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Fee-Only Financial and Investment Planning
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On Course

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Welcome! Last year the government changed how the federal financial aid process works by moving the filing date earlier and requiring applicants to use the prior year's tax return. Both of these changes will make it much easier to plan and submit the FAFSA form.

If you want to ask questions on how the FAFSA works, know how to balance between student loans and withdrawing from savings, or how to set up 529s, remember we're here to help you stay *On Course!*

-Jennifer Lane, CFP

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Important Changes to the FAFSA Process

As part of the college application process, families across the country complete the Free Application for Federal Student Aid form universally known as the FAFSA. Schools use the FAFSA information to calculate an expected family contribution, or EFC, as well as the amount of aid a student is awarded. Many families ignore the FAFSA form because they feel they make too much money to qualify for aid. Since most aid comes in the form of loans (some of which are government subsidized), completing the form regardless of what you expect the results to be is always a good idea.

FAFSA changes, beginning with the 2017-2018 school year

- You will be able to access, complete, and submit the 2017-2018 FAFSA any time between October 1, 2016 and June 30, 2017.
- Instead of using current income and tax information, you will be able to use your prior income and tax information. For example, rather than using your 2016 tax return for the 2017-2018 school year, you will be using an



Jennifer's Hint

Financial aid generally takes three forms: grants that don't need to be repaid; low-interest loans; and work-study programs. Completing the FAFSA is a good learning experience for your student. Be sure your child fills out the form with information you provide. Modern life is a process of paperwork, and it's time that your student is exposed to it.

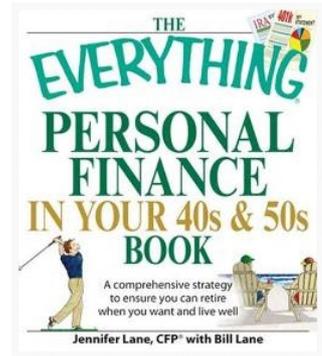
already completed and filed 2015 tax return. This should be easier than estimating your taxes in January and updating the FAFSA as you get more information.

- More students should be able to use the IRS Data Retrieval Tool (DRT) to access income information, which should help avoid common mistakes that result in disqualification.

Planning for college expenses

- One of the good things about the FAFSA changes is that it should help you with the final school decision because you will know in advance the amount of aid you can expect.
- The key to planning for college expenses is to begin early with a 529 plan.
- Before investing in new products purporting to help you get a better financial aid package, check with a fee-only financial planner. Many times these products lock your money away in insurance or annuities that don't really benefit you in the end and are expensive.
- Trying to hide money or evade the process does not work.
- When your son or daughter is closer to college age, talk about the expense of college and the importance of avoiding an insurmountable amount of student loan debt.

Get more tips in Jennifer's book



[\(click here for link \)](#)

Helpful Websites

[FAFSA FAQs](#)

[FAFSA updates](#)

[Key dates for new FAFSA](#)

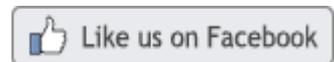
[SavingForCollege.com](#)

Q&A

Q: Our son started first grade so our day care expense has gone down. We want to start a 529 plan with the savings. Which ones are best?
– Lisa, Paxton

A:

Lisa, you can compare plans at [SavingForCollege.com](#), which uses fees and performance to score plans on one to four stars. Once you have a list, go to the plan's website to learn more. Good news for Massachusetts residents: if you use a Mass-sponsored 529 plan, you will get a deduction on your state taxes -- \$1,000 for single filing and \$2,000 for joint.



What's New

- Nancy Lininger's newsletter, *Compliance E-News*, recently published an excerpt from the August issue of *On Course*.
- Jennifer recently answered NECN viewer questions about **UTMA Money**. Click [here](#) to watch the segment on her blog.
- Follow us on Facebook! Visit www.facebook.com/AskJennifer and like us!
- Jennifer appears on NECN every other Monday morning at 9:30 am in addition to her Tuesday 6:30 pm appearance.

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fee-only, client-centered approach provides education and guidance for achieving financial goals and dreams.

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