

Subsec. (h). Pub. L. 100-50, §14(11), added subsec. (h) and struck out former subsec. (h) which read as follows: “The student (and spouse) supplemental income amount from assets is determined by multiplying by 35 percent the sum of—

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

“(2) the net value of investments and real estate, including the net value in the principal place of residence except in the case of a dislocated worker (certified in accordance with title III of the Job Training Partnership Act) or a dislocated homemaker (as defined in section 1087vv(e) of this title).”

Subsec. (i). Pub. L. 100-50, §14(12), added subsec. (i).

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

Pub. L. 110-84, title VI, §601(e), Sept. 27, 2007, 121 Stat. 804, provided that: “The amendments made by this section [amending this section and sections 1087pp, 1087qq, and 1087rr of this title] shall be effective on July 1, 2009.”

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(a)(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.

§ 1087pp. Family contribution for independent students without dependents other than a spouse

(a) Computation of expected family contribution

For each independent student without dependents other than a spouse, the expected family contribution is determined by—

(1) adding—

(A) the family’s contribution from available income (determined in accordance with subsection (b)); and

(B) the family’s contribution from assets (determined in accordance with subsection (c));

(2) dividing the sum resulting under paragraph (1) by the number of students 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 is requested; and

(3) for periods of enrollment of less than 9 months, for purposes other than subpart 2 of part A—

(A) dividing the quotient resulting under paragraph (2) 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 contribution from available income

(1) In general

The family’s contribution from income is determined by—

(A) deducting from total income (as defined in section 1087vv of this title)—

(i) Federal income taxes;

(ii) an allowance for State and other taxes, determined in accordance with paragraph (2);

(iii) an allowance for social security taxes, determined in accordance with paragraph (3);

(iv) an income protection allowance of the following amount (or a successor amount prescribed by the Secretary under section 1087rr of this title)—

(I) for single or separated students, or married students where both are enrolled pursuant to subsection (a)(2)—

(aa) for academic year 2009-2010, \$7,000;

(bb) for academic year 2010-2011, \$7,780;

(cc) for academic year 2011-2012, \$8,550; and

(dd) for academic year 2012-2013, \$9,330; and

(II) for married students where 1 is enrolled pursuant to subsection (a)(2)—

(aa) for academic year 2009-2010, \$11,220;

(bb) for academic year 2010-2011, \$12,460;

(cc) for academic year 2011-2012, \$13,710; and

(dd) for academic year 2012-2013, \$14,960;

(v) in the case where a spouse is present, an employment expense allowance, as determined in accordance with paragraph (4); and

(vi) the amount of any tax credit taken under section 25A of title 26; and

(B) assessing such available income in accordance with paragraph (5).

(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 the students' State or territory of residence is—	The percentage is—
Alaska, American Samoa, Florida, Guam, Nevada, South Dakota, Tennessee, Texas, Trust Territory, Virgin Islands, Washington, Wyoming	0
Connecticut, Louisiana, Puerto Rico	1
Arizona, New Hampshire, New Mexico, North Dakota	2
Alabama, Colorado, Illinois, Indiana, Kansas, Mississippi, Missouri, Montana, Nebraska, New Jersey, Oklahoma	3
Arkansas, Georgia, Iowa, Kentucky, Maine, Pennsylvania, Utah, Vermont, Virginia, West Virginia, Canada, Mexico	4
California, Idaho, Massachusetts, North Carolina, Ohio, Rhode Island, South Carolina	5
Hawaii, Maryland, Michigan, Wisconsin	6
Delaware, District of Columbia, Minnesota, Oregon	7
New York	8
Other	4

(3) Allowance for social security taxes

The allowance for social security taxes is equal to the amount 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) Employment expenses allowance

The employment expense allowance is determined as follows (or using a successor provision 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 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 is not married, the employment expense allowance is zero.

(5) Assessment of available income

The family's available income (determined in accordance with paragraph (1)(A) of this subsection) is assessed at 50 percent.

(c) Family contribution from assets

(1) In general

The family's contribution from assets is equal to—

(A) the family's 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 family's contribution from assets shall not be less than zero.

(2) Family's net worth

The family's 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

Asset Protection Allowances for Families and Students—Continued

If the age of the student is—	And the student is	
	married	single
	then the allowance is—	
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 20 percent.

(d) 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 contribution from income or assets.

(Pub. L. 89-329, title IV, §476, as added Pub. L. 99-498, title IV, §406(a), Oct. 17, 1986, 100 Stat. 1463; amended Pub. L. 100-50, §14(1), (3), (4), (13)-(17), June 3, 1987, 101 Stat. 349, 351; Pub. L. 102-325, title IV, §471(a), July 23, 1992, 106 Stat. 594; Pub. L. 103-208, §2(g)(6), Dec. 20, 1993, 107 Stat. 2472; Pub. L. 105-78, title VI, §609(h), Nov. 13, 1997, 111 Stat. 1524; Pub. L. 105-244, title IV, §474, Oct. 7, 1998, 112 Stat. 1730; Pub. L. 109-171, title VIII, §8017(b)(1), Feb. 8, 2006, 120 Stat. 173; Pub. L. 110-84, title VI, §601(b), Sept. 27, 2007, 121 Stat. 801.)

AMENDMENTS

2007—Subsec. (b)(1)(A)(iv). Pub. L. 110-84 amended cl. (iv) generally. Prior to amendment, cl. (iv) read as follows: "an income protection allowance of the following amount (or a successor amount prescribed by the Secretary under section 1087rr of this title)—"

"(I) \$6,050 for single students;

"(II) \$6,050 for married students where both are enrolled pursuant to subsection (a)(2) of this section; and

"(III) \$9,700 for married students where one is enrolled pursuant to subsection (a)(2) of this section;".

2006—Subsec. (b)(1)(A)(iv). Pub. L. 109-171, §8017(b)(1)(A), substituted "\$6,050" for "\$5,000" in subcls. (I) and (II) and "\$9,700" for "\$8,000" in subcl. (III).

Subsec. (c)(4). Pub. L. 109-171, §8017(b)(1)(B), substituted "20" for "35".

1998—Subsec. (a)(3). Pub. L. 105-244, §474(a), added par. (3).

Subsec. (b)(1)(A)(iv). Pub. L. 105-244, §474(b)(1), in introductory provisions, substituted "allowance of the following amount (or a successor amount prescribed by the Secretary under section 1087rr of this title)—" for "allowance of—".

Subsec. (b)(1)(A)(iv)(I), (II). Pub. L. 105-244, §474(b)(2), substituted "\$5,000" for "\$3,000".

Subsec. (b)(1)(A)(iv)(III). Pub. L. 105-244, §474(b)(3), substituted "\$8,000" for "\$6,000".

1997—Subsec. (b)(1)(A)(vi). Pub. L. 105-78 added cl. (vi).

1993—Subsec. (d). Pub. L. 103-208 added subsec. (d).

1992—Pub. L. 102-325 amended section generally, substituting provisions relating to family contribution for independent students without dependents other than a spouse for provisions relating to family contribution for independent students without dependents (including a spouse).

1987—Subsec. (b)(1)(A), (B). Pub. L. 100-50, §14(13)(B), (C), substituted subpar. (A) and introductory provisions of subpar. (B) for introductory provisions of former subpar. (A) which read as follows: "computing the student's available taxable income by deducting from the student's adjusted gross income—". Former subpar. (B) redesignated (C).

Subsec. (b)(1)(C). Pub. L. 100-50, §14(13)(B), redesignated subpar. (B) as (C). Former subpar. (C) redesignated (D).

Subsec. (b)(1)(D). Pub. L. 100-50, §14(15), which directed that subsec. (b)(1)(C) be amended by inserting "plus the amount of veterans' benefits paid during the award period under chapters 32, 34, and 35 of title 28", was executed to subpar. (D) to reflect the probable intent of Congress and the intervening redesignation of subpar. (C) as (D) by section 14(13)(B) of Pub. L. 100-50.

Pub. L. 100-50, §14(13)(A), (B), redesignated subpar. (C) as (D) and substituted "subparagraph (C)" for "subparagraph (B)".

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

Subsec. (b)(4)(A). Pub. L. 100-50, §14(16)(A), substituted "\$8,600" for "\$8,900".

Subsec. (b)(4)(B). Pub. L. 100-50, §14(16), substituted "\$8,600" for "\$8,900" in two places and "\$6,020" for "\$6,230".

Subsec. (c)(1). Pub. L. 100-50, §14(17), substituted a semicolon for a period at end of subpar. (C) and inserted, after subpar. (C), provision that the student's income supplemental amount from assets not be less than zero.

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(4), 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
\$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".

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

(B) the family's contribution from assets (determined in accordance with subsection (c));

(2) assessing such adjusted available income in accordance with an assessment schedule set forth in subsection (d);

(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 is requested; and

(4) for periods of enrollment of less than 9 months, for purposes other than subpart 2 of part A—

(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	5	4
North Dakota, Washington	6	5
Alabama, Arizona, Arkansas, Indiana, Mississippi, Missouri, Montana, New Hampshire, Oklahoma, West Virginia	7	6
Colorado, Connecticut, Georgia, Illinois, Kansas, Kentucky	8	7
California, Delaware, Idaho, Iowa, Nebraska, North Carolina, Ohio, Pennsylvania, South Carolina, Utah, Vermont, Virginia, Canada, Mexico	9	8
Maine, New Jersey	10	9
District of Columbia, Hawaii, Maryland, Massachusetts, Oregon, Rhode Island	11	10
Michigan, Minnesota	12	11
Wisconsin	13	12
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 subpara-