



State Grant and Special Programs
Phone: 1-800-692-7392 Fax: 717-720-3786

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Student's Account Number

OR

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Student's Social Security Number
2010-11

Print Student's Name

Dear Student:

The Pennsylvania Higher Education Assistance Agency (PHEAA) is committed to ensuring that the Pennsylvania State Grant Program is administered with the utmost attention to integrity and accuracy. As part of this commitment, Income Verification Reviews are performed annually on a number of applications to ensure that accurate data was used to determine eligibility for Pennsylvania State Grant aid.

The purpose of this letter is to inform you that your 2010-11 Pennsylvania State Grant application has been selected as part of this annual Income Verification Review process.

Therefore, it is important that you provide certain income tax-related information:

What do I need to send? If considered a dependent student:

- Signed copy of your parent(s)' 2009 U.S. Income Tax Returns along with any other supporting Forms and Schedules.
- Copy of your parent(s)' 2009 Wage and Tax Statements (W-2 forms). W-2's should be legible and contain figures in Box 1 and either Box 16 or 18.
- Copy of each 2009 Form 1099 (other than Interest and Dividends but including 1099G Forms, Unemployment Compensation Statements).
- Copy of the most recent U.S. partnership and/or corporation tax return(s), including completed balance sheet(s) and K-1 schedules (if your parents have an interest in a corporation and/or partnership).
- Copy of this letter, ensuring that you provide your PHEAA-assigned account number or social security number, which will aid in the identification of incoming information.

What do I need to send? If considered an independent student:

- Signed copy of your and your spouse's, if married, 2009 U.S. Income Tax Return(s) along with any other supporting Forms and Schedules.
- Copies of ALL 2009 Wage and Tax Statements (W-2 forms). W-2's should be legible and contain figures in Box 1 and either Box 16 or 18.
- Copy of each 2009 Form 1099 (other than Interest and Dividends but including 1099G Forms, Unemployment Compensation Statements).
- Copy of the most recent U.S. partnership and/or corporation tax return(s), including completed balance sheet(s) and K-1 schedules (if you and/or your spouse have an interest in a corporation and/or partnership).
- Copy of this letter, ensuring that you provide your PHEAA-assigned account number or social security number, which will aid in the identification of incoming information.

Where do I send this information?

- This information should be sent to PHEAA, P.O. Box 8157, Harrisburg, PA 17105-8157.

When do I need to send this information?

- We must receive this information within the next 30 days. Please note that we will be unable to complete processing of your Pennsylvania State Grant application until all necessary information has been received, which could delay disbursement of funds to your school.

We have enclosed a list of frequently asked questions to aid you in responding to this Income Verification Review process. Customer service representatives are also available to answer any questions you may have and can be reached, toll-free, at 1-800-692-7392 (TDD for hearing impaired: 717-720-2366).

State Grant and Special Programs

Enclosure
10EST

Frequently Asked Questions Income Verification Review Process

Am I required to provide this information?

If you do not respond to this request and funds have already been sent to your school, we will request repayment of any funds you may have received; if funds have not been sent to your school and you choose not to respond, then no further processing of your application will occur.

Can this review impact my award amount?

Yes. If the income information you provide to us is different than the income information provided on your FAFSA, your award amount may be changed.

Will I receive notification once the review process has been completed?

Yes. Students are also encouraged to view and manage their Pennsylvania State Grant application/record online. You may do this through Account Access located at pheaa.org. You may also receive notification and/or requests for additional information from us via e-mail (using the e-mail address you provided on your Free Application for Federal Student Aid (FAFSA)). Please note that providing a valid email address enables the State Grant Program to more efficiently communicate with you.

My school has requested similar information (or I have already supplied my school with this information). Do I need to submit this information to both PHEAA and the school?

Yes. Schools do conduct their own verification and it is not uncommon for students to receive requests for income information from both the school and PHEAA.

I have other family members in school who also have a Pennsylvania State Grant application with PHEAA. Are they impacted by this request?

Yes. Only one copy of the information requested is required. However, all information received may be used in the Income Verification Review process for both you and any family members that may have an active Pennsylvania State Grant record on file.

How long will it take PHEAA to complete this review?

Provided that all necessary information has been included in your response, you can expect this review to be completed in about 30 business days of receipt; more complex reviews and/or incomplete responses can extend this review period.

What should I do if my parent(s) or I and my spouse do not have a copy of the 2009 U.S. Income Tax Return?

In those cases, copies should be requested from the tax preparer; copies may also be requested directly from the Internal Revenue Service (IRS).

Will you accept a Form 8453(U.S. Individual Income Tax Declaration for an IRS e-file return)?

No. A Form 8453 cannot be used as a substitute for the complete U.S. Income Tax Return.

My parents are separated or divorced but filed a joint 2009 U.S. Income Tax Return. What should I do?

The joint tax return should still be submitted. However, you should also complete and return a 'Separation/Divorce Form' along with their income-tax information. This form can be found on our web site, pheaa.org, under 'Download State Grant Documents'.

My spouse and I are separated or divorced but filed a joint 2009 U.S. Income Tax Return. What should I do?

The joint tax return should still be submitted. However, you should also complete and return a 'Separation/Divorce Form' along with your income-tax information. This form can be found on our web site, pheaa.org, under 'Download State Grant Documents'.

During 2009, payments were made into tax-deferred plans. How should this be reported to PHEAA?

Payments to tax-deferred pension plans (paid directly or withheld from earnings) will be used as untaxed income and will be determined by subtracting the federal taxable wages (box 1 of W-2 form) from the state/local taxable wages (box 16 or 18, whichever is higher) to calculate voluntary and involuntary amounts. However, the amount which the Agency will use may be greater depending upon the specific references to tax-deferred contribution amounts on the W-2 forms. Where it is clearly reported on the W-2 form that tax-deferred income represents payments to a flexible pre-tax account for medical/dental expenses, the Agency will not use such. However, where not clearly shown they may be used unless you submit verification of such.

During 2009, someone in my family's household received unemployment compensation. Per instructions to the 2009 Federal Tax Return, the first \$2,400 per recipient was excludable. How should this be reported to PHEAA?

The amount of unemployment compensation received by your family in 2009 which was excluded from the 2009 Federal Tax Return should be reported as other untaxed income. Be sure to provide copies of all of your family's 2009 Unemployment Compensation Statements (1099G Forms).

PHEAA considers me a 'dependent' student. Do I need to send a copy of my income taxes as well?

No, dependent students are asked to provide their supporting parent(s)' income tax information.

PHEAA considers me an 'independent' student, and I am married. Do I need to send a copy of my spouse's income taxes as well?

Yes. If you were married at the time you completed your FAFSA (even if you were not married in 2009), you should also include your spouse's income taxes.

What if I cannot provide the required information within the 30 days?

You should contact us immediately if you will be unable to provide this information within the requested timeframe. Remember, we will be unable to complete processing of your Pennsylvania State Grant application until all necessary information has been received. No information will be accepted after April 1, 2011.