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Subject: Overview of IRS Data Retrieval Process for 2009-2010 FAFSA on the Web

In January 2010, we will initiate a process that will enable Title IV student aid applicants and parents of dependent applicants to transfer certain tax return information from an Internal Revenue Service (IRS) Web site directly to their 2009-2010 Free Application for Federal Student Aid (FAFSA) on the Web application. This process, referred to as IRS Data Retrieval, represents a significant achievement in our ongoing mission to simplify and streamline the student aid application experience for students and parents. Allowing applicants to transfer information directly from the IRS' database into the FAFSA will reduce time, effort, and data entry for FAFSA applicants and their parents. It will also improve data accuracy and consistency, and reduce the need for corrections.

IRS Data Retrieval functionality will be implemented in the 2009-2010 version of FAFSA on the Web for initial and renewal applications on or about January 24, 2010. During this initial pilot period, we will analyze 2009-2010 application submissions in order to determine usage and performance, gather feedback from users (both applicants and schools), and identify potential future improvements.

In the summer of 2010, we will implement IRS Data Retrieval functionality for the 2010-2011 processing cycle. Watch the [Information for Financial Aid Professionals \(IFAP\) Web site](#) for future communications about specific dates and enhancements to the process for 2010-2011.

Below we have provided more information regarding the IRS Data Retrieval process for 2009-2010 in a Frequently-Asked-Question (FAQ) format:

Who Is Eligible To Use the IRS Data Retrieval Process?

The IRS Data Retrieval process can be used by dependent and independent 2009-2010 FAFSA on the Web student applicants, and the parents of dependent applicants, who meet all of the following criteria:

- Must be filing an initial or renewal 2009-2010 FAFSA (IRS Data Retrieval will not be available for corrections entry for 2009-2010)
- Must have a PIN (this is required to access tax information on the IRS database, as well as to sign and submit the FAFSA online); if the student or parent does not have a PIN,

they will be provided with the opportunity to apply for a PIN and use it immediately to transfer IRS data to the FAFSA and submit the FAFSA

- Must have a valid Social Security Number (SSN)
- Must have filed a 2008 federal tax return
- Marital status has not changed since December 31, 2008

When applicants indicate that they want to complete a 2009-2010 FAFSA on the Web application they will be presented with a “What’s New” page regarding the IRS Data Retrieval process that includes a description of the process and these eligibility requirements.

Who Cannot Use the IRS Data Retrieval Process?

Some students and parents may not use the IRS Data Retrieval process, either because there is no information for them in the IRS’ database or the information is not what should be reported on the FAFSA. Therefore, students or parents who meet any of the following criteria will **not** be able to use the IRS Data Retrieval process when completing their 2009-2010 FAFSA on the Web application:

- Parents with all zeroes for SSN
- Students using an 888 identifier in place of an SSN (i.e., students from the Pacific Islands)
- Any student or parent with a marital status date of January 1, 2009 or later
- Any student or parent who indicates they have not already filed a tax return or will not file a tax return in response to the “For 2008, have [you, your parent] completed [your, their] IRS income tax return or another tax return?” FAFSA question

Note: For 2009-2010, applicants using the Spanish version of FAFSA on the Web will not have the option to use the IRS Data Retrieval process. We hope to offer this option to Spanish FAFSA on the Web applicants for the 2010-2011 year.

Who Should Not Use the IRS Data Retrieval Process?

Some students and parents should not use the IRS Data Retrieval process, but we cannot determine that from the information they provide on the FAFSA. Therefore, we advise students and parents who meet any of the following conditions not to use the IRS Data Retrieval process:

- Students or parents who filed an amended federal tax return for 2008 (the IRS database used for this process contains only original IRS information, not information from amended returns)
- Students or parents whose 2008 federal tax filing status was “married filing separately”
- Students or parents who filed a foreign (or Puerto Rican) tax return

In these instances, IRS tax information would not completely or accurately reflect what students or parents are required to report on the FAFSA.

How Will the IRS Data Retrieval Process Work?

The IRS Data Retrieval process is initiated when an applicant responds “Already filed” to the “For 2008, have [you, your parent] completed [your, their] IRS income tax return or another tax return?” question in the respective student and parent financial information sections of the 2009-2010 FAFSA on the Web application and clicks “Next.”

“View Your IRS Information”

Students and parents who respond that they have “Already filed” will be presented with a new FAFSA on the Web page titled “View Your IRS Information.” This page allows the student or parent (depending on the section of the FAFSA being completed) to enter their permanent or conditional PIN, click “Link to IRS,” and be transferred to an IRS Web site where the data retrieval process can be completed. Alternatively, a student or parent can click “Skip This Option” if they prefer to enter their tax information manually. The page includes links to apply for a PIN or request a duplicate PIN if needed.

“Link to IRS”

After the student or parent clicks “Link to IRS” from FAFSA on the Web, a warning page displays advising the student or parent that they are leaving the FAFSA on the Web site and that a new browser window will open for the IRS Web site. After clicking through this warning page, the FAFSA on the Web session is saved and closed and a separate browser window opens to the IRS Web site, where the user must submit additional self-identification information from their 2008 federal tax return. All identification information entered on the IRS Web site must exactly match the information the student or parent provided on their 2008 federal tax return so that the IRS can authenticate the applicant/tax filer.

The self-identification information needed to authenticate with the IRS includes name, SSN, date of birth, address, and filing status. The applicant’s name, SSN, and date of birth will be pre-filled on this screen. Only the last four digits of the SSN will display and the SSN itself cannot be changed on this screen. The name and date of birth can be edited to match the information on the applicant’s 2008 federal tax return.

If authentication is unsuccessful (multiple attempts are allowed), the student or parent can return to the FAFSA on the Web application, retrieve the saved application, and enter financial information manually. Users should also note that their sessions on the IRS Web site will expire after 15 minutes of inactivity. If this occurs, the user will need to log back into the FAFSA on the Web application and re-initiate the IRS Data Retrieval process.

“Transfer My Tax Information into the FAFSA”

After authentication is complete, the student or parent will be presented with a read-only display of tax information from their 2008 federal income tax return that is required on the FAFSA, as the information is stored in the IRS’ database. If the student or parent wishes to transfer the IRS information into their FAFSA on the Web application, they must select a checkbox marked “Transfer My Tax Information into the FAFSA” and click “Transfer Now.”

Upon completion of a successful transfer, the FAFSA on the Web application will automatically reopen in a new browser window with the information from the IRS pre-filled in the appropriate application entry fields. Students and parents can then continue completing and submitting the FAFSA.

All fields populated with data from the IRS transfer will be labeled “Transferred from the IRS” for easy identification. However, the “Transferred from the IRS” label will be dropped if the student or parent changes any of the transferred IRS field values. Changes to student data transferred from the IRS will only affect the label on the student fields; the label on the parent fields will not change unless the transferred parent data is changed. Similarly, the label on the student fields will not change as a result of changes made to the parent fields.

“Do Not Transfer My Tax Information”

If users do not wish to transfer IRS information into their FAFSA on the Web application, they must click “Log Out” next to the “Do Not Transfer My Tax Information” option. Before clicking “Log Out” users may choose to print the read-only display of their 2008 federal tax information to use for reference purposes during manual entry of this information on their FAFSA.

What Output Will Students and Financial Aid Administrators Receive As a Result of the Use of the IRS Data Retrieval Process?

To minimize the impact of this process to schools and software developers in the middle of the 2009-2010 processing cycle, there will be no change to the 2009-2010 Institutional Student Information Record (ISIR) layout as a result of the IRS Data Retrieval process. Instead, we will add six new ISIR comment codes for 2009-2010 that will be set if a student and/or parent uses the IRS Data Retrieval functionality. The comment codes will indicate if the ISIR contains transferred (and unchanged) IRS information or if transferred information has been changed either in the submitted application or by a subsequent correction.

Listed below are the six new comment codes and the scenarios they represent:

- **401** - Student data transferred from the IRS and submitted without modification by the user
- **402** - Student data transferred from the IRS but the user modified one or more items prior to submission of the application
- **403** - Student data transferred from the IRS but the user modified one or more items after submission of the application
- **501** - Parental data transferred from the IRS and submitted without modification by the user
- **502** - Parental data transferred from the IRS but the user modified one or more items prior to submission of the application
- **503** - Parent data transferred from the IRS but the user modified one or more items after submission of the application

ISIR comment codes 401-403 and 501-503 will not have associated text, and will not be included on the Student Aid Report (SAR). The comment codes will, however, appear in Student Inquiry on the [FAA Access to CPS Online](#) Web site. We will document these comment codes for financial aid administrator reference purposes in an upcoming update to the *2009-2010 SAR Comment Codes and Text* guide.

Note: In addition to comment codes, we expect to use specific IRS Data Retrieval flags for the 2010-2011 process.

Will the Verification Process Change As a Result of IRS Data Retrieval Functionality?

We hope and expect that after analyzing the results of the 2009-2010 IRS Data Retrieval process we will be able to simplify verification for applicants who complete their FAFSA using this new process. However, until this analysis is complete, we are not able to make any changes to the current verification process. We expect to contact a selection of schools to ask for their assistance with this analysis.

Contact Information

If you have any questions, contact CPS/SAIG Technical Support at 800/330-5947 (TDD/TTY 800/511-5806) or by e-mail at CPSSAIG@ed.gov.

If your students have any questions, ask them to contact the Federal Student Aid Information Center at 800/4-FEDAID (800/433-3243) or by e-mail at FederalStudentAidCustomerService@ed.gov. TDD/TTY service is also available at 800/730-8913.