

EFC Estimation Worksheet: Independent 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>

STUDENT INFORMATION	
A. Age of Older Student/Spouse	
B. Number in Family	
C. Number in College	
D. Student & Spouse Income	
E. Student & Spouse Assets	

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

If Income (D) ≤ \$20,000 then set EFC to 0 and stop.
If Income (D) < \$50,000, then set all asset figures to \$0 and continue.

ALLOWANCES AGAINST INCOME	
FICA (IRS Forms W2, 1099)	
Federal Income Tax (Last line of Tax & Credits in IRS Form 1040)	+
Calculate State Income Tax Allowance as 3% of Line D (above)	+
<u>Income Protection Allowance</u> <i>If no dependents other than spouse:</i> If unmarried/separated or spouse is enrolled ≥ half time, add \$5,790 in 2006-07 or \$6,050 in 2007-08 If spouse is enrolled < half time add \$9,260 in 2006-07 or \$9,700 in 2007-08 <i>If dependents other than spouse:</i> \$10,000 + Line B × \$3,460 – Line C × \$2,460 in 2006-07 or \$10,000 + Line B × \$3,670 – Line C × \$2,610 in 2007-08	+
Calculate Employment Expense Allowance as 35% of income in Line D or \$3,100 (2006-07) or \$3,200 (2007-08), whichever is less	+
1. TOTAL ALLOWANCES	=

AVAILABLE INCOME	
Total Income (Line D)	
Total Allowances (Line 1)	-
2. AVAILABLE INCOME	=

CONTRIBUTION FROM INCOME	
Available Income (Line 2)	
<u>Income Conversion Rate</u> <i>If no dependents other than spouse:</i> Multiply by 50% <i>If dependents other than spouse:</i> No change	x
3. CONTRIBUTION FROM INCOME	=

CONTRIBUTION FROM ASSETS	
Total Student Assets (Line E)	
Reduction for Business/Farm Assets (50% of total Business/Farm Assets or \$250,000, whichever is less)	-
4. Adjusted Net Worth	=
Asset Protection Allowance \$1,732 × (Line A – 23) If unmarried, divide result by 2.3	-
5. Discretionary Net Worth	=
<u>Asset Conversion Rate</u> <i>If no dependents other than spouse:</i> Multiply by 35% in 2006-07 Multiply by 20% in 2007-08 <i>If dependents other than spouse:</i> Multiply by 12% in 2006-07 Multiply by 7% in 2007-08	x
6. CONTRIBUTION FROM ASSETS	=

EXPECTED FAMILY CONTRIBUTION (EFC)	
Contribution from Assets (Line 6)	
Contribution from Income (Line 3)	+
Adjusted Available Income (AAI)	=
<u>Contribution from AAI</u> <i>If no dependents other than spouse:</i> 100% of the AAI amount <i>If dependents other than spouse:</i> 32% of the AAI amount ≤ \$26,000 and 47% of the amount > \$26,000	
Divide by the Number in College (Line C)	÷
8. ESTIMATED EFC	=