

## Introduction to the 2018 Income Tax Forms

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October 7-9, 2019

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This PowerPoint slide deck is part of a presentation and is not designed to be used as a standalone study document. The information cited in this presentation is based on

- IRS publications, forms, and form instructions for 2018
- The most recent versions of each Department of Education publication, including but not limited to
- The 2020-2021 pdf FAFSA
- · Completing the FAFSA, 2019-2020
- The EFC Formula Guide, ISIR Guide and SAR Comment Codes and Text, 2020-2021
- The Application and Verification Guide, 2019-2020
- The Program Integrity Website and announcements including all updates through September 29, 2019

This program was prepared for the Pennsylvania Association of Student Financial Aid Administrators (PASFAA) for the benefit of its members

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### Agenda



Where to Find the 2020-2021 FAFSA data on the 2018 Form 1040 and Schedules

Other Important Changes to Form 1040

How Do You Know if You Need Schedule 1, 2, or 3?

Schedule 1 and Qualifying for the Simplified Formula and the Automatic Zero EFC

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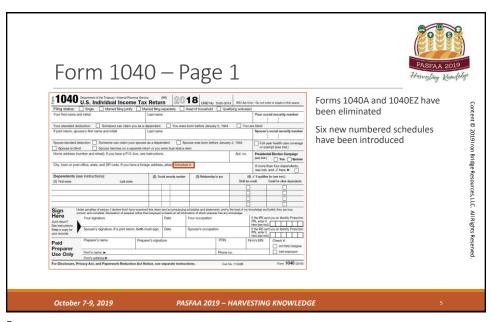
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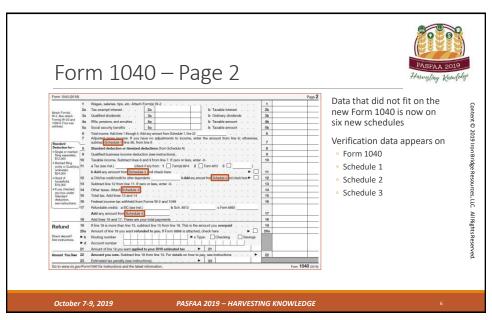


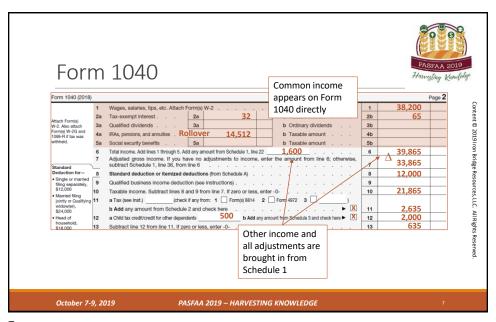
## The New 1040 and Numbered Schedules

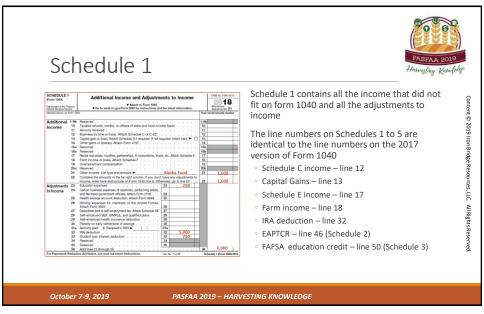
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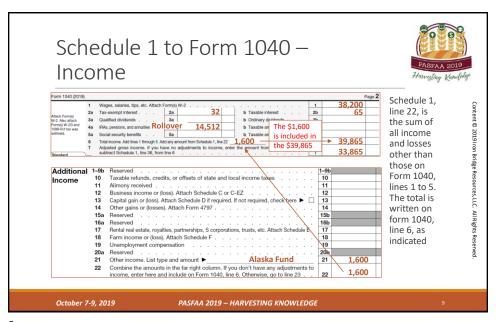
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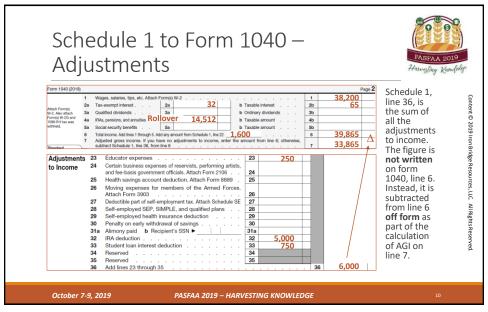














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### What if You Don't Get a Schedule?

#### Using the tax return

For the remainder of the 2018–2019 award year and all of 2019–2020, students can submit a copy of a tax return to complete verification. See the January 9, 2019, electronic announcement for more information, and see also the guidance under victims of identity theft later in this volume for an important caveat. The tax return will likely have been filed electronically with one of a variety of methods. These include do-it-yourself methods as well as completion by a tax preparer. Each method should permit printing of a paper copy of the return, though the e-file format might not contain every line item, showing instead only the data the tax filer provided. For example, if Item 8a, "Taxable interest income," does not appear on such a return, that means no taxable interest income was reported.

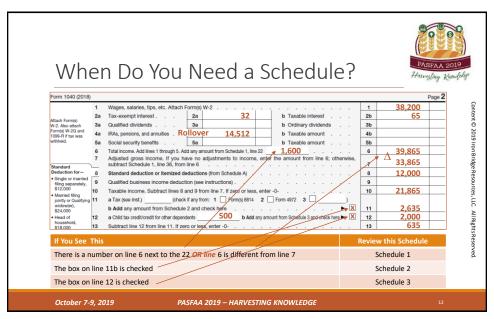
Application and Verification Guide, 2019-2020, page 83

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## 2018 Form 1040 → 2020-2021 FAFSA

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### Verification Data Items



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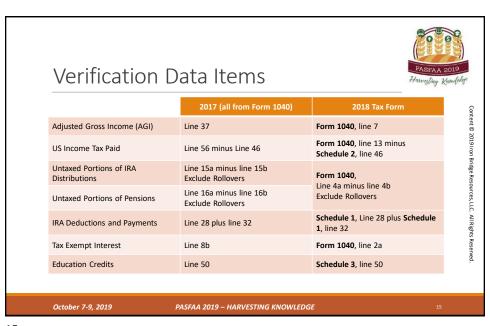
The following chart lists the 2018 IRS Form 1040 and schedules needed to verify the appropriate income and tax information.

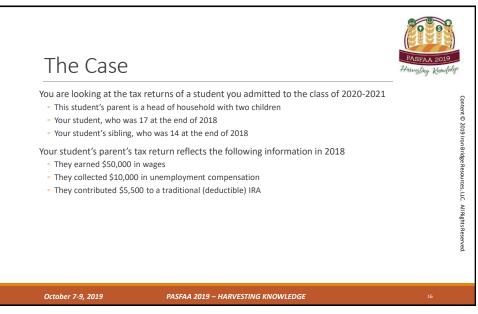
FAFSA Information	Acceptable Documentation
Adjusted Gross Income	2018 IRS Form 1040 Line 7
U.S. Income Tax Paid	2018 IRS Form 1040 Line 13 minus Line 46 of Schedule 2 (Form 1040)
Untaxed Portions of Individual Retirement Account (IRA) Distributions and Pensions	2018 IRS Form 1040 Lines 4a minus 4b. Note: Exclude rollovers.
IRA Deductions and Payments	2018 IRS Schedule 1 (Form 1040) Line 28 plus Line 32
Tax Exempt Interest Income	2018 IRS Form 1040 Line 2a
Education Credits	2018 IRS Schedule 3 (Form 1040) Line 50

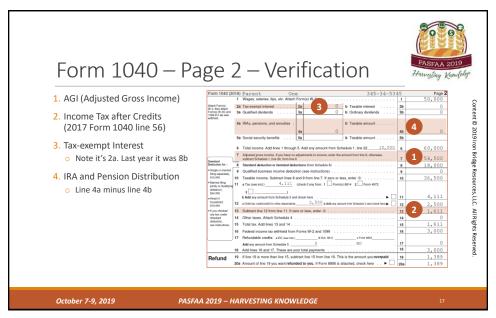
GEN-19-02 https://ifap.ed.gov/dpcletters/GEN1902.html

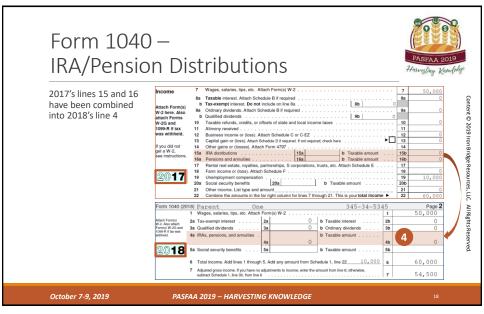
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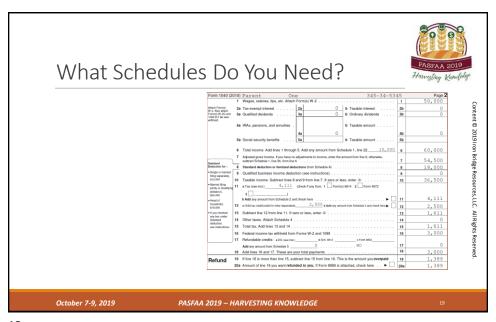
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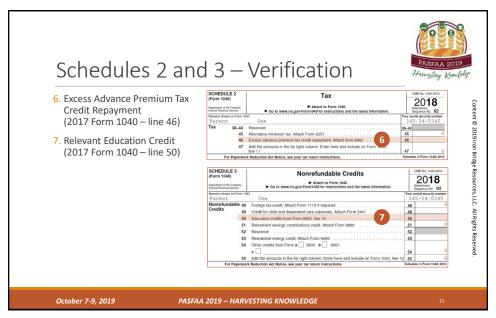


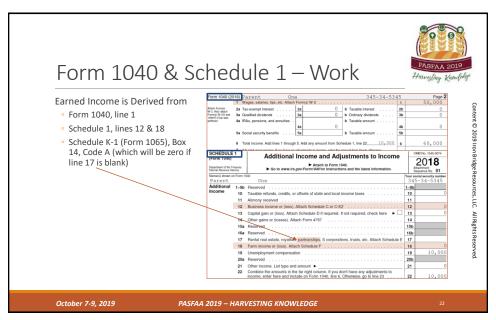


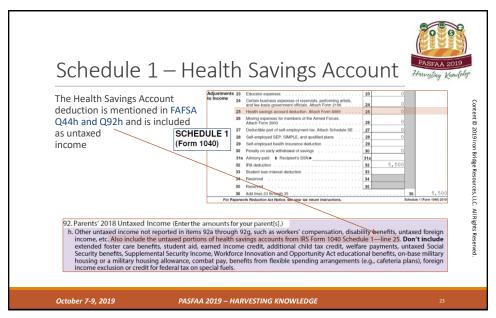


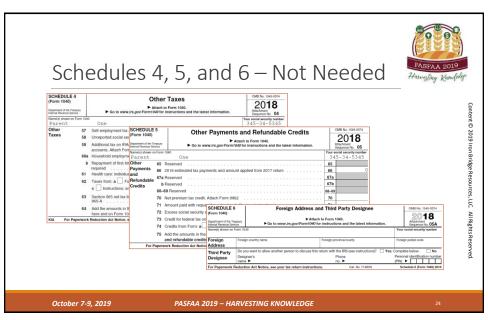


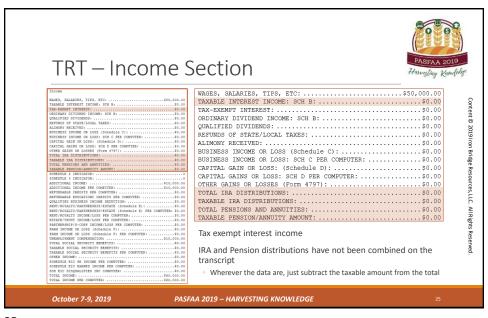


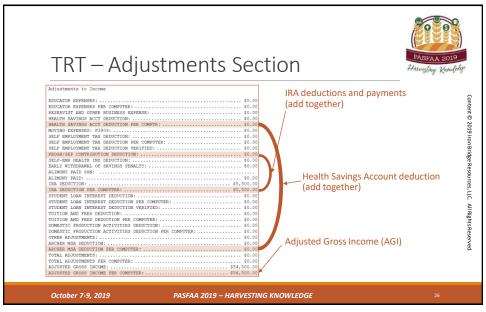


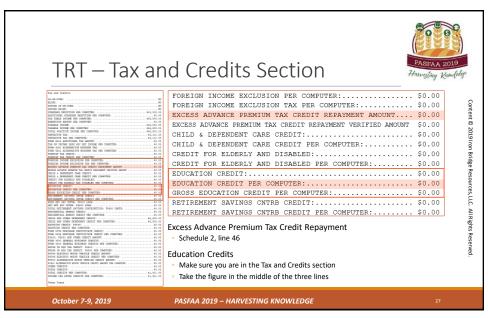


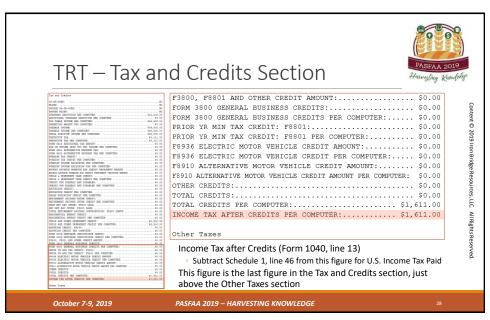


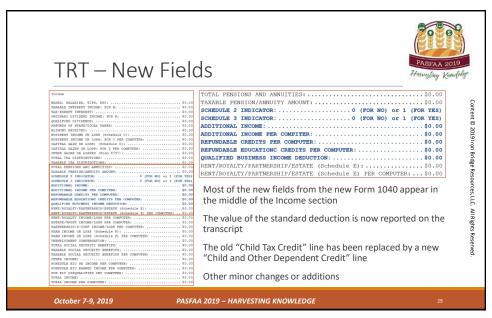


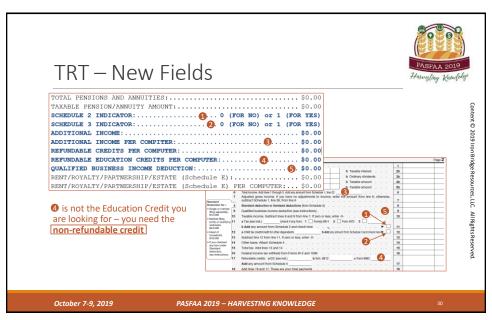


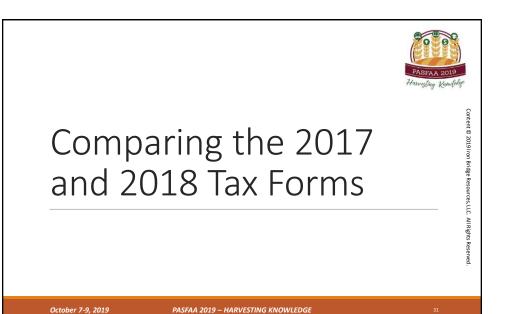


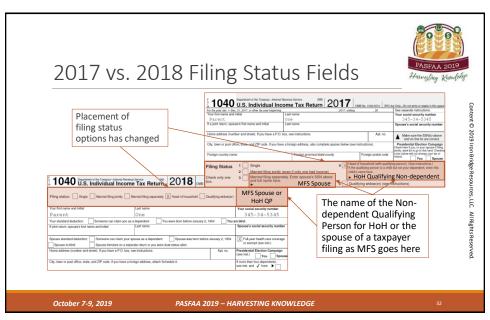




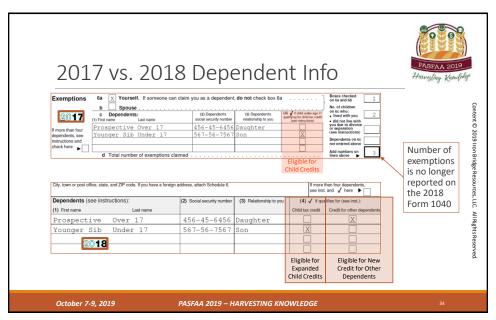








New position for "Someone can claim you as a dependent" box  Less relevant in 2018 as the dependent exemption is worth \$0  Less relevant in 2018 as the dependent exemption is worth to the less relevant exemption is worth to the less relevant to the control of the less relevant to the control of the less relevant to the less relevant to the control of the less relevant to the control of the less relevant to the less relevant to the control of the less relevant to the control of the less relev	017 vs 2018	R Claim	ned-hv	⁄-∩th	iers		ASFAA 20
Description is worth \$0  Less relevant in 2018 as the dependent exemption is worth \$0  The state of the state	position for "Someone claim you as a	Filling Status 1 Si	ngle arried filing jointly (even if only one	a had income) use's SSN above	Head of household (w if the qualifying persor child's name here.	ath quantying person). (See inst is a child but not your depend	ructions.)
Your social security number Pax ent. One 3 4 5 - 3 4 - 5 3 4 5 You seed of security number I you seed on the seconomic number I you seed on the security number I you seed on th	ss relevant in 118 as the dependent emption is worth \$0	If more than four dependents, see instructions and check here	Spouse	(2) Dependent's social security number 456-45-6456 Da	(3) Dependent's relationship to you unghter	on Se and  No. of child  yes child under age 17  plying for child under age 17  time instructionsi  X  Dependen  Dependen  not entire	dren in you 2 he with diverce ion cortions) is on 6c d above
	and initial Last name One leduction: Someone can claim ou as a dependent You were be		Your social security number 3 4 5 - 3 4 - 5 3 4 5				
Squares attended desidencies   Spreament can claim your squares are a September   Squares was not her blank a share you ; 1967   Squares have not one converge or control your squares and a steel of the squares have your squares desided and seen	d deduction: Someone can claim your spouse as a dependent Sp ind Spouse femices on a separate return or you were dust status insurber and street). If you have a P.O. box, see instructions.	s alien Apt. no.	Full-year health care coverage or excert (see inst.)  Presidential Election Campaign (see inst.)  You Spouse If more than four dependents,				





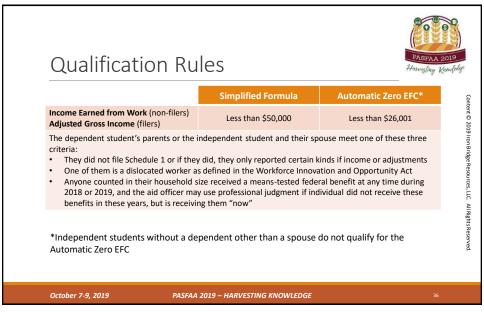
# Auto Zero EFC and the Simplified EFC Formula

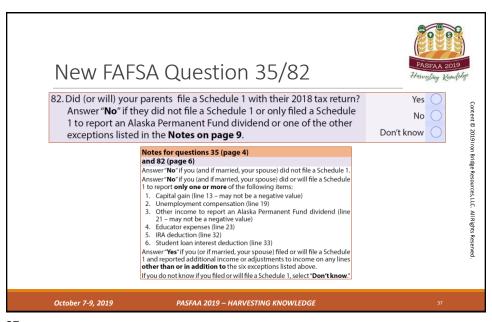
2018 SCHEDULE 1 - ACADEMIC YEAR 2020-2021

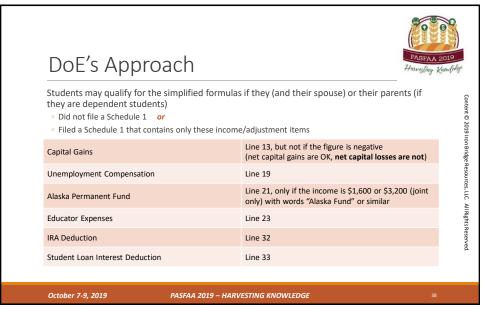
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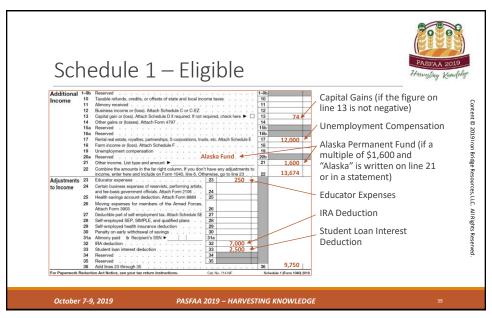
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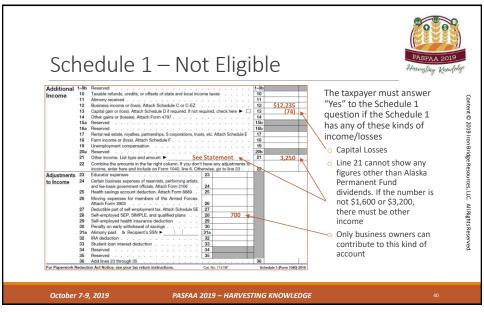
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OCTOBER 31, 2019, AT 10:00 AM VERIFICATION IN THE NEW TAX WORLD

NOVEMBER 13, 2019 AT 10:00 AM CONFLICTING INFORMATION IN THE NEW TAX WORLD

2020-2021 Key Concepts

Schedule 1 and the Simplified

Verifying Non-filers

Verifying Tax Filers

Who is Required to File a Tax Return?

The 2018 Form 1040 and the 2020-2021

What is the Correct Filing Status for a Person?

**FAFSA** 

Formula/Automatic Zero EFC

Rollovers

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## Thank You PASFAA!

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