

Model C: Independent Student
(with dependents other than a spouse)

Lucy Jackson

Lucy will be a third-year undergraduate student in fall 2018. She is recently divorced and is the mother of three children. Lucy's date of birth is January 6, 1980. Lucy's son, Mason, just graduated from high school and will be attending the local community college as a full-time student in fall 2018. Mason's younger siblings, Megan and Marcus, are still in public school. Lucy and her three children live in New Braunfels, Texas.

Lucy works as an administrative assistant. She filed an IRS Form 1040A as head of household for the 2016 tax year. She reported an adjusted gross income (AGI) of \$48,482, a total IRA distribution of \$12,000 (\$6,000 of which was untaxed), and no tax liability. In addition to her earned income \$42,482, she received \$1,200 per month in child support from her ex-husband in 2016.

Lucy has \$2,600 in her checking account and \$53,200 in her savings account.

2018–2019 EFC FORMULA **C**: INDEPENDENT STUDENT With Dependent(s) Other than a Spouse

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STUDENT/SPOUSE INCOME IN 2016	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #36) If negative, enter zero.	
2. a. Student's income earned from work (FAFSA/SAR #39) _____	
2. b. Spouse's income earned from work (FAFSA/SAR #40) + _____	
Total student/spouse income earned from work =	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	
4. Total untaxed income and benefits (Sum total of FAFSA/SAR #45a. through 45j.) +	
5. Taxable and untaxed income (Sum of line 3 and line 4.) =	
6. Total additional financial information (Sum total of FAFSA/SAR #44a. through 44f.) -	
7. TOTAL INCOME (Line 5 minus line 6.) May be a negative number. =	

AVAILABLE INCOME	
TOTAL INCOME (from line 7)	
TOTAL ALLOWANCES (from line 14) -	
15. AVAILABLE INCOME (AI) May be a negative number. =	

STUDENT'S/SPOUSE'S CONTRIBUTION FROM ASSETS	
16. Cash, savings & checking (FAFSA/SAR #41)	
17. Net worth of investments** (FAFSA/SAR #42) + If negative, enter zero.	
18. Net worth of business and/or investment farm (FAFSA/SAR #43) + If negative, enter zero.	
19. Adjusted net worth of business/farm (Calculate using Table C4.) +	
20. Net worth (Sum of lines 16, 17, and 19.) =	
21. Asset protection allowance (Table C5) -	
22. Discretionary net worth (Line 20 minus line 21.) =	
23. Asset conversion rate ×	.07
24. CONTRIBUTION FROM ASSETS If negative, enter zero. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2016 U.S. income tax paid (FAFSA/SAR #37)(tax filers only) If negative, enter zero.	
9. State and other tax allowance (Table C1) If negative, enter zero. +	
10. Student's Social Security tax (Table C2) +	
11. Spouse's Social Security tax (Table C2) +	
12. Income protection allowance (Table C3) +	
13. Employment expense allowance: • Student and spouse both working: 35% of the lesser of the earned incomes, or \$4,000, whichever is less • One-parent families: 35% of earned income, or \$4,000, whichever is less • Student or spouse working (not both): zero +	
14. TOTAL ALLOWANCES =	

EXPECTED FAMILY CONTRIBUTION	
AVAILABLE INCOME (AI) (from line 15)	
CONTRIBUTION FROM ASSETS (from line 24) +	
25. Adjusted Available Income (AAI) May be a negative number. =	
26. Total contribution from AAI (Calculate using Table C6.) If negative, enter zero.	
27. Number in college in 2018–2019 (FAFSA/SAR #96) ÷	
28. EXPECTED FAMILY CONTRIBUTION for nine month enrollment. If negative, enter zero.*** =	

*STOP HERE if the following are true:

Line 3 is \$25,000 or less and

- The student (and the student's spouse, if any) are eligible to file a 2016 IRS Form 1040A or 1040EZ (they are not required to file a 2016 Form 1040) or they are not required to file any income tax return or
- Anyone included in the student's household size (as defined on the FAFSA) received benefits during 2016 or 2017 from any of the designated means-tested federal benefit programs or
- The student (or the student's spouse, if any) is a dislocated worker.

If these circumstances are true, the Expected Family Contribution is automatically zero.

**Do not include the student's home.

***To calculate the EFC for less than nine-month enrollment, see the next page. If the student is enrolled for more than nine months, use the nine-month EFC (line 28 above).

Note: Use this additional page to prorate the EFC only if the student will be enrolled for other than nine months and only to determine the student's need for Campus-Based aid or a Federal Direct Subsidized Loan. Do not use this page to prorate the EFC for a Federal Pell Grant or TEACH Grant. The EFC for the Federal Pell Grant Program is the nine-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

Calculation of Expected Family Contribution for a Student Enrolled for Less than Nine Months		
Expected Family Contribution (standard contribution for nine-month enrollment, from line 28)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months of enrollment	×	
Expected Family Contribution for less than nine-month enrollment*	=	

* Substitute the student's EFC for less than nine-month enrollment in place of the EFC for the standard nine-month enrollment (EFC Formula C Worksheet, line 28).

Table C1: State and Other Tax Allowance

State	Percent of Total Income		State	Percent of Total Income	
	\$0 - \$14,999	\$15,000 or more		\$0 - \$14,999	\$15,000 or more
Alabama	3%	2%	Montana	4%	3%
Alaska	2%	1%	Nebraska	5%	4%
American Samoa	2%	1%	Nevada	2%	1%
Arizona	3%	2%	New Hampshire	4%	3%
Arkansas	4%	3%	New Jersey	9%	8%
California	8%	7%	New Mexico	3%	2%
Canada and Canadian Provinces	2%	1%	New York	9%	8%
Colorado	4%	3%	North Carolina	5%	4%
Connecticut	8%	7%	North Dakota	2%	1%
Delaware	4%	3%	Northern Mariana Islands	2%	1%
District of Columbia	7%	6%	Ohio	5%	4%
Federated States of Micronesia	2%	1%	Oklahoma	3%	2%
Florida	3%	2%	Oregon	7%	6%
Georgia	5%	4%	Palau	2%	1%
Guam	2%	1%	Pennsylvania	5%	4%
Hawaii	5%	4%	Puerto Rico	2%	1%
Idaho	4%	3%	Rhode Island	6%	5%
Illinois	6%	5%	South Carolina	4%	3%
Indiana	4%	3%	South Dakota	2%	1%
Iowa	5%	4%	Tennessee	2%	1%
Kansas	4%	3%	Texas	3%	2%
Kentucky	5%	4%	Utah	5%	4%
Louisiana	3%	2%	Vermont	6%	5%
Maine	6%	5%	Virgin Islands	2%	1%
Marshall Islands	2%	1%	Virginia	6%	5%
Maryland	8%	7%	Washington	3%	2%
Massachusetts	6%	5%	West Virginia	3%	2%
Mexico	2%	1%	Wisconsin	6%	5%
Michigan	4%	3%	Wyoming	2%	1%
Minnesota	6%	5%	Blank or Invalid State	2%	1%
Mississippi	3%	2%	Other	2%	1%
Missouri	4%	3%			

To calculate the state and other tax allowance, multiply the total income of the student and spouse (EFC Formula C Worksheet, line 7) by the appropriate rate from the table above to get the "State and Other Tax Allowance" (EFC Formula C Worksheet, line 9). Use the student's State of Legal Residence (FAFSA/SAR #18) reported on the FAFSA. If this item is blank or invalid, use the State in the Student's Mailing Address (FAFSA/SAR #6). If both items are blank or invalid, use the rate for a blank or invalid state above.

Table C2: Social Security Tax

Income Earned from Work*	Social Security Tax
\$0 – \$118,500	7.65% of income
\$118,501 or greater	\$9,065.25 + 1.45% of amount over \$118,500
<p>Calculate separately the Social Security tax of the student and spouse.</p> <p>*Student’s 2016 income earned from work is FAFSA/SAR #39 Spouse’s 2016 income earned from work is FAFSA/SAR #40 Social Security Tax will never be less than zero.</p>	

Table C3: Income Protection Allowance

Number in student’s household, including student (FAFSA/SAR #95)	Number of college students in the household (FAFSA/SAR #96)				
	1	2	3	4	5
2	\$25,870	\$21,450	not applicable	not applicable	not applicable
3	\$32,210	\$27,810	\$23,390	not applicable	not applicable
4	\$39,780	\$35,370	\$30,960	\$26,530	not applicable
5	\$46,940	\$42,500	\$38,100	\$33,690	\$29,290
6	\$54,890	\$50,480	\$46,080	\$41,640	\$37,250
<p>Note: For each additional family member, add \$6,200. For each additional college student, subtract \$4,400.</p>					

Table C4: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than \$1	\$0
\$1 to \$130,000	40% of net worth of business/farm
\$130,001 to \$390,000	\$52,000 + 50% of net worth over \$130,000
\$390,001 to \$655,000	\$182,000 + 60% of net worth over \$390,000
\$655,001 or more	\$341,000 + 100% of net worth over \$655,000

Table C5: Asset Protection Allowance

<i>Age of Student as of 12/31/2018*</i>	<i>Allowance for Married Student</i>	<i>Allowance for Unmarried Student</i>	<i>Age of Student as of 12/31/2018*</i>	<i>Allowance for Married Student</i>	<i>Allowance for Unmarried Student</i>
25 or less	\$0	\$0	46	\$20,300	\$12,300
26	1,200	700	47	20,700	12,600
27	2,400	1,400	48	21,300	12,900
28	3,500	2,200	49	21,800	13,200
29	4,700	2,900	50	22,300	13,500
30	5,900	3,600	51	22,900	13,800
31	7,100	4,300	52	23,500	14,100
32	8,300	5,000	53	24,100	14,400
33	9,400	5,800	54	24,800	14,800
34	10,600	6,500	55	25,400	15,200
35	11,800	7,200	56	26,100	15,500
36	13,000	7,900	57	26,800	15,900
37	14,200	8,600	58	27,600	16,300
38	15,300	9,400	59	28,300	16,700
39	16,500	10,100	60	29,100	17,100
40	17,700	10,800	61	30,000	17,600
41	18,100	11,000	62	30,800	18,000
42	18,500	11,300	63	31,700	18,500
43	18,900	11,500	64	32,600	19,000
44	19,300	11,800	65 or older	33,600	19,500
45	19,800	12,000			

* Determine the student's age as of 12/31/2018 from the student's date of birth (FAFSA/SAR #9)

Table C6: Student's Contribution from AAI

If the student's AAI—	Then the student's contribution from AAI is—
Less than -\$3,409	-\$750
-\$3,409 to \$16,400	22% of AAI
\$16,401 to \$20,500	\$3,608 + 25% of AAI over \$16,400
\$20,501 to \$24,700	\$4,633 + 29% of AAI over \$20,500
\$24,701 to \$28,900	\$5,851 + 34% of AAI over \$24,700
\$28,901 to \$33,100	\$7,279 + 40% of AAI over \$28,900
\$33,101 or more	\$8,959 + 47% of AAI over \$33,100

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STUDENT/SPOUSE INCOME IN 2016	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #36) If negative, enter zero.	48482
2. a. Student's income earned from work (FAFSA/SAR #39)	42482
2. b. Spouse's income earned from work (FAFSA/SAR #40)	N/A
Total student/spouse income earned from work =	42482
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)*	48482
4. Total untaxed income and benefits (Sum total of FAFSA/SAR #45a. through 45j.)	20400
5. Taxable and untaxed income (Sum of line 3 and line 4.)	68882
6. Total additional financial information (Sum total of FAFSA/SAR #44a. through 44f.)	0
7. TOTAL INCOME (Line 5 minus line 6.) May be a negative number. =	68882

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 2016 U.S. income tax paid (FAFSA/SAR #37)(tax filers only) If negative, enter zero.	0
9. State and other tax allowance (Table C1) If negative, enter zero.	1378
10. Student's Social Security tax (Table C2)	3250
11. Spouse's Social Security tax (Table C2)	N/A
12. Income protection allowance (Table C3)	35370
13. Employment expense allowance: • Student and spouse both working: 35% of the lesser of the earned incomes, or \$4,000, whichever is less • One-parent families: 35% of earned income, or \$4,000, whichever is less • Student or spouse working (not both): zero	4000
14. TOTAL ALLOWANCES =	43998

*STOP HERE if the following are true:

Line 3 is \$25,000 or less and

- The student (and the student's spouse, if any) are eligible to file a 2016 IRS Form 1040A or 1040EZ (they are not required to file a 2016 Form 1040) or they are not required to file any income tax return or
- Anyone included in the student's household size (as defined on the FAFSA) received benefits during 2016 or 2017 from any of the designated means-tested federal benefit programs or
- The student (or the student's spouse, if any) is a dislocated worker.

If these circumstances are true, the Expected Family Contribution is automatically zero.

AVAILABLE INCOME	
TOTAL INCOME (from line 7)	68882
TOTAL ALLOWANCES (from line 14)	- 43998
15. AVAILABLE INCOME (AI) May be a negative number. =	24884

STUDENT'S/SPOUSE'S CONTRIBUTION FROM ASSETS	
16. Cash, savings & checking (FAFSA/SAR #41)	55800
17. Net worth of investments** (FAFSA/SAR #42) If negative, enter zero.	+ 0
18. Net worth of business and/or investment farm (FAFSA/SAR #43) If negative, enter zero.	+ 0
19. Adjusted net worth of business/farm (Calculate using Table C4.)	+ 0
20. Net worth (Sum of lines 16, 17, and 19.)	= 55800
21. Asset protection allowance (Table C5)	- 9400
22. Discretionary net worth (Line 20 minus line 21.)	= 46400
23. Asset conversion rate	× .07
24. CONTRIBUTION FROM ASSETS If negative, enter zero. =	3248

EXPECTED FAMILY CONTRIBUTION	
AVAILABLE INCOME (AI) (from line 15)	24884
CONTRIBUTION FROM ASSETS (from line 24)	+ 3248
25. Adjusted Available Income (AAI) May be a negative number. =	28132
26. Total contribution from AAI (Calculate using Table C6.) If negative, enter zero.	7018
27. Number in college in 2018-2019 (FAFSA/SAR #96)	÷ 2
28. EXPECTED FAMILY CONTRIBUTION for nine month enrollment. If negative, enter zero.*** =	3509

**Do not include the student's home.

***To calculate the EFC for less than nine-month enrollment, see the next page. If the student is enrolled for more than nine months, use the nine-month EFC (line 28 above).

Note: Use this additional page to prorate the EFC only if the student will be enrolled for other than nine months and only to determine the student's need for Campus-Based aid or a Federal Direct Subsidized Loan. Do not use this page to prorate the EFC for a Federal Pell Grant or TEACH Grant. The EFC for the Federal Pell Grant Program is the nine-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.

Calculation of Expected Family Contribution for a Student Enrolled for Less than Nine Months		
Expected Family Contribution (standard contribution for nine-month enrollment, from line 28)		3509
Divide by 9	÷	9
Expected Family Contribution per month	=	390
Multiply by number of months of enrollment	×	3 months
Expected Family Contribution for less than nine-month enrollment*	=	1170

* Substitute the student's EFC for less than nine-month enrollment in place of the EFC for the standard nine-month enrollment (EFC Formula C Worksheet, line 28).

> 9 months = 9 month EFC