

# EFC Estimation Worksheet: Dependent Students

This worksheet contains a simplification of the Federal Need Analysis Methodology. The Expected Family Contribution (EFC) figures it calculates are estimates and may differ from the actual figures. For your actual EFC, use the EFC calculator at <http://www.collegegold.com/calculatecost/efcworksheets>

PARENT INFORMATION	
A. Age of Older Parent	
B. Number in Family	
C. Number of Children in College	
D. Parent Income	
E. Parent Assets	

STUDENT INFORMATION	
F. Student Income	
G. Student Assets	

Do not count retirement funds, life insurance, and the family's primary residence as assets.

If Parent Income (D) ≤ \$20,000 then set EFC to 0 and stop.

If Parent Income (D) < \$50,000, then set all asset figures to \$0 and continue.

ALLOWANCES AGAINST PARENT INCOME	
Parent FICA (IRS Forms W2, 1099)	
Parent Federal Income Tax (Last line of Tax & Credits in IRS Form 1040)	+
Calculate State Income Tax Allowance as 6% of Line D (above)	+
Calculate Parent Income Protection Allowance as \$10,000 + Line B × \$3,460 – Line C × \$2,460	+
Calculate Employment Expense Allowance as 35% of income in Line D or \$3,100, whichever is less	+
<b>1. TOTAL ALLOWANCES</b>	=

AVAILABLE PARENT INCOME	
Total Parent Income (Line D)	
Total Allowances (Line 1)	-
<b>2. AVAILABLE INCOME</b>	=

PARENT CONTRIBUTION FROM ASSETS	
Total Parent Assets (Line E)	
Reduction for Business/Farm Assets (50% of total Business/Farm Assets or \$250,000, whichever is less)	-
Asset Protection Allowance \$1,732 × (Line A – 23) If unmarried, divided result by 2.3	-
<b>3. Discretionary Net Worth</b>	=
Asset Conversion Rate	× 12%
<b>4. PARENT CONTRIBUTION FROM ASSETS</b>	=

PARENT CONTRIBUTION	
Parent Contribution from Assets (Line 4)	
Available Parent Income (Line 2)	+
Adjusted Available Income (AAI)	=
Contribution from AAI 32% of the AAI amount ≤ \$26,000 and 47% of the amount > \$26,000	
Divide by the Number of Children in College (Line C)	÷
<b>5. PARENT CONTRIBUTION</b>	=

ALLOWANCES AGAINST STUDENT INCOME	
Student FICA (IRS Forms W2, 1099)	
Student Federal Income Tax (Last line of Tax & Credits IRS Form 1040)	+
Calculate State Income Tax Allowance as 3% of Line F (above)	+
Income Protection Allowance. \$2,550 in 2006-07 or \$3,000 in 2007-08	+
<b>6. TOTAL ALLOWANCES</b>	=

AVAILABLE STUDENT INCOME	
Total Student Income (Line F)	
Total Allowances (Line 6)	-
<b>7. AVAILABLE INCOME</b>	=

STUDENT CONTRIBUTION FROM ASSETS	
Total Student Assets (Line G)	
Reduction for Business/Farm Assets (50% of total Business/Farm Assets or \$250,000, whichever is less)	-
<b>8. Adjusted Net Worth</b>	=

Asset Conversion Rate Multiply by 35% in 2006-07 Multiply by 20% in 2007-08	×
<b>9. STUDENT CONTRIBUTION FROM ASSETS</b>	=

STUDENT CONTRIBUTION FROM INCOME	
Student Available Income (Line 7)	
Income Conversion Rate	× 50%
<b>10. STUDENT CONTRIBUTION FROM INCOME</b>	=

STUDENT CONTRIBUTION	
Student Contribution from Assets (Line 9)	
Student Contribution from Income (Line 10)	+
<b>11. STUDENT CONTRIBUTION</b>	=

EXPECTED FAMILY CONTRIBUTION (EFC)	
Parent Contribution (Line 5)	
Student Contribution (Line 11)	+
<b>12. ESTIMATED EFC</b>	=