

# UCMERCED

A large, stylized, light blue and white illustration of a panther's head, facing right, serves as a background for the central text.

## Office of Financial Aid and Scholarships

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## Return to Title IV Aid Guide

*What students need to know before  
withdrawing from UC Merced ...*

**first. further. forward.**

## What Happens to Your Financial Aid if You Withdraw

### Return of Title IV Funds due to Withdrawal

This guide explains UC Merced's Return to Title IV Aid policies for students who withdraw, are dismissed, or take a leave of absence (ELP) at or before the 60 percent point of the semester. For the rest of this document, the term "withdraw" refers to any student who stops attending for one of these reasons. The policy applies to all students who discontinue enrollment in all classes on or after the first day of the term.

When you withdraw, the Office of Financial Aid and Scholarships (OFAS) must complete a Return to Title IV (R2T4) calculation. This calculation determines how much of the financial aid you received for the term you are allowed to keep and how much must be returned to the aid programs.

#### Determining the Withdrawal Date for the Return to Title IV Calculation

When a student withdraws from UC Merced, the withdrawal date is based on the date the student begins the withdrawal process or notifies the Office of the Registrar of their intent to withdraw. If the student has a documented last date of an academically related activity that is later than that date, OFAS may use the later date if it benefits the student.

#### Impact on Your Student Billing Account

In many cases, the return of aid will create a balance on your UC Merced student account. You are responsible for paying this balance.

### RETURN OF TITLE IV AID CALCULATION

OFAS will identify aid recipients who have withdrawn from UC Merced and determine whether they are subject to the federal R2T4 rules. Title IV funds are federal student aid programs. Federal, State, and Institutional aid will be considered in the Return of Title IV Aid calculation. Title IV aid from the programs listed below will be returned in the order shown:

- Federal Direct Unsubsidized Loans
- Federal Direct Subsidized Loans
- Federal PLUS Loan
- Pell Grant
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- TEACH Grant

Students who receive non-Title IV aid are also reviewed to determine the unearned amount. The following types of non-Title IV aid are adjusted:

- *Cal Grant*
- *CA Dream Loan*
- *CA Middle Class Scholarship*
- *Institutional Aid*
- *Outside Scholarships*

## Calculating Earned and Unearned Aid

When you withdraw, OFAS must determine how much of your financial aid you earned by attending. Any aid you received beyond that amount is considered unearned and must be returned to the aid programs. UC Merced and the student may each be responsible for a share of the unearned amount.

Your earned aid is calculated on a daily basis using calendar days, starting with the first day of instruction. For example, if you complete 30 percent of the term, you earn 30 percent of the aid you were scheduled to receive. If you complete more than 60 percent of the term, you earn all your financial aid for that term.

Earned aid is determined by dividing the number of days you attended by the total number of days in the term. The total number of days includes the first day of instruction through the last day of finals and excludes any break in instruction that is 5 days or longer.

**EXAMPLE #1:** If you withdraw from Fall semester on the second day of instruction and there were 110 days in the term:

$$\frac{\text{Days attended}}{\text{Total days of term}} = \frac{2}{110}$$

$$\begin{aligned}\text{Earned percentage} &= 1.8\% \\ \text{Unearned percentage} &= 98.2\%\end{aligned}$$

**EXAMPLE #2:** If you withdraw from Fall semester on the 26<sup>th</sup> day of instruction and there were 110 days in the term:

$$\frac{\text{Days attended}}{\text{Total days of term}} = \frac{26}{110}$$

$$\begin{aligned}\text{Earned percentage} &= 23.6\% \\ \text{Unearned percentage} &= 76.4\%\end{aligned}$$

## Calculating Return of Title IV Aid Amount

Once the earned and unearned percentages are determined, the amount of aid that must be returned is calculated. Multiply the unearned percentage by the total amount of Title IV aid you received. The result is your total unearned aid.

**EXAMPLE# 1:** If you earned 1.8% of your aid and received \$5,430 in federal financial aid:

$$\begin{array}{r} \text{Unearned Aid Percentage} = 98.2\% \\ \times \text{Total of all Title IV Aid Received} = \$5,430 \\ \hline \text{Total Unearned Aid} = \$5,332.26 \end{array}$$

**EXAMPLE #2:** If you earned 23.6% of your aid and received \$1,665 in federal financial aid:

$$\begin{array}{r} \text{Unearned Aid Percentage} = 76.4\% \\ \times \text{Total of all Title IV Aid Received} = \$1,665 \\ \hline \text{Total Unearned Aid} = \$1,272.06 \end{array}$$

## Calculating School Portion of Return of Title IV Aid

UC Merced must return a share of the unearned aid based on your institutional charges for the term. To determine this amount, multiply the unearned aid percentage by your total institutional charges. This number is then compared to your total unearned aid. UC Merced returns the lesser of the two amounts. Returned funds are sent back to the appropriate aid programs in the required order.

**EXAMPLE #1:** If you earned 1.8% of your aid, received \$5,430 in federal financial aid, and institutional charges are \$8,166.13:

$$\begin{array}{r} \text{Unearned Aid} = 98.2\% \\ \times \text{Institutional Charges} = \$8,166.13 \\ \hline \text{School Portion of Return} = \$3,546.49 \end{array}$$

Total Unearned Aid = \$5,332.26 > School Portion of Return = \$3546.49  
UC Merced will return \$3546.49

**EXAMPLE #2:** If you withdraw from Fall semester on the 26<sup>th</sup> day of the 110 day term and received \$1,665 in federal financial aid and institutional charges are \$3,611.50:

$$\begin{array}{r} \text{Unearned Aid} = 76.4\% \\ \times \text{Institutional Charges} = \$3,611.50 \\ \hline \text{School Portion of Return} = \$2,759.19 \end{array}$$

Total Unearned Aid = \$1272.06 < School Portion of Return = \$2759.19  
UC Merced will return \$1272.06

## Calculating Student Portion of Return of Title IV Aid

After UC Merced returns its share of the unearned aid, any remaining unearned amount becomes the student portion. This portion is returned to the aid programs in the same order listed above. UC Merced returns these funds on your behalf, and you are responsible for reimbursing the university for the amount returned.

**EXAMPLE #1:** If you withdraw from Fall semester on the 2<sup>nd</sup> day of the 110 day term and received \$5,430 in federal financial aid and institutional charges are \$8,116.13:

$$\begin{array}{r} \text{Total Unearned Aid} = \$5,332.26 \\ - \text{UC Merced Return Amount} = \$3,546.49 \\ \hline \text{Student Portion of Return} = \$1,785.77 \end{array}$$

**EXAMPLE #2:** If you withdraw from Fall semester on the 26<sup>th</sup> day of the 110 day term and received \$1,665 in federal financial aid and institutional charges are \$3,611.50:

$$\begin{array}{r} \text{Total Unearned Aid} = \$1272.06 \\ - \text{UC Merced Return Amount} = \$1272.06 \\ \hline \text{Student Portion of Return} = \$0 \end{array}$$

## FUTURE AID ELIGIBILITY

Withdrawing may affect your eligibility for financial aid in future terms. Depending on the type of aid you receive, you may need to submit new applications before you can be considered again.

If you receive federal student loans and withdraw, your six-month grace period begins once you are no longer attending any institution. After the grace period ends, you must begin repaying your loan. Making payments on time is important to avoid default, which would make you ineligible for future financial aid.

Withdrawing may also affect your Satisfactory Academic Progress (SAP) standing and your continued eligibility for financial aid.

## UNOFFICIAL WITHDRAWALS

The Return to Title IV calculation applies to students who receive federal aid, begin attendance, and leave without completing the official withdrawal process. OFAS will use the documented last date of academically related activity unless it occurs before the midpoint of the term, in which case the midpoint will be used.

## SUMMER WITHDRAWAL CONSIDERATIONS

Summer classes at UC Merced are offered in short sessions that begin and end at different times. For financial aid purposes, these sessions are considered modules, and changes to your schedule may affect your aid differently than during the regular semester. Because summer rules are more complex, contact OFAS before making changes so we can help you understand how your aid may be affected.

## STUDENT NOTIFICATION

Once the R2T4 calculation has been performed, your UC Merced student account will reflect any refunds or charges. Depending on the outcome of the calculation, you may owe funds back to UC Merced. This amount will be listed on your bill, which can be accessed through UC Merced Connect. You are responsible for monitoring your student account after withdrawing. For more information regarding your student account, please contact Student Billing Services.



***Come and see us  
before withdrawing***

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