



## FAQ: Term Time Employment Policy and its effect on Financial Aid

### What is the YLS Term Time Employment Policy?

As outlined in the 2017-2018 Financial Aid Handbook: Term-time income in excess of \$1,000 will be considered as an asset to meet financial need. Seventy percent of net income in excess of \$1,000 will be applied first to replace any unmet summer employment or asset contribution expectation, parental contribution that is not in fact available, or to meet expenses in excess of the basic budget. If no such shortfall exists or if the net income exceeds the shortfall, the income (or that portion in excess of the shortfall) will be used to reduce loan and/or grant eligibility. Net income less than \$7,200 will be used to reduce COAP eligibility for loans; income in excess of \$7,200 will reduce grants.

### How will any term time adjustment be made?

- For current 1Ls and 2Ls – adjustments for any term time employment during the 2016-2017 academic year will be factored into your next academic year 2017-2018 aid award. A series of questions is included on FFAST specific to capture prior academic year term time employment. Those students who opt not to complete need access (loan consideration only) will be asked to supply this information separately on an addendum to their Notification and Confirmation form. From the FFAST data, students whose income exceeds the parameters outlined in the policy will see a calculation for term time income on their 2017-2018 aid award letter in their student contribution (along with existing assets and summer earnings contributions). *Students should plan accordingly knowing that any income derived in 2016-2017 may affect their 2017-2018 aid award.*
- For 3Ls – students will receive an email at the beginning of the Spring 2018 term requesting that they report term time employment for academic year 2017-2018. Based on this data, students will be informed if a term time adjustment of their aid is required. If so, 3L students will have the choice of 1) having funds adjusted directly off their student account or 2) having the adjustment made in the amount of COAP eligible loans they have incurred while enrolled. By offering two options, students who cannot afford to lose direct funds in their spring term have the option of the COAP adjustment.

### How many students do term time employment adjustments really affect?

We want to reinforce that term time employment affects a *very small number* of our students' financial aid award particularly because the net term time income (total income - \$1,000 shelter X 70%) is first balanced against your calculated summer earnings contribution, asset contribution and then the parent contribution. If any of those contributions (combined) exceed your term time net income no adjustment (\$0) is made. The vast majority of our students fall into that category. And for the small percentage where an adjustment is required because we take the first \$7,200 of any adjustment out of loans, an even smaller percentage of students will reach the threshold where their grant/scholarship is affected. In addition, *ABA Standard 304(f) provides that "A student may not be employed more than 20 hours per week in any week in which the student is enrolled in more than twelve class hours."* Because of this the average reported gross term time income for our students last year was a relatively low \$3,377.

### If an adjustment comes off loans does that mean I lose funds?

No...you can still opt to borrow the loan funds in the same way that you can always borrow loan funds to cover any portion of your own student contribution (summer earnings or assets) – but any borrowing for any portion of the student contribution is not covered by COAP.

### How does it really work?

*Example 1:* Student A is a 2L student who made \$6,000 in gross income from a term time job in 2016-2017 which she reports on her 2017-2018 FFAST application. For her 2017-2018 financial aid award she has a calculated parent contribution of \$4,000 and a student asset contribution of \$1,500.

- In making the 2017-2018 aid award we calculate the net term time income as \$6,000 - \$1,000 (shelter) X 70% = \$3,500
- We look to see if the student has any calculated 2017-2018 student contribution from summer

- earning and/or assets OR if the student has a parent contribution to equal the term time income.
- Student A has a parent contribution exceeding the \$3,500 in term time income so no adjustment for their 2016-2017 employment is needed on her 2017-2018 aid award

*Example 2:* Student B is a 3L who made \$6,000 in gross income from a term time job in 2016-2017. For the 2017-2018 aid award Student B has a \$0 summer earnings contribution (because he did SPIF), \$0 assets (because we divide the assets between the 1L and 2L year) and has a \$0 parent contribution.

- As a 3L Student B will receive an email notification to report term time employment income to the Financial Aid Office in the Spring 2018 term.
- We calculate the net term time income as  $\$6,000 - \$1,000 \text{ (shelter)} \times 70\% = \$3,500$
- We look to see if the student has any 2016-2017 summer earnings, asset or parent contributions that the term time income can replace. In this case, they have \$0 contribution so an adjustment is necessary.
- We would adjust the first \$7,200 off loans... so Student B would be informed and have the choice to either:
  - 1) reduce his 2017-2018 loan funds by \$3,500 (canceling those funds with the lender and pulling them off the student account) and potentially leaving him with a deficit in the spring term **OR**
  - 2) keep the loans funds but have \$3,500 of his loans reduced for COAP eligibility (a better option since he will not be left in an immediate deficit).

***If I have questions on if I will be affected by term time employment, what should I do?***

If you have any questions on how accepting a term time position will affect your aid award you can make an appointment with the financial aid office to discuss. We would be happy to review your options or project if and how the employment impacts your financial aid. Contact us at [financialaid.law@yale.edu](mailto:financialaid.law@yale.edu) to set up a time to talk.