

Eligibility Calculation for John R. Justice Grant Program for FY2019

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 7 (2018 form)
- b. Number of dependents listed on Fed 1040, plus yourself and spouse (if applicable)
- c. Loan payment document or amount
- d. Cost of Living Index by Appellate Court district
(determined by simple average of Standard Metropolitan Statistical Areas in region)

Region 1	109	Chicago-Cook	Region 4	92	Spfld-Urbana-Bloomington
Region 2	102	Collar-Rockford	Region 5	90	St Louis-Evansville
Region 3	99	Kankakee-Peoria			

	Example	Notes
Step 1. Identify Adjusted Gross Income (AGI) on Line 7 on Fed 1040	\$52,000	AGI <i>Cook County advertised salary (\$55,600) less minor adjustments</i>
<i>If Line 7 is equal to or greater than \$100,000, the applicant is not considered for program.</i>		
Step 2. Modified AGI to account for dependents - create MAGI by subtracting the number from b (above) 4050 from AGI (Line 7)	\$48,350	MAGI <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 ADMAGI .	\$42,788	ADMAGI <i>Chicago Cost of Living Index is 109</i>
Step 4. Determine annual student loan payment (ASLP) 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	ASLP <i>Monthly payment of \$600 on \$50,000 of Federal loans with 10 yr payback period</i>
Step 5. Determine the ratio of ASLP to ADMAGI : <i>If ratio is 10% or above, applicant is eligible for loan relief.</i>	16.827%	ASLP/ADMAGI
<i>Students are ranked by ratios within each district.</i>		
Step 6. Calculate eligible award. Multiply ADMAGI by 10% and subtract from ASLP	\$4,279 \$2,921	10% of ADMAGI Eligible Award Amount
Step 7.	Eligible award is the calculated eligible amount, or \$4,000, whichever is less.	