

# New Simplified FAFSA for 2024–2025 - Video Transcript

The Free Application for Federal Student Aid — commonly known as the FAFSA — has been extensively redesigned for the 2024–2025 school year.

Because of the changes, the new FAFSA won't open as usual on October 1st this year but will be delayed until December.

The new, simplified FAFSA is much shorter — down to 46 questions from 108 — and contains a number of changes that will affect the calculation of financial need for low-, middle- and high-income students.

Here are some key changes:

- A new “student aid index” will replace the current “expected family contribution” terminology. Think of the student aid index as a yardstick measuring a student’s financial aid eligibility, rather than how much a family will pay.
- For parents with multiple children in college at the same time, the new FAFSA will no longer provide an advantage in the form of a reduced parent contribution. The current FAFSA divides the parent contribution by the number of children in college, but the new FAFSA does not. This change has the potential to significantly decrease aid eligibility for middle- and high-income students.
- Cash support and other money paid on a student’s behalf, for example a gift of money from a relative or a distribution from a grandparent-owned 529 plan, will no longer need to be reported.
- The income protection allowance, which shields a portion of income from consideration, will increase by 20% for parents and by 35% for most students.
- The new FAFSA will expand Pell Grants to more students, and will link eligibility to family size and the federal poverty level.
- The current IRS data retrieval tool will be replaced by a new IRS direct data exchange tool, which will now be mandatory. As a reminder, the 2024-2025 FAFSA will use income information from an applicant’s 2022 federal tax return.

These are just some of the new changes to the FAFSA. For more information, visit the federal student aid website. And watch for the new FAFSA to open in December.