

## Eligibility Calculation for John R. Justice Grant Program for 2018-19

Assumption: payments in excess of 10% of formula-adjusted income are considered a hardship

Data and documents required:

- a. Adjusted Gross Income from Fed 1040, line 37 (2017 form)
- b. Calculated exemptions from Fed 1040, line 42
- c. Loan payment document or amount
- d. Cost of Living Index by Appellate Court district  
(determined by simple average of Standard Metropolitan Statistical Area's in region)

Region 1	109	Chicago-Cook	Region 4	93	Spfld-Urbana-Bloomington
Region 2	100	Collar-Rockford	Region 5	92	St Louis-Evansville
Region 3	98	Kankakee-Peoria			

	Example	Notes
Step 1. Identify Adjusted Gross Income ( <b>AGI</b> ) on Line 37 on Fed 1040	\$52,000	<b>AGI</b> <i>Cook County advertised salary (\$55,600) less minor adjustments</i>
<b><i>If Line 37 is equal to or greater than \$100,000, the applicant is not considered for program.</i></b>		
Step 2. Modified AGI to account for dependents - create <b>MAGI</b> Create <b>MAGI</b> by subtracting Fed 1040 Line 42 from AGI (Line 37)	\$48,350	<b>MAGI</b> <i>Reduction for one dependent @ \$4,050</i>
Step 3. Adjust for cost of living difference among Appellate Districts By dividing MAGI by regional cost of living index to get <b>ADMAGI</b> .	\$42,788	<b>ADMAGI</b> <i>Chicago Cost of Living Index is 109</i>
Step 4. Determine <b>annual</b> student loan payment ( <b>ASLP</b> ) Multiply monthly payments by 12 <i>Payments must be based on a 10 year or greater repayment program (for reference, about \$25,000 in federal loans results in a \$300/month payment)</i>	\$7,200	<b>ASLP</b> <i>Monthly payment of \$600 on \$50,000 of Federal loans with 10 yr payback period</i>
Step 5. Determine the ratio of <b>ASLP</b> to <b>ADMAGI</b> : <i>If ratio is 10% or above, applicant is eligible for loan relief.</i>	16.827%	<b>ASLP/ADMAGI</b>
<b><i>Students are ranked by ratios within each district.</i></b>		
Step 6. Calculate eligible award.  Multiply <b>ADMAGI</b> by 10% and subtract from <b>ASLP</b>	\$4,279 \$2,921	10% of ADMAGI <b>Eligible Award Amount</b>
Step 7. Eligible award is the calculated eligible amount, or \$4,000, whichever is less.		

### Appendix B