

## New school year, new application date

**Free Application for Federal Student Aid (FAFSA) is now open Oct. 1 instead of January. "Financial Fitness" columnist Thomas J. O'Connell offers a few tips on applying.**

Thomas J. O'Connell, Correspondent | *September 7, 2016*



It is that time of the year when some of you may be sending your kids off to college. Way back in January, you filled out the FAFSA form (**Free Application for Federal Student Aid** — a financial aid application) for this academic year, but unfortunately your work isn't done. What happened at the start of the year was the government changed the filing date for the FAFSA application going forward. The new filing date is Oct. 1. This means that if you have a student or you are a student in the academic year 2017-2018, FAFSA starts accepting applications on Oct. 1, 2016.

There are other changes as well which I'll get to in a moment, and why the changes, but I'd like to make a suggestion first; **EVERYONE** should fill out the FAFSA form. Even if you don't think you'll qualify for "need based" financial aid, all the schools provide "merit-based" financial aid. What's this merit-based financial aid, you ask? That is when a school will offer you financial aid because they really want that student.

Let's say your child scored a 1600 on the SATS, has a 4.0 GPA, volunteers at the senior center on weekends and is student government president. The school they are applying to has an average student SAT score of 1200 and a 3.0 average GPA. Well, your student is way above average for that school, and they'll want them, badly. In order to entice you, they'll provide you financial aid, so they can boast about your student and bring up their averages. The aid could come in various forms, such scholarships, grants, work study, but the point is they won't offer it if you haven't filled out the FAFSA form. Remember, this type of aid is on a first-come, first-given basis, so once it is given out, that's it. The earlier you get the application in, the more time you'll have to make a correction if you find an error or if your circumstances change, such as mom or dad losing a job unexpectedly.

FAFSA no longer will list all the schools to which you send the financial aid application. Previously, FAFSA let all the schools know to whom you were applying. The colleges were numbered in the order you listed. However, many of the schools took that as a sign of your preference order. This hurt many students because schools that weren't numbered one offered reduced amounts of aid or no aid because they felt the student wasn't really interested in going there. With this change, students may now find themselves receiving more aid or at least more competitive aid offers.

OK, so why would the government make changes?

Well, there is one major reason they say and another they don't talk about. They say the change was made to accommodate the students who apply for early admission and had to make a decision without knowing what the aid offer was or if they could even afford to go to that school. Now students and parents can make a better, more educated school choice.

The other reason, which they don't talk about, is concerning your planning process. You see, when applying for aid, you are required to submit your last two tax returns, which were for the coming academic year and the year prior (in other words, for academic year 2016-17, you needed to provide tax returns filed in 2015 and 2016). The new way means they now get the last two years, PLUS the academic year returns (academic year 2017-18, you provide tax returns filed in 2015 to 2017; the 2017 is sent once completed). This is important because they know most people don't start their planning until the deadline looms (it is human nature). So if you're trying to shift moneys into excludable assets (annuities, cash value life insurance, retirement plans) or reducing/deferring income, they can see it happening a year earlier, which may cause you to be ineligible for some financial aid.

The take aways this month are a few things:

- Get your FAFSA application in right away — merit-based aid is typically offered on a first-come, first-serve basis,
- Send the FAFSA to as many schools as you can — we typically recommend at least seven to 10
- Start your planning process as soon as you can — time is one of your greatest assets if used properly
- If you have young children start planning and saving today — they may only be teething today, but in a blink of an eye, they'll be going to prom and off to college.

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