

EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109-171 effective July 1, 2006, except as otherwise provided, see section 8001(c) of Pub. L. 109-171, set out as a note under section 1002 of this title.

Pub. L. 109-171, title VIII, §8017(b)(2), Feb. 8, 2006, 120 Stat. 173, provided that: “The amendments made by paragraph (1) [amending this section] shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2007.”

EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by Pub. L. 105-244, effective Oct. 7, 1998, and applicable with respect to determinations of need under this part for academic years beginning on or after July 1, 2000, see section 480A of Pub. L. 105-244, set out as a note under section 1087kk of this title.

EFFECTIVE DATE OF 1993 AMENDMENT

Amendment by Pub. L. 103-208 effective as if included in the Higher Education Amendments of 1992, Pub. L. 102-325, except as otherwise provided, see section 5(a) of Pub. L. 103-208, set out as a note under section 1051 of this title.

EFFECTIVE DATE OF 1992 AMENDMENT

Amendment by Pub. L. 102-325 applicable with respect to determinations of need under this part for award years beginning on or after July 1, 1993, see section 471(b) of Pub. L. 102-325, set out as a note under section 1087kk of this title.

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-50 effective as if enacted as part of the Higher Education Amendments of 1986, Pub. L. 99-498, see section 27 of Pub. L. 100-50, set out as a note under section 1001 of this title.

**§ 1087qq. Family contribution for independent students with dependents other than a spouse**

**(a) Computation of expected family contribution**

For each independent student with dependents other than a spouse, the expected family contribution is equal to the amount determined by—

- (1) computing adjusted available income by adding—
  - (A) the family’s available income (determined in accordance with subsection (b) of this section); and
  - (B) the family’s contribution from assets (determined in accordance with subsection (c) of this section);
- (2) assessing such adjusted available income in accordance with an assessment schedule set forth in subsection (d) of this section;
- (3) dividing the assessment resulting under paragraph (2) by the number of family members who are enrolled or accepted for enrollment, on at least a half-time basis, in a degree, certificate, or other program leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with the provisions of section 1094 of this title during the award period for which assistance under this subchapter and part C of subchapter I of chapter 34 of title 42 is requested; and
- (4) for periods of enrollment of less than 9 months, for purposes other than subpart 2 of part A of this subchapter—
  - (A) dividing the quotient resulting under paragraph (3) by 9; and

(B) multiplying the result by the number of months in the period of enrollment; except that the amount determined under this subsection shall not be less than zero.

**(b) Family’s available income**

**(1) In general**

The family’s available income is determined by deducting from total income (as defined in section 1087vv of this title)—

- (A) Federal income taxes;
- (B) an allowance for State and other taxes, determined in accordance with paragraph (2);
- (C) an allowance for social security taxes, determined in accordance with paragraph (3);
- (D) an income protection allowance, determined in accordance with paragraph (4);
- (E) an employment expense allowance, determined in accordance with paragraph (5); and
- (F) the amount of any tax credit taken under section 25A of title 26.

**(2) Allowance for State and other taxes**

The allowance for State and other taxes is equal to an amount determined by multiplying total income (as defined in section 1087vv of this title) by a percentage determined according to the following table (or a successor table prescribed by the Secretary under section 1087rr of this title):

Percentages for Computation of State and Other Tax Allowance

If student’s State or territory of residence is—	And family’s total income is—	
	less than \$15,000	\$15,000 or more
then the percentage is—		
Alaska, Puerto Rico, Wyoming .....	3	2
American Samoa, Guam, Louisiana, Nevada, Texas, Trust Territory, Virgin Islands .....	4	3
Florida, South Dakota, Tennessee, New Mexico North Dakota, Washington .....	5	4
Alabama, Arizona, Arkansas, Indiana, Mississippi, Missouri, Montana, New Hampshire, Oklahoma, West Virginia .....	6	5
Colorado, Connecticut, Georgia, Illinois, Kansas, Kentucky .....	7	6
California, Delaware, Idaho, Iowa, Nebraska, North Carolina, Ohio, Pennsylvania, South Carolina, Utah, Vermont, Virginia, Canada, Mexico .....	8	7
Maine, New Jersey .....	9	8
District of Columbia, Hawaii, Maryland, Massachusetts, Oregon, Rhode Island .....	10	9
Michigan, Minnesota .....	11	10
Wisconsin .....	12	11
	13	12

Percentages for Computation of State and Other Tax Allowance—Continued

If student's State or territory of residence is—	And family's total income is—	
	less than \$15,000	\$15,000 or more
	then the percentage is—	
New York .....	14	13
Other .....	9	8

**(3) Allowance for social security taxes**

The allowance for social security taxes is equal to the amount estimated to be earned by the student (and spouse, if appropriate) multiplied by the social security withholding rate

appropriate to the tax year preceding the award year, up to the maximum statutory social security tax withholding amount for that same tax year.

**(4) Income protection allowance**

The income protection allowance is determined by the tables described in subparagraphs (A) through (D) (or a successor table prescribed by the Secretary under section 1087rr of this title).

**(A) Academic year 2009–2010**

For academic year 2009–2010, the income protection allowance is determined by the following table:

Income Protection Allowance

Family Size (including student)	Number in College					For each additional subtract:
	1	2	3	4	5	
2	\$17,720	\$14,690				
3	22,060	19,050	\$16,020			
4	27,250	24,220	21,210	\$18,170		
5	32,150	29,120	26,100	23,070	\$20,060	
6	37,600	34,570	31,570	28,520	25,520	\$3,020
For each additional add:	4,240	4,240	4,240	4,240	4,240	

**(B) Academic year 2010–2011**

For academic year 2010–2011, the income protection allowance is determined by the following table:

Income Protection Allowance

Family Size (including student)	Number in College					For each additional subtract:
	1	2	3	4	5	
2	\$19,690	\$16,330				
3	24,510	21,160	\$17,800			
4	30,280	26,910	23,560	\$20,190		
5	35,730	32,350	29,000	25,640	\$22,290	
6	41,780	38,410	35,080	31,690	28,350	\$3,350
For each additional add:	4,710	4,710	4,710	4,710	4,710	

**(C) Academic year 2011–2012**

For academic year 2011–2012, the income protection allowance is determined by the following table:

Income Protection Allowance

Family Size (including student)	Number in College					For each additional subtract:
	1	2	3	4	5	
2	\$21,660	\$17,960				
3	26,960	23,280	\$19,580			
4	33,300	29,600	25,920	\$22,210		
5	39,300	35,590	31,900	28,200	\$24,520	
6	45,950	42,250	38,580	34,860	31,190	\$3,690
For each additional add:	5,180	5,180	5,180	5,180	5,180	

**(D) Academic year 2012–2013**

For academic year 2012–2013, the income protection allowance is determined by the following table:

Income Protection Allowance

Family Size (including student)	Number in College					For each additional subtract:
	1	2	3	4	5	
2	\$23,630	\$19,590				
3	29,420	25,400	\$21,360			
4	36,330	32,300	28,280	\$24,230		
5	42,870	38,820	34,800	30,770	\$26,750	
6	50,130	46,100	42,090	38,030	34,020	\$4,020
For each additional add:	5,660	5,660	5,660	5,660	5,660	

**(5) Employment expense allowance**

The employment expense allowance is determined as follows (or a successor table prescribed by the Secretary under section 1087rr of this title):

(A) If the student is married and the student's spouse is employed in the year for which their income is reported, such allowance is equal to the lesser of \$2,500 or 35 percent of the earned income of the student or spouse with the lesser earned income.

(B) If a student qualifies as a surviving spouse or as a head of household as defined in section 2 of title 26, such allowance is equal to the lesser of \$2,500 or 35 percent of the student's earned income.

**(c) Family's contribution from assets**

**(1) In general**

The family's contribution from assets is equal to—

(A) the family net worth (determined in accordance with paragraph (2)); minus

(B) the asset protection allowance (determined in accordance with paragraph (3)); multiplied by

(C) the asset conversion rate (determined in accordance with paragraph (4)), except that the result shall not be less than zero.

**(2) Family net worth**

The family net worth is calculated by adding—

(A) the current balance of checking and savings accounts and cash on hand;

(B) the net value of investments and real estate, excluding the net value in the principal place of residence; and

(C) the adjusted net worth of a business or farm, computed on the basis of the net worth of such business or farm (hereafter referred to as "NW"), determined in accordance with the following table (or a successor table prescribed by the Secretary under section 1087rr of this title), except as provided under section 1087vv(f) of this title:

Adjusted Net Worth of a Business or Farm	
If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than \$1	\$0
\$1–\$75,000	40 percent of NW
\$75,001–\$225,000	\$30,000 plus 50 percent of NW over \$75,000
\$225,001–\$375,000	\$105,000 plus 60 percent of NW over \$225,000
\$375,001 or more	\$195,000 plus 100 percent of NW over \$375,000

**(3) Asset protection allowance**

The asset protection allowance is calculated according to the following table (or a successor table prescribed by the Secretary under section 1087rr of this title):

Asset Protection Allowances for Families and Students

If the age of the student is—	And the student is	
	married	single
then the allowance is—		
25 or less	\$ 0	\$0
26	2,200	1,600
27	4,300	3,200
28	6,500	4,700
29	8,600	6,300
30	10,800	7,900
31	13,000	9,500
32	15,100	11,100
33	17,300	12,600
34	19,400	14,200
35	21,600	15,800
36	23,800	17,400
37	25,900	19,000
38	28,100	20,500
39	30,200	22,100
40	32,400	23,700
41	33,300	24,100
42	34,100	24,700
43	35,000	25,200
44	35,700	25,800
45	36,600	26,300
46	37,600	26,900
47	38,800	27,600
48	39,800	28,200
49	40,800	28,800
50	41,800	29,500
51	43,200	30,200
52	44,300	31,100
53	45,700	31,800
54	47,100	32,600
55	48,300	33,400
56	49,800	34,400
57	51,300	35,200
58	52,900	36,200
59	54,800	37,200
60	56,500	38,100
61	58,500	39,200
62	60,300	40,300
63	62,400	41,500
64	64,600	42,800
65 or more	66,800	44,000

**(4) Asset conversion rate**

The asset conversion rate is 7 percent.

**(d) Assessment schedule**

The adjusted available income (as determined under subsection (a)(1) of this section and hereafter referred to as "AAI") is assessed according to the following table (or a successor table pre-

scribed by the Secretary under section 1087rr of this title):

Assessment From Adjusted Available Income (AAI)	
If AAI is—	Then the assessment is—
Less than -\$3,409 ....	-\$750
-\$3,409 to \$9,400 .....	22% of AAI
\$9,401 to \$11,800 .....	\$2,068 + 25% of AAI over \$9,400
\$11,801 to \$14,200 .....	\$2,668 + 29% of AAI over \$11,800
\$14,201 to \$16,600 .....	\$3,364 + 34% of AAI over \$14,200
\$16,601 to \$19,000 .....	\$4,180 + 40% of AAI over \$16,600
\$19,001 or more .....	\$5,140 + 47% of AAI over \$19,000

(e) Computations in case of separation, divorce, or death

In the case of a student who is divorced or separated, or whose spouse has died, the spouse's income and assets shall not be considered in determining the family's available income or assets.

(Pub. L. 89-329, title IV, §477, as added Pub. L. 99-498, title IV, §406(a), Oct. 17, 1986, 100 Stat. 1465; amended Pub. L. 100-50, §14(1)-(6), (8), (18), (19), June 3, 1987, 101 Stat. 349-351; Pub. L. 102-325, title IV, §471(a), July 23, 1992, 106 Stat. 597; Pub. L. 103-208, §2(g)(2), (7), Dec. 20, 1993, 107 Stat. 2472; Pub. L. 105-78, title VI, §609(i), Nov. 13, 1997, 111 Stat. 1524; Pub. L. 105-244, title IV, §475, Oct. 7, 1998, 112 Stat. 1730; Pub. L. 109-171, title VIII, §8017(c)(1), Feb. 8, 2006, 120 Stat. 173; Pub. L. 110-84, title VI, §601(c), Sept. 27, 2007, 121 Stat. 802; Pub. L. 111-39, title IV, §406(a)(3), July 1, 2009, 123 Stat. 1948.)

AMENDMENTS

2009—Subsec. (b)(5)(B). Pub. L. 111-39 made technical amendment to reference in original act which appears in text as reference to section 2 of title 26.

2007—Subsec. (b)(4). Pub. L. 110-84 amended par. (4) generally. Prior to amendment, par. (4) consisted of a single table to be used to determine income protection allowances.

2006—Subsec. (c)(4). Pub. L. 109-171 substituted "7" for "12".

1998—Subsec. (a)(4). Pub. L. 105-244 added par. (4).

1997—Subsec. (b)(1)(F). Pub. L. 105-78 added subpar. (F).

1993—Subsec. (b)(4). Pub. L. 103-208, §2(g)(2), substituted "\$9,510" for "9,510" in table.

Subsec. (e). Pub. L. 103-208, §2(g)(7), added subsec. (e).

1992—Pub. L. 102-325 amended section generally, substituting provisions relating to family contribution for independent students with dependents other than a spouse for provisions relating to family contribution for independent students with dependents (including a spouse).

1987—Subsec. (a)(1)(C). Pub. L. 100-50, §14(18), added subpar. (C).

Subsec. (b)(2). Pub. L. 100-50, §14(1), substituted "section 1087rr of this title" for "section 1087ss of this title".

Subsec. (b)(5)(A). Pub. L. 100-50, §14(19), substituted "\$2,100" for "\$2,000".

Subsec. (b)(7). Pub. L. 100-50, §14(2), struck out "National" before "Center".

Subsec. (c)(2)(B). Pub. L. 100-50, §14(3), substituted "displaced homemaker" for "dislocated homemaker".

Subsec. (c)(2)(C). Pub. L. 100-50, §14(1), (4), substituted "section 1087rr of this title" for "section 1087ss of this title" in text, added table, and struck out former table which read as follows:

"Adjusted Net Worth of a Business or Farm

If the net worth of a business or farm is—	Then the adjusted net worth is:
Less than \$1 .....	\$0

"Adjusted Net Worth of a Business or Farm—Continued

If the net worth of a business or farm is—	Then the adjusted net worth is:
\$1-\$65,000 .....	40 percent of NW
\$65,001-\$195,000 .....	\$26,000 plus 50 percent of NW over \$65,000
\$195,001-\$325,000 .....	\$91,000 plus 60 percent of NW over \$195,000
\$325,001 or more .....	\$169,000 plus 100 percent of NW over \$325,000".

Subsec. (c)(4)(B). Pub. L. 100-50, §14(5), substituted "\$15,999" for "\$15,000".

Subsec. (c)(4)(C). Pub. L. 100-50, §14(6), substituted "\$16,000" for "\$15,000" in three places.

Subsec. (d). Pub. L. 100-50, §14(1), (8), substituted "section 1087rr of this title" for "section 1087ss of this title" in text and inserted a minus sign before "\$3,409" in two places in table.

EFFECTIVE DATE OF 2009 AMENDMENT

Amendment by Pub. L. 111-39 effective as if enacted on the date of enactment of Pub. L. 110-315 (Aug. 14, 2008), see section 3 of Pub. L. 111-39, set out as a note under section 1001 of this title.

EFFECTIVE DATE OF 2007 AMENDMENT

Amendment by Pub. L. 110-84 effective July 1, 2009, see section 601(e) of Pub. L. 110-84, set out as a note under section 1087oo of this title.

EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109-171 effective July 1, 2006, except as otherwise provided, see section 8001(c) of Pub. L. 109-171, set out as a note under section 1002 of this title.

Pub. L. 109-171, title VIII, §8017(c)(2), Feb. 8, 2006, 120 Stat. 173, provided that: "The amendment made by paragraph (1) [amending this section] shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2007."

EFFECTIVE DATE OF 1998 AMENDMENT

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EFFECTIVE DATE OF 1993 AMENDMENT

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EFFECTIVE DATE OF 1992 AMENDMENT

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EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-50 effective as if enacted as part of the Higher Education Amendments of 1986, Pub. L. 99-498, see section 27 of Pub. L. 100-50, set out as a note under section 1001 of this title.

§ 1087rr. Regulations; updated tables

(a) Authority to prescribe regulations restricted

(1) Notwithstanding any other provision of law, the Secretary shall not have the authority to prescribe regulations to carry out this part except—

(A) to prescribe updated tables in accordance with subsections (b) through (h) of this section; or