

Financial Allowances for Financial Assistance Questionnaires

Total Income

Total income is the sum of parents' IRS Adjusted Gross Income (AGI) (or father's and mother's earnings for non-tax filers) and their untaxed income from calendar year 2007. If student is declared independent, enter student's AGI or earnings only.

State and Local Taxes

The Federal Methodology makes an allowance for state and other taxes. This allowance, based on the percentage of total income, approximates the average amount paid by parents for state and local income, property, sales, and excise taxes. The following table (A) will be used to determine the state and other tax allowance for calendar year 2007.

Table A

State and other Taxes Allowances (Parents'/Independent Students' state of residence)

STATE	TOTAL INCOME	
	\$0-\$14,999	\$15,000 or more
AK, ND, SD, TN, WY	2%	1%
AL, FL, LA, NV, TX, WV	3%	2%
AR, AZ, CO, DE, HI, IN, MS, NM, WA	4%	3%
IA, ID, IL, KS, KY, MI, MO, MT, NE, NH, PA, SC, UT, VA, VT	5%	4%
GA, MA, ME, MN, NC, OH, OK	6%	5%
CA, CT, DC, MD, OR, RI, WI	7%	6%
NJ	8%	7%
NY	9%	8%

Table B

F.I.C.A. Taxes

The social security (FICA) tax allowance, based on each parent's reported income from work is also deducted from total income. For 2007, social security taxes are 7.65% of the first \$97,500 earned by each parent (\$7,459 maximum per person) plus 1.45% of income earned above \$97,500 by each wage earner. Note: If an income amount is a negative number, no FICA allowance is given.

Table C

Medical

The allowance for medical expenses is the amount of medical expenses (FAQ, Line 6) **above 5% of total income.**

TABLE D

Employment Allowance

The Employment Allowance accounts for the extra costs incurred by families that do not have the benefit of a non-employed parent in the home (e.g., one-parent families and families with two parents working). The allowance is based on the marginal costs incurred for meals away from home, apparel and upkeep, transportation, and housekeeping services for two-worker versus one-worker families. The Employment Allowance for two working parents is 35% of the lesser-earned income to a maximum of \$3,300 (whichever is less). The same allowance is applied to a single parent income. Note: If an income amount is a negative number, the maximum allowance of \$3,300 is given.

<u>Table E</u>	<u>Family Size*</u> (include applicant)	<u>Allowance</u>
Income Protection Allowance (IPA) (FAQ Line 8)	1 or 2	\$15,380
(Parents of Dependent Students/ Independent Students with Dependents)	3	\$19,150
	4	\$23,660
	5	\$27,910
	6	\$32,650
The IPA is deducted from total income to allow for the basic maintenance (living) costs of the family.	* For each additional family member beyond six, add	\$3,680

<u>TABLE F</u>	
Income Supplement (Assets)	To calculate the income supplement - multiply Line 7 of the FAQ by 5% (cash, savings, bonds, etc.). Not used in the calculation are retirement plan funds (IRA, 401K, 403B, etc.).

<u>TABLE G</u>	<u>Adjusted Available Income (AAI)</u>	<u>Total Family Contribution</u>
Contribution from Adjusted Available Income (AAI)	Less than \$-3,409	\$-750.00
(Parents of Dependent Students/ Independent Students with Dependents)	\$-3,409 to \$13,700	22% of AAI
	\$13,701 to \$17,300	\$3,014 + 25% of AAI over \$13,700
	\$17,301 to \$20,800	\$3,914 + 29% of AAI over \$17,300
	\$20,801 to \$24,300	\$4,929 + 34% of AAI over \$20,800
	\$24,301 to \$27,800	\$6,119 + 40% of AAI over \$24,300
	\$27,801 or more	\$7,519 + 47% of AAI over \$27,800

Note: Tables last updated 10/26/2007