



PROFESSIONAL JUDGMENT

TOPIC: Stepparents

IM STANDARD TREATMENT

IM standard treatment uses the stepparent's income and asset information in the analysis. The stepparent is expected to contribute to the spouse's children's educational costs, as is the biological custodial parent.

FM STANDARD TREATMENT

The FM standard treatment is the same as the IM.

WHY PROFESSIONAL JUDGMENT MIGHT BE APPROPRIATE

In some cases, the biological parent has remarried only recently, perhaps after the student began college, and the stepparent does not have an ongoing relationship with the student. In other cases, there may be extreme circumstances, such as abuse, drugs, or other problems that make it unreasonable to include the stepparent's resources. Some institutions may find it more reasonable to use both biological parents' resources (those of the custodial and the non-custodial parent), rather than information from the custodial parent and the stepparent (or information from more than two parents—both biological parents and their spouses). There may be cases where the biological parents share custody of the student and therefore, may be expected to jointly participate in financing the student's education.

HOW IM COULD BE ADJUSTED

In cases where the stepparent's resources are not considered, the aid administrator may wish to make the following adjustments:

- Adjust the household size to exclude the stepparent (and any of the stepparent's children).
- Adjust the parents' total income to exclude the stepparent's taxable and untaxed income, with taxes adjusted accordingly.
- Exclude the legally defined assets of the stepparent.
- Eliminate the Income Protection Allowance (IPA). This adjustment assumes that the stepparent can pay for household maintenance, including that of the custodial parent. If the stepparent's income is not sufficient for all maintenance costs, the IPA can be reduced appropriately. Excluding the stepparent's income without addressing the fact that this income is helping to maintain the household is doubly sheltering that income.

HOW FM COULD BE ADJUSTED

The household size, parent total income, and parent total assets could be adjusted, as in the IM. The IPA cannot be adjusted, but the income could be adjusted by the amount of the IPA.

HOW COLLEGE BOARD SERVICES SUPPORT PJ

CSS/Financial Aid PROFILE

The PROFILE Application collects detailed information about the family make-up, including information about the custodial parent, the stepparent, and the noncustodial parent. Each parent is asked to provide information about occupation and employer. In addition, the date of separation and divorce of the biological parents is collected. Furthermore, families will report additional information in Section ES. This is a good place to look for information about special family circumstances that affect the family's ability to pay for college.

DOCUMENTATION

All changes should be documented.

The aid administrator may want to collect:

- A letter from the family to substantiate that the inclusion of stepparent data does not accurately reflect the family financial circumstances
- Tax returns and W-2 forms or wage statements documenting the income sources of both the custodial parent and stepparent
- Marriage certificate
- Documentation that verifies which assets are the stepparent's and which are jointly owned
- Third party documentation of extreme circumstances such as abuse