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Year-Round Pell: Application and Calculation

HIGHER EDUCATION

BY SCHNEIDER DOWNS PROFESSIONAL

Effective July 1, 2017, eligible students are able to receive “up to 150 percent of the student’s Pell Grant scheduled award” with a maximum annual grant up to **\$8,880** due to a recent change by the U.S. Department of Education. This is an increase in the maximum grant of \$3,065 from the 2016-2017 award year.

The **eligibility** requirements for additional Pell Grant funds do not differ from the preexisting Pell Grant eligibility requirements; however, the student must be enrolled at least half-time during the payment period in which the student receives Pell Grant funds in excess of 100% of the student’s Pell Grant scheduled award. The additional annual disbursement will count towards the student’s 12 semesters of lifetime eligibility. Institutions need to be mindful of this requirement and verify the lifetime eligibility with the National Student Loan Data System.

Crossover payment periods include programs that start in one award year and conclude in the next subsequent award year. These programs must be considered to occur entirely within one award year for the purpose of calculating each student’s Pell Grant. The award year in which the crossover period is to be included is determined on a student-by-student basis. Students enrolled during crossover periods considered to be part of the 2016-2017 academic year are not eligible to receive additional grants in conjunction with year-round Pell. That being said, the institution must assign the crossover period to the award year that is most beneficial to the student.

The calculation for each period can be expressed in one easy formula:

Enrollment Status x .5 x Student’s Pell Grant Scheduled Award = Eligible Award per Period

For example, a three-quarter-time student (.75) enrolled during the summer of 2017 has a scheduled award of \$5,370 during the 2017-2018 academic year. The calculation of this student’s summer Pell Grant would be expressed as follows:

$.75 \times .5 \times \$5,370 = \$2,014$ Summer 2017 Pell Grant

If this student were to be enrolled full time (1) during the Fall 2017 and Spring 2018 semester, the calculation of the student’s Pell Grant would be expressed as follows:

$1 \times .5 \times \$5,370 = \$2,685$ Fall 2017 Pell Grant

$1 \times .5 \times \$5,370 = \$2,685$ Spring 2018 Pell Grant

As such, this student's total Pell Grant for the 2017-2018 award year would be \$7,384. As the student would receive total Pell Grants in excess of 100% of the student's scheduled award (\$5,370) during the Spring 2018 semester, the student must be enrolled at least half-time during that semester to be eligible.

Institutions should ensure that their financial aid awarding process and systems reflect the changes to annual limits, additional disbursements, and the eligibility requirements for disbursements in excess of 100% of the student's scheduled award. Institutions should also communicate these changes to their students, so they are aware of the changes, and of how the crossover periods could impact their potential lifetime eligibility. While this is welcome news to assist students, institutions should carefully evaluate the changes to ensure that they are in compliance with new regulations. To learn more about Pell Grants, [contact us](#).

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