

FAFSA follow-up

- EFC calculated
- Results sent electronically to schools
- You receive Student Aid Report
- Then school takes over

(It's your job to notify school of extraordinary circumstances)

**STUDENT AID REPORT
ACKNOWLEDGEMENT
2010 - 2011**

WAFSA ID: 142842410 (TY: 1428724873) DATE: 10/05/2010
YOUR RELEASE NUMBER (CRM) CODE: 2310
EXPECTED FAMILY CONTRIBUTION (ETC) CODE: C

DATE: 08/23/2011
08:07:01
JOHN SMITH
142842410 (TY: 1428724873)
STUDENT ID: 00000000

DATE: 08/23/2011
Your Student Aid Report (SAR) is based on information you submitted on your 2010-2011 Free Application for Federal Student Aid (FAFSA).

APPLICANT RESPONSIBILITY (SEE FAFSA 10000)

Your FAFSA is accurate to the best of your knowledge. You agree to provide accurate information to calculate your eligibility for federal student aid. You agree to provide accurate information to the Department of Education. If you need to make any changes to your FAFSA, you should go to www.fafsa.gov and use your Federal Student Aid ID to access the information on the website. You should also contact your school's financial aid office for assistance. There is a link on your FAFSA that provides your information.

Field of Student Aid Eligibility (review this field if boxed)

The data identified on your FAFSA is used to determine your eligibility for federal student aid (FAFSA 1000000).

The ETC identifies the amount of money your family contributes. Before you provide information about the ETC, you should first determine if you are eligible for federal student aid. If you are not eligible, you should not provide information about the ETC. If you are eligible, you should provide information about the ETC. If you are not eligible, you should not provide information about the ETC. If you are eligible, you should provide information about the ETC. If you are not eligible, you should not provide information about the ETC.

I agree that the information I provided on my FAFSA is accurate to the best of my knowledge. I agree to provide accurate information to calculate my eligibility for federal student aid. I agree to provide accurate information to the Department of Education. If I need to make any changes to my FAFSA, I should go to www.fafsa.gov and use my Federal Student Aid ID to access the information on the website. I should also contact my school's financial aid office for assistance. There is a link on my FAFSA that provides my information.

You must be eligible for the Academic Competitiveness Grant (ACG).

Verify your information to other federal agencies through your school. You should verify your eligibility for federal student aid and the amount of your federal student aid. You should verify your eligibility for federal student aid and the amount of your federal student aid. You should verify your eligibility for federal student aid and the amount of your federal student aid. You should verify your eligibility for federal student aid and the amount of your federal student aid.

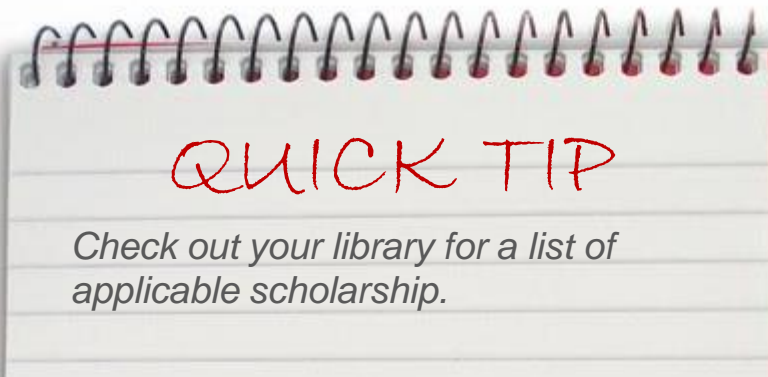
Know that you are completing the verification process. If you are completing the verification process, you should provide accurate information to the Department of Education. You should provide accurate information to the Department of Education. You should provide accurate information to the Department of Education. You should provide accurate information to the Department of Education.

You should keep this SAR Acknowledgement for your records.

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Financial aid award(s)

- Grants
 - Pell Grant (\$5,775 max)
 - SEOG (if Pell Grant eligible)
 - State Grants
 - Institutional Grants
- Employment
 - Federal Work Study
 - On campus job
- Loans



Stafford loans

Subsidized Stafford Loans

- No interest accrues while in school
- Maximum annual loan amount \$5,500 for freshman, \$6,500 for sophomore, \$7,500 for juniors and seniors)
- Payments deferred until six months after graduation

Unsubsidized Stafford Loans

- Interest does accrue while in school
- Maximum annual loan amount \$5,500 for freshman, \$6,500 for sophomore, \$7,500 for juniors and seniors)
- Payments deferred until six months after graduation

What if it's not enough?

Parent PLUS Loans

- Interest rate 7.2%
- Taken out in parent's name
- Payments begin right away

Alternative Education Loans



Where else can I get money?

- Home equity loans may be better deal
- Beware of variable rates though!

QUICK TIP

Don't forget, Roth IRA contributions can be withdrawn tax and penalty free anytime for any reason.



Tax breaks

American Opportunity Tax Credit

- Maximum credit of \$2,500
- Fully eligible if adjusted gross income under \$80,000 (\$160,000 if you file a joint tax return)
- Student must be enrolled at least half-time

Lifetime Learning Credit

- Maximum credit of \$2,000
- Fully eligible if adjusted gross income under \$64,000 (\$128,000 if you file a joint tax return)

Deductibility of loan %

- Deduct the interest you pay on student loans, up to \$2,500 a year
- Modified adjusted gross income must be less than \$80,000 (\$160,000 if filing jointly)
- Deductible only for the one liable for the loan
- Home equity loans also deductible (no income phase outs)




Paying For College



Saving For College

How much must you save?



F R A N C I S
Investment Counsel LLC

Home Retirement Income Strategy Calculators

- Calculators
 - College Planner
 - Depletion Calculator
 - Distribution Planner
 - Gap Analysis
 - Loan Calculator
 - Paycheck Calculator
 - Plan Loan Calculator
 - Retirement Savings
 - SEPP Calculator
 - IRA Analyzer
 - IRA Comparison
 - Trad IRA vs Tax Savings
 - Req Min Distribution
 - Social Security Calculator
 - Roth Analyzer
 - Savings Goal Calculator
 - Credit Card Payoff
 - Monthly Spending Plan
 - Budget/Cash Flow
 - Retirement Budget
 - Net Worth Calculator
 - Asset Allocation Planner

College Planner

Use this calculator to set up a savings schedule for college tuition.

Enter information for up to ten potential students below. Then, enter your savings, growth and inflation assumptions. After you've entered your information, press "Calculate" to determine your estimated monthly savings needed to reach your goal.

Input - Student Information

Select number of students: Changing this number will cause the page to reset.

Name	Age	College Start Age	Years in College	College Annual Tuition
<input type="text" value="Andrew"/>	<input type="text" value="5"/>	<input type="text" value="18"/>	<input type="text" value="4"/>	<input type="text" value="Avg Public (in-state)"/> <small>Public (in-state) - \$22,261</small>

Input - Savings & Inflation Information

Monthly Savings: \$

Current Savings Balance: \$

Expected Savings Growth Percent: %

Expected Tuition Inflation Percent: %

Source: The College Board, Annual Survey of Colleges, 2012.



- Calculators

- College Planner
- Depletion Calculator
- Distribution Planner
- Gap Analysis
- Loan Calculator
- Paycheck Calculator
- Plan Loan Calculator
- Retirement Savings
- SEPP Calculator
- IRA Analyzer
- IRA Comparison
- Trad IRA vs Tax Savings
- Req Min Distribution
- Social Security Calculator
- Roth Analyzer
- Savings Goal Calculator
- Credit Card Payoff
- Monthly Spending Plan
- Budget/Cash Flow
- Retirement Budget
- Net Worth Calculator
- Asset Allocation Planner

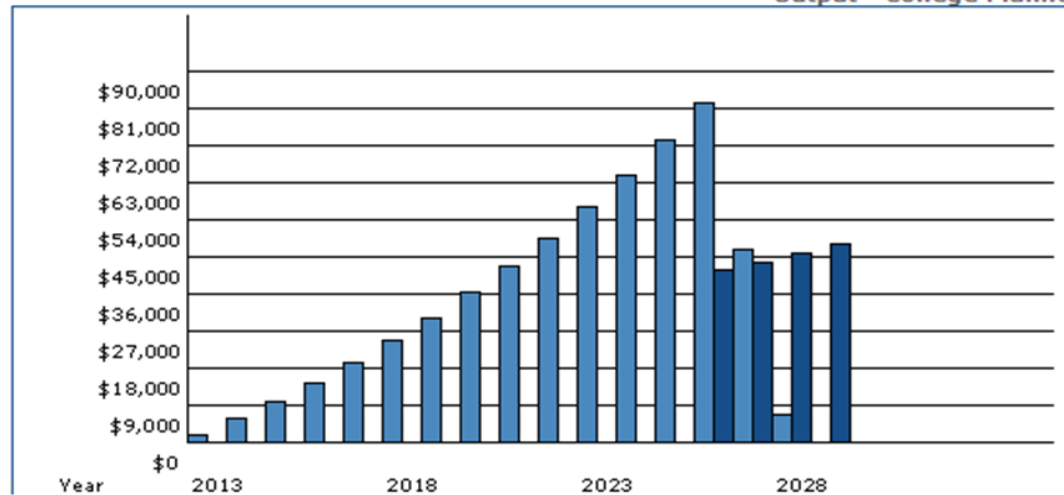
College Planner

Based upon the information and the assumptions you've entered, you will *not* achieve your college tuition goals.

This graph illustrates your savings balance versus your annual college tuition payments. Changes in personal circumstances and market fluctuations will affect actual results.

[Click here for information on different ways to save for college \(i.e. 529 plans, Coverdell, etc\).](#)

Output - College Planner

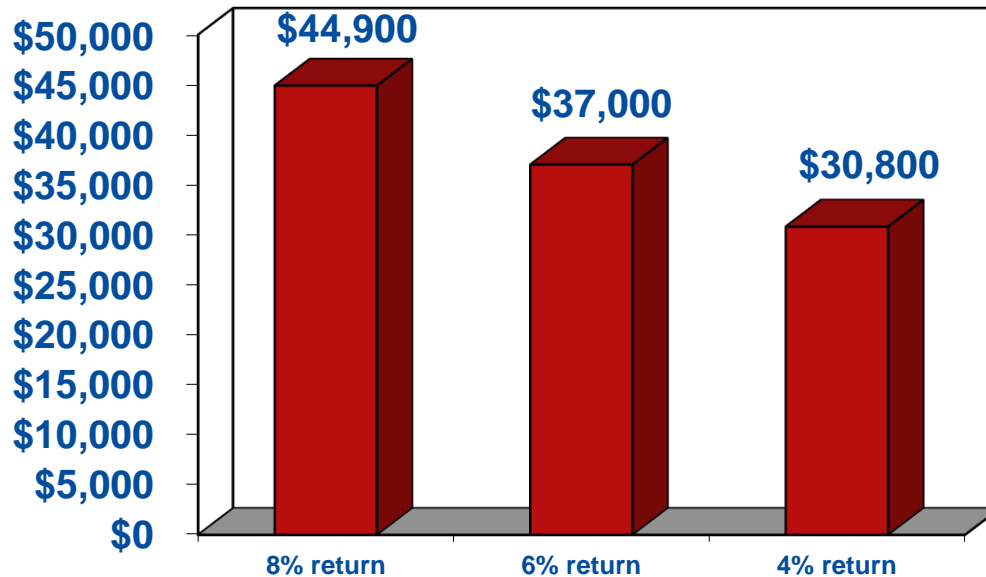


The savings schedule that you indicated would provide you with the following balance at the end of your last tuition payment. The negative amount indicates that you will not reach your savings goal. The tool has also determined the approximate monthly savings amount needed to reach your goal. Please note that these amounts are combined for all students indicated on the previous page.

Savings balance at the end of your last tuition payment: \$-86,667
Approximate monthly savings needed to reach your goal: \$543

Investment decisions matter

\$100 per month for 18 years at varying rates of return



For illustration purposes only.



Picking an account

- It matters who owns the account
- Uncle Sam might give you a break
- Investment options are endless



Ways to save for college

Best: 529 Plans

Good: Coverdell Savings Accounts

Interesting Idea: Parents' Roth IRAs

Bad Idea: Custodial Accounts

Best: 529 plans



- Roth-like tax breaks: after-tax going in, tax-free if used for college, state might also give you a tax break
- Considered parent asset for financial aid
- Easy to invest: age-based premixed funds
- Easy to start: available online with low minimums and systematic deposits
- Taxes and 10% penalty applies to ga



529 Plans

1. Can be used for any college expense
2. Can be transferred to siblings
3. Can be retained for student's own child
4. All of the above

Wisconsin's 529 plan: Edvest



Edvest™

WISCONSIN'S COLLEGE
SAVINGS PLAN

Open an account

User ID Password
Login:

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Resources

Smart gets them into college

Opening an Edvest college savings plan is a smart way to save for a child's college education and features powerful tax advantages for parents and grandparents.

- [Click to Learn More](#)



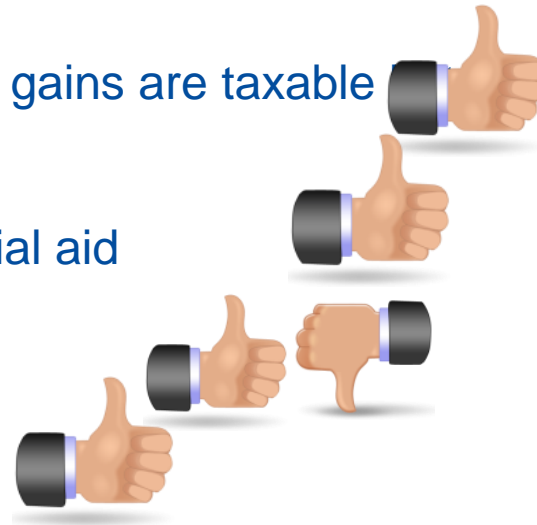
Good: Coverdell savings plan

- Roth-like tax breaks: after-tax going in, tax-free if used for college
- Considered parent asset for financial aid
- Virtually unlimited investment options
- Low annual savings limits deposits
- Taxes and 10% penalty applies to gains if NOT used for college
- Can be used for private primary and secondary education



idea: parent's Roth IRA

- Deposits can be withdrawn at anytime: gains are taxable penalized if used for college
- NOT considered as an asset for financial aid
- Virtually unlimited investment options
- No penalties if not used for college



Bad idea: custodial accounts

- Considered student asset for financial aid
- No tax breaks (gains may be taxed at child's rate)
- No requirement to use for college




Great resource

savingforcollege.com

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- [Where to start choosing a 529 plan](#)
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- [Make up for lost 529 savings](#)
- [Where to start a 529 plan](#)

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COLLEGE CALCULATOR

The simplest way to estimate college costs.

How old is your child?

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- [Grandparent contributions](#)
- [Understanding your state's slice of 529 fees](#)
- [Planning for the new "kiddie tax"](#)

Find 529 plans in your state



The image features the text "Q&A TIME" in a bold, white, sans-serif font with a thick blue outline. The text is centered against a background of blue rays radiating from the center, creating a sunburst effect. The rays are arranged in a circular pattern, with the text positioned in the middle. The overall color scheme is monochromatic, using various shades of blue.

**Q&A
TIME**