require the profile form which is used to disburse aid granted by select private universities. It is important to ask each university what forms they require.

While there are a variety of figures reported as to the number of FAFSA forms turned in with errors, it is safe to say that a significant number are and this unfortunately can cost a family significantly. First, make sure you are completing the form for the proper year; this can be confusing. For high school seniors graduating in the fall of 2015, you are looking to complete the 2015-2016 FAFSA.

Calculating your income properly is important. For example, while on your tax return you likely take a tax deduction for a 401k contribution, this is not the case for the FAFSA. Those contributions must be added back in. So having someone assist you who is well versed in the FAFSA or taking a class or training before you complete the form is advised. Mistakes made on the FAFSA will likely cause you problems and cost you money later on.

Estimating on your FAFSA is acceptable if you don't have all of your tax data complete. You will have an opportunity to revise your numbers once you have completed your tax return if the final figures turn out to be different. When estimating, do your best to use accurate data and do not over estimate your income or assets.

Lastly, far too many people arbitrarily disqualify themselves for financial aid and never bother to complete the FAFSA. For many reasons this is a mistake but most prominently failure to complete the FAFSA will preclude your student from qualifying for the Stafford loans. Additionally most schools will require the FAFSA if you are wanting to be considered for merit based aid, regardless of your financial situation.

In summary, fill out the FAFSA. Prepare yourself with some basic training or work with someone who understands the FAFSA and do so in January. This simple advice will keep you from becoming like so many who leave money or aid unknowingly and unnecessarily on the table.

We are in the business of helping families through the major life transition of sending their children to college. For many, it will be the most expensive time of their lives and, if not handled properly, could cost them their retirement. If you or someone you know needs the help and guidance of a trained financial professional, don't hesitate to contact your local Summit College Funding Advisor.

Remember, you shouldn't have to choose between your child's college and your retirement.