



## Step 2: Complete your PFS

Use the section-by-section guide below to complete the online PFS fully and accurately. You may not see all questions covered in this workbook. Some questions are only displayed based on your answers to previous questions. An application will not be processed until you have completed all required questions • Note: References to tax form line numbers below and on the form may vary slightly from the actual line numbers on 2021 tax forms.

### Question-by-Question Instructions

#### Household Information

##### Parent/Guardian Information

- **Parent/Guardian A and B** — Fill in the biographical and contact information exactly as you do on tax and other official forms. Include an email address so we can send you a confirmation that we have received your PFS. If either parent has more than one job, please identify.
- **Other Parent** — Complete this section only if the student applicant(s) has another living biological or legal (adoptive) parent who was not listed as Parent/Guardian A or B. Any noncustodial parent or parent with joint custody in separate households should be listed here, but he/she must also complete a separate PFS. Be sure your answers to the remainder of the questions in the PFS only pertain to the parents/guardians in your household. Please note that both of these fields are listed with "None" in the field by default. The "None" must be changed to "Yes" or "No" prior to saving this section.

##### Applicant Information

- **Applicant(s)** — Enter the biographical information only for students who are applying for financial aid at subscriber schools. Do not include your other dependent children who are not applying for aid or are only applying for aid at non-SSS subscriber schools.
- **Applicant Lives With** — Select the best response for the current family situation. If the applicant lives with someone other than Parent/Guardian A or B, enter the name(s) of the other parent(s)/guardian(s).

##### Non-Applicant Dependent(s)

- **Dependent(s)** — Enter the biographical information for all dependent individuals in your household who are NOT applying for financial aid at a subscriber school. DO NOT add anyone to this section you have already identified as a Parent/Guardian or an Applicant.

#### Family Income

##### Basic Tax Information

- **2021 Tax Return** — It is preferred, but not required, that you have completed your 2021 tax return in order to complete this PFS. If you have not yet completed it, select "Estimated" and use your best estimate to answer each question.
- **Income Tax Filing Status** — If Parent/Guardian A and B have different tax filing statuses, enter the status of Parent/Guardian A (IRS Form 1040).



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- **Federal Tax Paid** — Enter the total federal tax paid in 2020 (line 16 on IRS Form 1040 minus line 4 on Schedule 2). Self-employment tax on line 4 of 1040 Schedule 2 is reported elsewhere on the PFS. Do NOT enter the amount labeled “federal income tax withheld,” because the amount that is withheld is not always what you actually need to pay for federal income tax.
- **Business/Farm Ownership** — Indicate if you are a sole proprietor or partner in one or more businesses and/or farms. If you are, you will be asked for additional information in a separate Business/Farm section.

### Total Taxable Income

- **Taxable Salaries and Wages** — Enter taxable salaries and wages including tips, drawing accounts from self-employment, and other employee compensation before payroll deductions for 2021. Enter the actual amount if your 2021 taxes have been completed or estimate if they have not. Refer to Box 1 on your W2 from your employer(s). If you have more than one W2, add the amounts and enter the total. (If you own a business/farm, do NOT include profit/loss from the business; only include any W2 salary you pay yourself.)
- **Taxable Dividend and/or Interest Income** — Enter taxable dividend (line 1a on 1099-DIV or line 3b of 1040) and interest income (line 1 on 1099-INT or line 2b of 1040) for 2021 and 2022 (estimated). Do not include value of your income-generating assets here.
- **Alimony** — Enter the total amount of alimony received in 2021 and 2022 (estimated). Do not include child support.
- **Adjustments to Income** — Enter the total amount of adjustments (line 8a on IRS Form 1040) reported for 2021 and 2022 (estimated).
- **Untaxed Portions of Payments to an IRA** — Enter the amount of any payments you made into an Individual Retirement Account (IRA) or a Roth IRA (line 4b of IRS Form 1040). Otherwise, enter zero.
- **Keogh Payments and SEP Deductions** — Enter the amount of any payments you made into a Keogh, Simplified Employee Pension (SEP), SIMPLE, and/or other qualified plans (line 15 of IRS Form 1040 Schedule 1). If you made no such payments, enter zero.
- **Self-Employment Tax** — Enter the total deductible amount of self-employment taxes (line 4 on IRS Form 1040 Schedule 2) you paid in 2021 and 2022 (estimated).
- **Other IRS-Allowable Adjustments** — Itemize any other IRS-allowable adjustments not listed above.
- **Other Taxable Income** — Enter the amount of any other taxable income received. Enter zero if no other value applies.

### Total Nontaxable Income

- **Child Support Received** — Enter the total amount of child support you receive for all your children, not just those applying for financial aid, in 2021 and 2022 (estimated). Enter the amount you actually received, not the amount agreed upon. This is not reported on your federal or state tax returns.
- **Social Security Benefits** — Enter the total amount of all social security benefits received by all members of your household, not just by parents/guardians in 2021 and 2022 (estimated).
- **Other Nontaxable Income** — Enter the amount of any other nontaxable income you received, if any. Enter zero if no other value applies.

### Applicant Income

- **Student Applicant Income** — Enter the amount of money, if any, earned by each student applicant in 2021 and 2022 (estimated) and whether or not the student applicant filed a federal tax return. Only enter earnings for your children who are applying for financial aid. Complete this section even if the applicant worked but did not file taxes.



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- **Student Applicant Assets** — Enter the total value of each student applicant's assets, if any, and itemize them. Include student savings accounts, IRAs, stocks, bonds, inheritances, trust funds, and real estate, as well as the cash value of annuities and education insurance policies. Student assets **do NOT include**: life insurance policies, stamp or coin collections, or the value of personal property.

### Family Assets and Debits

#### Real Estate

- **Home (Owned)** — If you own your home/primary residence, enter the purchase year, purchase price, current market value, current unpaid principal on your first mortgage, and total annual payments on your first mortgage (include all property taxes, interest payments, insurance payments, and condo/association fees). If you have a second mortgage or home equity loan, you will also be asked for the current unpaid principal, annual payments, and its purpose. If you're unsure how to estimate your home's current market value, consider using an online resource like [www.zillow.com](http://www.zillow.com).
- **Home (Rental)** — If you do not own your home/primary residence, enter the total annual rent paid.
- **Other Real Estate** — If you own real estate or property other than your primary residence or a business or a farm, enter the address, purpose, purchase price, current market value, and unpaid principal on all mortgages, not including interest or property taxes for each property. Also report the total annual payments on all first mortgages, including all property taxes, interest payments, insurance payments, and condo/association fees for each additional property owned.

#### Vehicles

- **Cars, Boats, and Recreational Vehicles** — Enter the type, make, model, year, ownership status, current debt, and annual lease cost for every vehicle in your household. Include vehicles purchased for your children. If you do not make payments on the vehicle, enter zero in the debt/lease questions and provide an explanation.

#### Other Assets and Debits

- **Bank Accounts** — Enter the total value of parents' checking and savings (interest bearing and non-interest bearing) accounts, including money market accounts as of the date you complete your PFS. **Do NOT include**: the value of student applicant accounts in this total.
- **Investments** — Enter the total net value of investments (market value minus debt) as of the date you complete the PFS. Include stocks, bonds, mutual funds, other securities, CDs, trust funds, and total cash value of whole life insurance policies. **Do NOT include**: retirement-specific accounts.
- **Retirement Plans** — Enter the total current value of retirement-specific accounts, such as 401(k)s, 403(b)s, IRAs, Keoghs, pensions, etc. **Do NOT include**: savings, investments, CDs, etc. that are not held in vehicles specifically designated as retirement plan accounts.
- **Debts** — Enter the outstanding balances on amounts borrowed for situations such as parent educational debt, encumbrances against home or other real estate (NOT mortgages), living expenses if business fails, prolonged illness, unemployment, etc. have depleted assets; past health expenses, past business debts and legal fees; and uninsured national disasters or past funeral expenses. **Do NOT include**: business, farm, car or consumer debt/loans, debts for routine home repairs, school expenses for children, travel expenses, or debts from investments.
- **Consumer Debts** — Enter the total outstanding balances on all credit cards that you hold, including department stores, gas station credit cards, etc. **Do NOT include**: items reported as debts elsewhere on the PFS.



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### Family Expenses

#### Educational Expenses

- **Children You Support** – Enter the total number of children for whom you will be providing support for in 2021. Include both student applicants applying for financial aid AND other non-applicant dependent children. If you are providing support for dependents living with you who are not your children, please explain.
- **Number of Children at Tuition-Charging Institutions** – Of the children you support, indicate how many of them will be attending tuition-charging institutions such as childcare centers, schools, or colleges. **Do NOT include:** children who are cared for by a nanny, family members, or other types of daycare that are not operated by an institution, business, or agency.
- **Education Expenses** – Enter the educational and childcare costs for EACH of your children for 2021 and 2022 (estimated). Include costs for a nanny, family members, and/or daycare that are not provided by an institution, business, or agency.
- **Sources of Payment** – Indicate how you paid for the 2021-22 academic year from each source for the education expenses listed above and how much you will pay for the 2022-23 academic year. If you are unsure which school your child/children will attend and how much it will cost for tuition, enter your best estimate based on your preferred school. Sources include financial aid, parent/guardian, student assets/earnings, loans, friends/relatives, trust funds, and other.
- **What You Can Pay** – Estimate what you can pay towards tuition and other educational expenses for each applicant. Be realistic about the amount you can contribute, keeping in mind the primary responsibility for paying for your child's education lies with you. It is helpful for financial aid officers to have a realistic estimate of how much the family feels they can pay for tuition.

#### Other Expenses

- **Non-Reimbursable Health Expenses** – Enter the total amount paid for uninsured medical and dental expenses in 2021 and 2022 (estimated). Do not include amounts covered by insurance or the cost of insurance premiums or medical plans. Itemize amounts by each type of medical expense, such as doctors' bills, medicine, and hospital bills.
- **Total Paid for Health Insurance** – Enter the total amount paid out-of-pocket for medical/dental insurance premiums and plans. Do not include the amount of premiums paid by your and your spouse's employer(s).
- **Child Support & Alimony Paid** – Enter the total amount of child support paid toward each child and overall alimony paid.
- **Cost of Utilities** – Enter the yearly cost of household utilities.
- **Cost of Charitable Contributions** – Enter your yearly charitable contributions
- **Cost of Club Dues** – Enter the yearly costs of social clubs, health/athletic clubs, etc. to which parents and/or children belong that cost more than \$250. Specify the types of clubs.
- **Cost of Camps and Lessons** – Enter the total amount paid for camps and lessons for your children in 2021. Include academic, sports, music, summer day or overnight camps, tutors, test preparation, and academic enrichment programs. Itemize these expenses.
- **Cost of Vacations** – Enter the total cost of all individual and family vacations taken in 2021.
- **Unusual Expenses** – Enter and explain the total amount paid for unanticipated, non-typical or emergency expenses in 2021 and 2022 (estimated). Include expenses such as nursing home/assisted living care, current legal fees, closing costs for home purchases or refinancing; sewer, street and water assessments (installation only); unreimbursed tuition for parents, uninsured natural disasters, child support paid in excess of \$5,000; special costs for a child with physical, developmental, or other diagnosed challenges; funeral expenses; and union dues. **Do NOT include:** expenses covered in other questions, charity or church contributions, commuting expenses, household help payments, or routine home repair expenses.



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### Business and Farm

#### Business Information

- **Owner and Contact Information** — Enter the owners, names, and addresses of all the businesses/farms owned in full or in part by Parent/Guardian A and/or Parent/Guardian B.
- **Type of Business:** Select the type of business(es)/farm(s) and describe the service/product provided.

#### Tip for Business & Farm Owners

Use the Tax Primer for Self-Employed Parents for specific guidance on where to find the business or farm tax information you need to report on your PFS.

#### Business Income

- **Business/Farm Income** — Determine your total business/farm income by entering the gross receipts and sales, cost of goods sold, and other business/farm income for each business or farm you own. Enter totals for 2021 and 2022 (estimated). You may also be required to provide additional documents, such as:
  - Schedule C or F
  - Schedule E \*Schedule E business owners must answer "Yes" to PFS question 7 for "Other Taxable Income" and report amount in 7q.
  - Schedule K-1
  - Form 1065
  - Form 1120S

#### Business Expenses

- **Business/Farm Expenses** — Determine your total business/farm expenses by entering the total salaries and wages paid to you and/or your spouse, other salaries/wages, additional compensation, business property rent, business property mortgage, and other business/farm expenses for each business or farm you own. Enter totals for 2021 and 2022 (estimated) for each business or farm. You may be asked to provide additional information, such as a Schedule 1 and/or C included with your IRS Form 1040.
- **Total Depreciation** — Enter the total amount of depreciation claimed for tax purposes for each business, farm and/or rental property you own. Refer to IRS Schedules C (line 13), E (line 23d), and/or F (line 14).
- **Self-Employed Tax Paid** — Enter the amount paid for self-employment taxes for each business or farm you own for 2021 and 2022 (estimated). Refer to IRS Form 1040 (line 4 on Schedule 2 of 1040).

#### Business Assets and Debts

- **Business/Farm Assets** — For each business or farm you own, enter the total value of the business assets as of the date you complete the PFS. **Do NOT include:** any of your personal assets.
- **Business/Farm Debts** — For each business or farm you own, enter the amount of the business debts or liabilities as of the date you complete the PFS. **Do NOT include:** any of your personal debts or liabilities.

#### Other Considerations

- **Additional Comments** — Enter any comments regarding your application to provide schools with additional information not covered elsewhere in the application.