

FAFSA and VA Education Benefits

“How do VA benefits affect my request for Federal financial aid?”



U. S. Department of Veterans Affairs

Education Service

Washington, DC

What's Covered?

1. What's the difference between income and a resource?
2. How do I show VA benefits on the FAFSA?
3. Am I a veteran? How can I prove that to my school financial aid department?

Income vs. Resource

The Higher Education Act of 1965 provides the basic rules and regulations governing Federal financial aid requests using the Free Application for Federal Student Aid (FAFSA).

The FAFSA is used to apply for federal loans, grants, and work study. In addition, some schools use the FAFSA to award non federal aid.

- **Income** is money you have coming in each month from a job, dividends, child support, etc.
- **Resources** are funds that you may have access to, but aren't considered monthly income. These include VA education benefits under chapters 1606, 1607, 30, 32, 35, Section 903, REPS, ROTC (title 10 chapter 2), ROTC (title 37 chapter 2), and chapter 31 Vocational Rehabilitation and Employment benefits.

- A common mistake is to include resources as income on FAFSA forms.
- Listing resources in the income section can reduce your need-based financial aid amount.
- Do not include VA educational benefits on the income section of the FAFSA.

VA Benefits on the FAFSA

Question 41 Worksheet B

Veteran's non education benefits (income):

Enter the total amount of non education benefits you receive from VA. These will include Disability benefits, Dependency and Indemnity Compensation, Death Pension, VA Education Work Study, etc.

These items are considered to be non taxable income.

Questions 46-47

Veteran's Educational Benefits (resources):

46. Enter the number of months of entitlement you are eligible to receive benefits during the school year. If in doubt, call VA at 1-888-GIBILL1.
47. Determine if you will attend school full time or part time. Enter the monthly amount you are eligible to receive during the year. If in doubt, call VA at 1-888-GIBILL1.

Veteran Status

For FAFSA purposes, veteran status is very different than for VA purposes.

The FAFSA processor will perform a data match with VA records to determine veteran status.

Students who are able to claim veteran status do not have to show their parent's income and assets on the FAFSA form.

For FAFSA purposes, a veteran is any service member who has been on active duty for at least one day and was released under a condition other than dishonorable.

Active duty does include basic training.

Guard and Reservists must have been called to active duty by federal authority (title 10) for purposes other than training to attain veteran status.

To be considered a veteran, a student must have been released from active duty.

If the student is still on active duty and will be released by June 30th of the school year, he or she is considered to be a veteran.

Alternate Evidence Showing Veteran Status

If the data match with VA records doesn't show veteran status, the student may provide other evidence:

- a Member 4 copy of a DD 214,
- an Honorable Discharge Certificate,
- or Statement of Service letter from a commanding officer showing Character of Service (a school may still require a 214).

Warning From the Department of Education

“Be wary of organizations that charge a fee to submit your application, or find you money for school. Some are legitimate and some are scams. Generally any help you pay for, you can get for free from your school or the U.S. Department of Education.”

Questions?

For questions concerning your VA educational benefits, contact VA at 1-888-GIBILL1 or visit us online at www.gibill.va.gov.

For questions about the FAFSA, contact the Federal Student Aid Information Center at 1-800 4 FED AID or online at www.fafsa.ed.gov/contact.