



# AMHERST COLLEGE

Office of Financial Aid

## NOTES CONCERNING YOUR PRELIMINARY FINANCIAL AID AWARD

Academic Year 2016-17

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### Preliminary Award Letter

The Financial Aid Award posted on Net Partner presents a *preliminary* financial aid award for the 2016-17 academic year. A final award letter will be posted online in Net Partner after the Office of Financial Aid has reviewed your and your parents' 2015 income tax returns and confirmed the analysis of your family contribution.

### Income Documentation

**Students Residing in the United States.** In order for us to confirm our analysis of your family's resources, we ask that you submit income documentation to us by way of the Institutional Documentation (IDOC) Service of the College Board. In early February you will receive an e-mail from the College Board that lists documents for you to submit. Electronic images of the documents you submit will be provided to us by the College Board.

The following documents are required:

- Signed copies of both your parents' and your own 2015 income tax returns (all pages).
- Photocopies of income statements for 2015 (e.g., W-2 forms).
- If your parents hold an interest in a business corporation, a copy of the corporate tax return.
- If your parents have income from a partnership, a copy of the partnership return and/or a copy of your parents' Schedule K-1.

Copies of all returns and other materials submitted should be *signed and dated*.

If no income tax return will be filed by you or your parents, this should be certified to us in writing by providing a statement of income received, listed by source of the income.

A final Financial Aid Award cannot be determined until all required documentation is received.

**Canadian and Other International Students.** In order for us to confirm our analysis of your family's resources, please send us documentation of your family's income from all sources.

Documentation may include:

- Signed copies of both of your parents' income tax returns (all pages) – with an English translation, if applicable.
- A statement of income (e.g., Canadian T-4 Forms), benefits, and perquisites from your parents' employer(s).

### Filing a Free Application for Federal Student Aid

If your award includes federal student financial aid, you should complete a Free Application for Federal Student Aid (FAFSA) for 2016-17 and submit it for processing *after* January 1, 2016. The College's *federal* code for the FAFSA is 002115.

You are encouraged to complete the form electronically through the U.S. Department of Education – [www.fafsa.gov](http://www.fafsa.gov).

We suggest that you wait to complete the FAFSA until after your and your parents' income tax returns have been completed, but *not* beyond any state grant or scholarship application deadline.

**FAFSA-IRS Data Retrieval.** If you file the FAFSA on-line, in most instances you and, if you are dependent, your parents, may retrieve information directly from the Internal Revenue Service and transfer it to your FAFSA. (Married couples who file separately and applicants whose marital status has changed after January 1, 2016, are not eligible to use FAFSA-IRS data retrieval.) If you file your FAFSA before completing income tax returns, you may subsequently retrieve IRS data (at least two weeks after filing your income tax forms) by using the on-line FAFSA corrections process. By e-mail, the U.S. Department of Education will remind FAFSA filers who

do not initially use the FAFSA-IRS data retrieval process that they may later update FAFSA information using the retrieval process.

## Calculation of Financial Need

Information about how we determine your financial aid award may be found at our website, [amherst.edu/go/financialaid](http://amherst.edu/go/financialaid)

*All financial aid at Amherst College is administered on the basis of demonstrated financial need.*

**Student Expense Budget.** The budget used to calculate your preliminary financial need is shown on your Financial Aid Award. The budget is based on estimated costs and allowances for a student at Amherst in the 2015-16 academic year.

|  |                 |
|--|-----------------|
| Comprehensive fee, 2015-16<br>(tuition, room, and board) | \$62,940        |
| Activities and dormitory<br>governance fees, 2015-16     | 832             |
| Books and supplies                                       | 1,000           |
| Personal expenses  | 1,800           |
| Transportation   | Varies          |
| <b>TOTAL</b>   | <b>\$66,572</b> |

An allowance for transportation — two round-trips from home for students living in the U.S. or Canada; one round trip for those living abroad — is added to the budget. This budget is used by the Office of Financial Aid to calculate a student's need and to determine financial aid awards.

It is expected that out-of-pocket (indirect) expenses — including books, supplies, and transportation — will usually be paid from the family contribution. Personal expenses are usually paid from student employment earnings during the school year.

Optional coverage through the College's student health insurance plan (\$1,771 in 2015-16) may also be included in student expense budgets of students whose family health insurance does not provide coverage or comparable coverage for them.

Any changes in fees or allowances will be reflected in a final award.

**Estimated Resources.** The Awards tab on Net Partner shows our estimate of resources available from your family and other sources. This estimate is based on the need analysis procedures of the College Board's "Institutional Methodology," and adjusted in individual cases by Amherst College policy.

Your prospective eligibility for federal financial aid has been determined according to the procedures outlined in the Higher Education Act of 1965, as amended. Your eligibility must be confirmed by your filing a Free Application for Federal Financial Aid (FAFSA), as noted above.

**Financial Need.** Our estimate of your financial need is shown on the Awards tab of Net Partner. Need is shown if your estimated family resources are less than your student expense budget for the academic year.

Financial need is re-evaluated each year on the basis of annually submitted application forms and income tax returns. There are many factors that are considered in calculating the family contribution. Here are some that may play a significant role:

**Income.** If parents' income increases, the expected contribution is likely to increase; if it decreases, the contribution is likely to decrease. The need formulas are adjusted each year for inflation. If parents' income increases at the rate of inflation, the parents' contribution — adjusted for inflation — should be about the same if other factors are the same.

**Allowances against income.** The need formulas consider various allowances against income. Some are basic — for example, federal, state, and local income taxes; social security taxes; and basic family living costs. Others are related to particular circumstances — for example, elementary or secondary schooling costs for the student's brothers and sisters, medical and dental expenses, funeral expenses, tax liens, support of extended family, etc. Some of these recur from year to year; some are not recurring. If we made extra allowances in one year, they may not be relevant to a subsequent year.

**Assets.** Certain family assets — home equity, other real estate equity, bank accounts, investments, businesses, and farms — are considered in calculating a parents' contribution. The value or indebtedness of assets may change from one year to another, especially if assets are being used to pay part of the parents' contribution. The values may also change because of economic conditions.

**Family size.** As children grow older and move away from home, the number of persons in the family may decrease. A change in family size will have some effect on the parents' contribution.

**Number of children in college.** A major factor in the need formula is the number of children in college. In general, a calculated parents' contribution is distributed among the children in college. Sometimes the distribution is not equal if the cost of the colleges is significantly different. If the number

in college changes, the parents' contribution will usually change. For example, if the number in college changes from two to one, the parents' contribution will usually double because it is no longer divided between two children. However, if the number in college increases from one to two, the parents' contribution for each child will be approximately one-half if Amherst and the other college are similar in cost (or if the other institution costs at least one-half of the total, undivided parents' contribution).

## Financial Aid Award

Your financial need can be met with the "package" of financial aid outlined on the Awards tab of Net Partner. Financial aid packages usually include self-help (student employment) and gift aid (scholarships and grants). Gift aid does not require work or repayment. You do not have to accept aid offered in the form of self-help in order to receive gift aid from the College. The College, however, will not replace the self-help expectations with scholarship or grant assistance.

The amount of financial aid shown on the Awards tab will be adjusted for actual expenses in 2016-17. Any additional need may be met by a combination of increased awards of gift aid and self-help.

## Self-Help

**Term-Time Employment.** The expectation for the 2016-17 academic year is that a student will be able to earn about \$2,200 from term-time employment. This represents about seven or eight hours a week of work on campus. There are two categories of term-time employment:

- **Federal Work-Study.** A federal program under which students with financial need may be employed on campus. Not more than 75 percent of a student's wages may be derived from the federal government; the remainder is provided by the College.
- **Institutional Student Employment.** Work that may be assigned without regard to a student's financial need and for which the College bears the full cost of compensation.

Term-time employment opportunities include work in the College's dining service, physical plant department, libraries, laboratories, art studios, and academic and administrative offices. Federal Work-Study positions are also available during the academic year (and summer) in off-campus nonprofit agencies and organizations.

**No Student Loan.** Student loans are not included in initial financial aid awards of students with financial

need. In some circumstances, however, a student may subsequently choose to borrow a loan. Information about available federal and institutional loan programs is given in an appendix.

## Gift Aid

**Federal Pell Grant.** If your Financial Aid package shows an amount for a Pell Grant, we estimate that you are eligible for this federal program. Pell Grants are based on need.

**State Scholarship or Grant.** If your Financial Aid package shows an amount for a state scholarship or grant, we anticipate that you are eligible for assistance from your state's program. If you are not financially eligible for a state award, the amount will be replaced by scholarship or grant aid from the College.

It is your responsibility to apply for a state scholarship or grant if you are a resident of Connecticut, Maine, Massachusetts, Pennsylvania, Rhode Island, or Vermont. You should complete and file the appropriate application forms before the state scholarship or grant program's published deadline. In most of these states the FAFSA is used to apply for state scholarships or grants; some states have additional application requirements. Your secondary school guidance office can provide you with additional information.

**Outside Scholarships.** If you have informed us of any assistance that you are to receive from organizations outside of the College, this has been included in your Financial Aid package. We remind you that you must notify the Office of Financial Aid if you receive any outside assistance, regardless of the amount. The College allows outside scholarships to replace self-help in the financial aid award. Outside scholarship aid in excess of self-help reduces scholarship aid that would otherwise be provided by Amherst. An outside scholarship cannot be used to replace a part of your family resources; it must be taken into account in the financial aid award, in accordance with federal regulations and College policy.

**Scholarships and Grants Administered by Amherst.** If you have financial need remaining after the subtraction of self-help, Pell and state grants, and "outside" scholarships, it will be met with scholarships and grants administered by the College.

- **Federal Supplemental Educational Opportunity Grant (SEOG).** A federal program that provides grants of as much as \$4,000 a year to students with great financial need.
- **Amherst College Scholarship.** Aid drawn from the College's scholarship endowment income, annual gifts for financial aid purposes, or current operating funds.

**529 Plans.** Proceeds from College Savings or Prepaid Tuition Plans (established under Section 529 of the Internal Revenue Code) will not be reflected in your Financial Aid package. The full cash value of these funds should have been included in the calculation of your family contribution. Any proceeds to be used in the academic year must be accessible prior to the bill due date of each semester.

## Appeals

Students with questions concerning their financial aid awards should contact the financial aid office. An appeal for reconsideration of an award must be made in writing to the financial aid office. The letter should address changes in circumstances, unusual expenses, special situations, or additional information not already presented in the financial aid application.

## Additional Questions

If you have any questions concerning your financial planning for Amherst, please feel free to write to:

*Office of Financial Aid  
B-5 Converse Hall  
Amherst College  
P.O. Box 5000  
Amherst, Massachusetts 01002-5000*

or [finaid@amherst.edu](mailto:finaid@amherst.edu)

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## APPENDIX – Student Loans

Although the College does not package student loans in financial aid awards, there may be circumstances in which a student may request a loan – for example, to replace a shortfall in savings from summer employment, to reduce or replace term-time employment, or to purchase a personal computer.

Here is information about federal and institutional loans available to Amherst students.

- **Federal Direct Stafford Loan.** There are both subsidized and unsubsidized Federal Direct Stafford Loans. This federal program allows students with financial need to borrow as much as \$3,500 an academic year as a first-year student, \$4,500 as a sophomore, and \$5,500 a year for subsequent undergraduate study. These loans may be subsidized to the extent that a student has financial need. Students may also borrow an additional \$2,000 a year in unsubsidized Stafford Loans. The aggregate amount that may be

borrowed as an undergraduate is \$31,000, including \$8,000 of additional unsubsidized Stafford Loans. The interest rate on subsidized and unsubsidized loans is 4.29 percent on loans borrowed between July 1, 2015 and June 30, 2016. Under current legislation, the federal government will set the fixed rate for new loans each year and pays the interest on subsidized loans while you are in college. The subsidized loan program is need-based; that is, the amount that you can borrow is limited to the difference between your student expense budget and the sum of your resources and benefits and any other financial aid you receive. Unsubsidized loans may be used to replace part of the expected family contribution. There is a federal origination fee of 1.068 percent, which will be subtracted from the loan amount before disbursement.

- **Federal Perkins Loan.** This federal program provides loans for students with demonstrated financial need. It is administered directly by Amherst College. The total amount that a student may borrow is \$5,500 a year, and no more than \$27,500 may be borrowed as an undergraduate. The interest rate is 5 percent. There is no repayment required and no interest charged while you are in college and for nine months after graduation or termination of studies.
- **Amherst College Loan.** The College provides loans from its own funds for international students and others who do not qualify for federal loan programs. The interest rate is 5 percent on subsidized Amherst College Loans. There is no repayment required and no interest charged while you are in college and for six months after graduation or termination of studies.

Loans are disbursed in equal installments at the beginning of the fall and spring semesters, or once all loan requirements have been met. Students must complete a Master Promissory Note (MPN) and Entrance Counseling to be eligible for loan disbursement.