

# FINANCIAL AID QUARTERLY

UNIVERSITY OF CALIFORNIA SANTA BARBARA ISSUE #12

## A LETTER FROM THE DIRECTOR:

Dear UCSB Family,

I am pleased to announce that a new financial aid program will soon be available to UCSB students. The State of California recently created the Middle Class Scholarship (MCS) program. The Middle Class Scholarship (MCS) is a new program beginning in the 2014-15 academic year that provides undergraduate students with family incomes up to \$150,000 a scholarship to attend University of California (UC) or California State University (CSU) campuses. In order to be considered for this new program, students must be a California resident attending a UC or CSU; be a U.S. citizen, permanent resident or have AB 540 student status; meet certain income and other financial aid standards; maintain satisfactory academic progress; and, may not be in default on a student loan.

For families with income up to \$100,000, students may be eligible for a scholarship of up to 40 percent of the mandatory systemwide tuition and fees. However, the program will be phased in and the maximum award amount is a lesser percentage of mandatory systemwide tuition and fees for each academic year beginning in 2014-15 at 14%, 2015-16 (20%), and 2016-17 (30%). Students from households with income between \$100,001 and \$150,000 may be eligible for a reduced scholarship of no less than 10 percent of the mandatory systemwide tuition and fees.

To apply for the MCS, students must complete a 2014-15 Free Application for Federal Student Aid (FAFSA) online at [www.fafsa.gov](http://www.fafsa.gov) or the California Dream Act Application at [www.caldreamact.org](http://www.caldreamact.org) by March 2nd. For more information on this exciting new program, click [here](#).

In other news, UCSB was recently rated 18th in a Kiplinger's report of the top 100 best value colleges and universities. We are able to maintain such a ranking due to the generous financial aid awards we offer and our relationship with the families we serve. This is the time of the year I like to remind students and parents about our priority deadlines. Please remember to file your FAFSA or California Dream Application prior to March 2 and when asked for any additional documentation, families are encouraged to respond to those requests as quickly as possible. Delays in any of these processes can result in the loss of eligibility for certain types of aid, costing students thousands of dollars. Meeting deadlines is one of the many ways we are able to keep UCSB affordable.

We here at the Office of Financial Aid and Scholarships wish you a successful finish to the winter quarter and we look forward to working with you to get your financial aid processed for the 2014-2015 academic year.

Warm Regards,

Michael Miller, Ed.D.  
Director, Office of Financial Aid and Scholarships

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# RENEWING YOUR AID: EVERYTHING YOU NEED FOR 2014-2015

**A**pplying for financial aid is one of those very important tasks you need to do every year! Since the financial aid season is about to begin for the upcoming 2014-15 year; it's time for a refresher course on "applying for aid". To ensure you receive priority consideration for all types of aid, please make sure you adhere to the important dates and deadlines listed below.

## WHERE TO APPLY

**FAFSA Application:** Complete the 2014-15 FAFSA at [www.fafsa.gov](http://www.fafsa.gov)

**CA Dream Application:** Complete the 2014-15 CA Dream Application at [dream.csac.ca.gov](http://dream.csac.ca.gov)

## WHEN TO APPLY

Complete the FAFSA or CA Dream Application by the March 2nd Priority Deadline. Cal Grant – New Applicants only: Submit your GPA Verification Form to CSAC at [www.csac.ca.gov](http://www.csac.ca.gov)

## WHAT YOU WILL NEED

Your 2013 federal tax information:

It is important to note that you may use estimates when completing your applications if your tax data for 2013 is not available yet. Once the tax data is available and submitted to the IRS, you can revisit the FAFSA or

CA Dream Applications and make corrections with the updated information.

Don't wait until the last minute to file; in some cases, missing the March 2nd priority deadline can reduce your chances of receiving certain types of financial aid, including state grants!

Your Department of Ed  
PIN #  
UCSB's School Code #  
001320

## RENEWAL STUDENTS:

Since financial aid does not automatically carry forward from one year to the next, you will need to make sure you file a 2014-15 renewal application. The renewal application will pre-populate many of the answers from your prior year application. However, we highly encourage you to review and update any old demographic information with the correct information, including your email address, as this is the primary way we communicate with you.

## WHAT'S NEXT

Approximately 2 weeks after you complete the FAFSA or CA Dream Application, you will receive your Student Aid Report (SAR). Carefully review your status and follow the instructions if you need to make any corrections. All students will be sent a U-Mail by our office, directing them to check the status of their application on their My Aid Status Financial Aid Login page. If required, on Tab 3, to submit any additional documents, please respond to them immediately to avoid any delay in your aid.

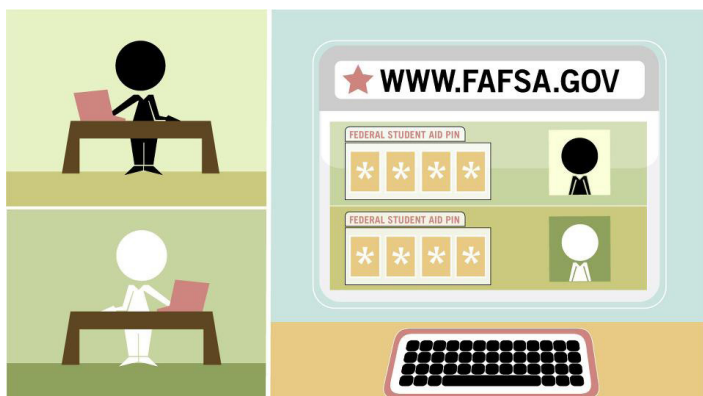


We hope that you find this information helpful and remember that the staff at the Office of Financial Aid and Scholarships is here to help you through the application process so please don't hesitate to give us a call or come by!



# THE 2014-2015 FAFSA: WHAT'S NEW?

**E**ach year the U.S. Department of Education makes changes to the Free Application for Federal Student Aid (FAFSA), including updates due to legislative changes and enhancements designed to streamline the application process. Here're some changes to look out for:



information for one of the student's legal parents are excluded when the parents are unmarried, even if those parents live together. On the 2014-2015 FAFSA, information from both parents (biological and/or adoptive) is required if they live together; this will ensure fairer treatment of all families by eliminating inequities that were based on the relationship of the parents with each other rather than the parents' relationship with their child.

## NEW TAX RETURN FILING STATUS QUESTIONS

The 2014-2015 FAFSA now asks for students' and parents' tax return filing status (e.g. single, head of household, married-filed joint return, etc.). This enhancement will help resolve inconsistencies between students' and parents' marital status and their tax return filing status earlier in the application process.

## MARITAL STATUS CHANGES DUE TO THE DEFENSE OF MARRIAGE ACT

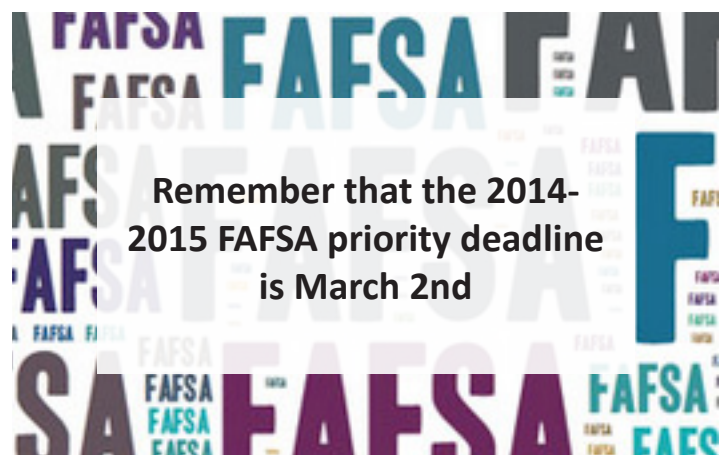
On June 26, 2013 the U.S. Supreme Court struck down the section of the Defense of Marriage Act (DOMA) that provided that, for purposes of federal programs (including federal student aid), a marriage can only be between one man and one woman. Consistent with this decision, the FAFSA was updated to allow same-sex couples to report their marital status as married if they were legally married in a state or other jurisdiction (foreign country) that permits same-sex marriage.

## PARENTAL INFORMATION CHANGES

Prior to 2014-2015 the FAFSA collected information about both of a student's parents only if the parents are married, and used the gender-specific terms "mother/stepmother" and "father/stepfather". As a result, income and other

## NEW IRS DRT REASON FLAGS

Although many students and parents have been able to use the IRS Data Retrieval Tool (IRS DRT) to expedite the application process, some have not due to various reasons. The 2014-2015 FAFSA will inform these students and parents of the reason why they're unable to use the IRS DRT.



# EDUCATION TAX CREDITS

THIS ARTICLE IS AN EXCERPT FROM [WWW.IRS.GOV](http://WWW.IRS.GOV)

**T**ax credits, deductions and savings plans can help taxpayers with their expenses for higher education.

## AMERICAN OPPORTUNITY CREDIT

Under the [American Recovery and Reinvestment Act \(ARRA\)](#), more parents and students qualify for a tax credit, the American opportunity credit, to pay for college expenses.

The American opportunity credit originally modified the existing Hope credit for tax years 2009 and 2010. The American opportunity credit was later extended through 2017, making the benefit available to a broader range of taxpayers, including many with higher incomes and those who owe no tax. It also adds required course materials to the list of qualifying expenses and allows the credit to be claimed for four post-secondary education years instead of two. Many of those eligible qualify for

the maximum annual credit of \$2,500 per student.

The full credit is available to individuals whose modified adjusted gross income is \$80,000 or less, or \$160,000 or less for married couples filing a joint return. The credit is phased out for taxpayers with incomes above these levels. These income limits are higher than under the prior Hope and existing lifetime learning credit.

If you have questions about the American opportunity credit, these [questions and answers](#) might help. For more information, see [American opportunity credit](#).

## LIFETIME LEARNING CREDIT

The lifetime learning credit helps parents and students pay for post-secondary education.

For the tax year, you may be able to claim a lifetime learning credit of up to \$2,000 for qualified education expenses paid for all students enrolled in eligible educational institutions. There is no limit on the number of

years the lifetime learning credit can be claimed for each student. However, a taxpayer cannot claim both the American opportunity credit and lifetime learning credits

for the same student in one year. Thus, the lifetime learning credit may be particularly helpful to graduate students, students who are only taking one course and those who are not pursuing a degree.

Generally, you can claim the lifetime learning credit if all three of the following requirements are met:

**YOU PAY** qualified education expenses of higher education.

**YOU PAY** the education expenses for an eligible student.

**THE ELIGIBLE STUDENT** is either yourself, your spouse or a dependent for whom you claim an exemption on your tax return.

If you're eligible to claim the lifetime learning credit and are also eligible to claim the American opportunity credit for the same student in the same year, you can choose to claim either credit, but not both.

If you pay qualified education expenses for more than one student in the same year, you can choose to take credits on a per-student, per-year basis. This means that, for example, you can claim the American opportunity credit for one student and the lifetime learning credit for another student in the same year.



Department of the Treasury  
**Internal Revenue Service**



# FINANCIAL AID FOR STUDY ABROAD

**T**raveling abroad is a wonderful opportunity for students to gain a better understanding and appreciation of cultural diversity. The UC Education Abroad Program (UCEAP) offers a wide variety of travel study opportunity in 40 countries with over 300 program options. Making decisions about how to finance your trip abroad may initially feel overwhelming. Learning how to finance your trip and taking the necessary steps in financial planning and preparation before you leave the country will help ease anxieties so you can focus on your educational experience abroad.

## THE EDUCATION ABROAD PROGRAM (EAP) AND YOUR UCSB FINANCIAL AID AWARD

Students are eligible to receive Financial Aid for their trip abroad. If the EAP budget is higher than the budget for UCSB, then you will be offered either a combination of loans and grants or just loans to meet the cost of the EAP program. Additional grant funding will depend on the individual's financial need. Most grants and scholarships awarded to you can be used to pay for your EAP expenses. Work-study eligibility is converted to additional loan eligibility during your time

abroad. To apply for Financial Aid, you must complete the Free Application for Federal Student Aid (FAFSA) at [www.fasfa.ed.gov](http://www.fasfa.ed.gov).

### SCHOLARSHIPS

EAP students receive over \$1 million in need-based and other EAP scholarships typically ranging from \$500 to \$3,000, varying by program. To learn more about scholarships for EAP visit [www.eap.ucsb.edu](http://www.eap.ucsb.edu).

### IMPORTANT REMINDERS PRIOR TO DEPARTURE FAFSA

Your FAFSA application must be complete before you can be awarded for the 2014-15 academic year. If you or your parent report "Will File" as the filing status on the FAFSA application, your FAFSA application is considered incomplete. You may submit your application using the "Will File" status, however, you will not be packaged until the filing status is updated to "Already Completed" or "Not Going to File".

### Verification

If you are selected for verification based on your 2014-15 FAFSA, please remember that you will be required to submit certain documents before your 2014-15 financial aid can be awarded. Required documents will be located on Tab 3 on My Aid Status.



## UNIVERSITY of CALIFORNIA Education Abroad Program

EAP students are strongly encouraged to designate a relative or other responsible party to act on their behalf by completing the following two forms:

### VISIT US

Financial Aid Office  
University of California Santa Barbara  
2103 SAASB  
Santa Barbara, California 93106-3180  
(805) 893-2432  
M-F: 9AM-12PM, 1PM-4PM



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## Power of Attorney

The person assigned Power of Attorney has the authority to conduct financial transactions in your place while you are abroad. This arrangement cannot be established once the student is abroad, as it requires notarization. For more information, visit the UCSB EAP website.

## Consent to Release

This form allows the Office of Financial Aid and Scholarships to release Financial Aid information to the third party that you designate. You may access this form on our Forms tab. The UCEAP system-wide office also has a Consent to Release form. A copy of this form can be found on the UCEAP website.



## Visa Letter Request

In order to receive a visa, you may need proof of financial aid. Request forms are available at the Office of Financial Aid and Scholarships. Please allow 3 business days for processing.

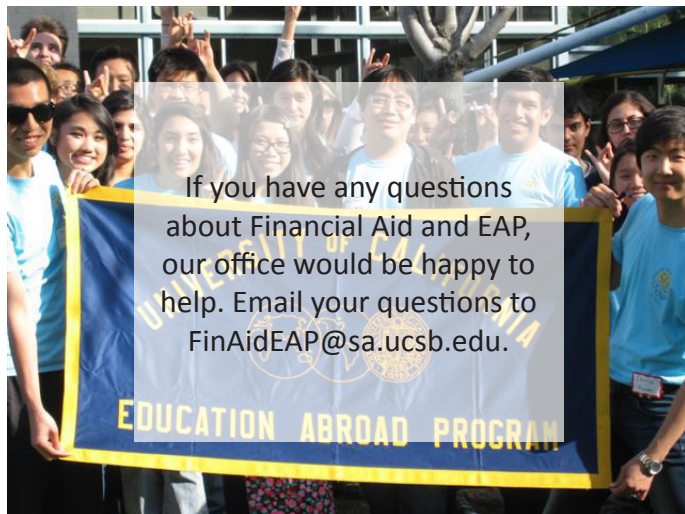
## Direct Deposit with UCEAP

If you are expecting your financial aid to exceed your UCEAP fees and would like to receive your refund as a direct deposit, you must sign up for eRefund on your MyEAP account. Additional information and step-by-step instructions are located on the UCEAP website.

## TIMELINE

Our office will begin packaging students' mid-May for Summer EAP. Summer awards will be based on your 2013-2014 FAFSA. If your 2013-2014 FAFSA is complete, no additional application is required. The Summer Session Application is not applicable to Summer EAP participants.

All students will be packaged at least 30 days before the start date



of their program. You can view your financial aid for EAP on Tab 4 of My Aid Status. An email will be sent to inform you once your financial aid has been packaged for your trip abroad.

## IMPORTANT WEBSITES

**UCSB Office of Financial Aid and Scholarships:**

[www.finaid.ucsb.edu](http://www.finaid.ucsb.edu)

**UCSB Education Abroad Program Campus Office:**

[www.ucop.edu](http://www.ucop.edu)

**UC Education Abroad System Wide Office:**

[www.eap.ucsb.edu](http://www.eap.ucsb.edu)

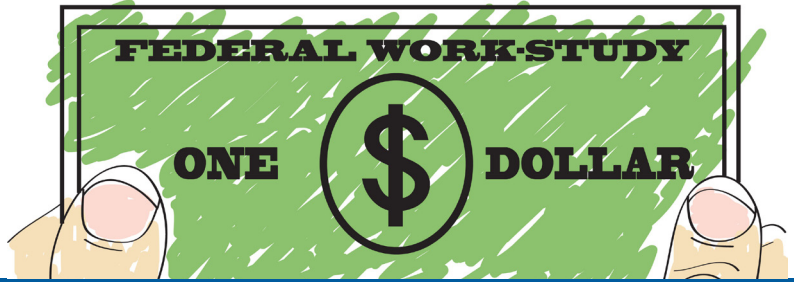
## MISSION STATEMENT:

The Office of Financial Aid and Scholarships is here to assist you with all of your financial aid related needs and our goal is to provide UCSB families with the services necessary to achieve their educational goals. We are committed to providing accurate, user friendly, responsive, and respectful service to students and their families. Please do not hesitate to contact us if we can help in any way. On behalf of the Office of Financial and Scholarships, I wish you the best of luck in all of your future endeavors.



# Reese's Pieces

with Paula Reese



**Q:**

I'm on Work-Study and I just got this W-2 form from the University. What is this? What should I do with it?

-Confused Student

**A:**

Your W-2 is a record of how much money you earned during 2013. Your W-2 also shows how much federal income tax was withheld from your paycheck, which you may be eligible to receive back by filing a federal tax return.

Irs.gov will have your filing requirements and instructions on how to file your return. The deadline to file the federal tax return is April 15th of every year.

-Happy Filing!

[www.irs.gov](http://www.irs.gov)



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