

VMSDEP Frequently Asked Questions

Financial Aid Administration of Virginia Military Survivors and Dependents Education Program and Federal Military Education Benefits

November 2025

Introduction

This document provides an overview for students and financial aid administrators of the interaction between the Commonwealth's Virginia Military Survivors and Dependent Education Program (VMSDEP) and federal military education benefits, as well as other forms of student financial assistance.

VMSDEP Usage Clarification

Per state law, VMSDEP provides a waiver for tuition and mandatory fees for up to **four (4) years of higher education**, or its equivalent (such as eight semesters). For eligible students, a **stipend** also is available. The annual maximum stipend is divided equally into the Fall and Spring terms and pro-rated based on enrollment level. Summer awards are not guaranteed but may be provided depending upon available funding and if the student has not received the maximum annual total.

It is the student's responsibility to determine how best to utilize the benefit. **Each term in which a VMSDEP benefit is applied - whether the student enrolls in a single course or a full course load - counts as one full term of use.**

Q1. What are the primary principles for state VMSDEP programs covered in the FAQs?

- Students are encouraged - but not required - to complete the federal Free Application for Federal Student Aid (FAFSA) or state Virginia Alternative State Aid (VASA) applications when accessing VMSDEP benefits. Receipt of the VMSDEP tuition/fee waiver and stipend¹ are not based upon or impacted by the student's financial aid application status.
- Overawards based on need should be resolved by adjusting need-based aid. The VMSDEP tuition/fee waiver and stipend are not need-based programs.
- Federal policy has removed many federal military education benefits from consideration in determining an over need or over Cost of Attendance (COA) calculation.
- Students retain the right to maximize the VMSDEP benefits by deferring use to a future term, which may be a more expensive term or when other financial assistance is limited.

Q2. Does completion of the federal FAFSA affect eligibility for VMSDEP programs?

When determining eligibility for the Virginia Military Survivors and Dependent Education Program (VMSDEP) tuition/fee waiver and stipend, the state authorizing language does not require the student to complete the federal FAFSA (Free Application for Federal Student Aid) or any other financial aid application, including the Virginia Alternative State Aid (VASA) application. Students may be encouraged to apply but there is no reduction in - or lost eligibility for - the VMSDEP

¹ [Code of Virginia § 23.1-608.1](#)

tuition/fee waiver or stipend based solely on whether a student completes or does not complete any other aid application.

Q3. How is the Student Aid Index used when calculating an overaward for VMSDEP programs?

Overawards

An overaward exists when a student's aid package exceeds their need or overall cost of attendance (COA). Remember when packaging subsidized or need-based aid, the basic formula is COA minus Student Aid Index (SAI) minus Other Financial Assistance (OFA) equals need. When packaging unsubsidized or non-need-based aid the formula is simply COA minus OFA (unsubsidized aid can replace all or part of the SAI).

[2025-26 Federal Student Aid Handbook – Chapter 3](#)

When determining an overaward for the VMSDEP tuition/fee waiver and stipend, the Code of Virginia does not require use of the Student Aid Index (SAI).

- The SAI is only used in **over need** calculations. If the student receives need-based aid, the institution should include the SAI, or VASA equivalent, in the calculation of an over need award. However, the VMSDEP tuition/fee waiver and stipend should not be reduced if the award package is over need.
- An overaward calculation based on Cost of Attendance (COA)², does not include use of the SAI. If total aid exceeds COA, the institution must reduce aid, but no more than necessary to resolve the overaward. Since the VMSDEP tuition/fee waiver and stipend cannot combine to exceed COA, other state or institutional aid programs may be reduced instead.

The following are scenarios of overaward interactions between VMSDEP benefits and other aid:

- **Exceeding Financial Need:**

Cost of Attendance (COA)	= \$25,000	VMSDEP Tuition/Fee Waiver	= \$15,000
Tuition and required fees	= \$15,000	VMSDEP stipend	= \$2,000
Student Aid Index (SAI)	= \$20,000	Need-based aid	= \$6,000
		Total aid	= \$23,000

In the above scenario, the student's calculated financial need is \$5,000 (25,000 COA – 20,000 SAI = 5,000). The total assistance (VMSDEP is considered OFA and counts towards need) is \$23,000 and so the student is **over need** by \$18,000. The VMSDEP benefits do not get reduced to correct an over need calculation, so the institution must adjust or eliminate need-based aid, as needed.

- **Exceeding COA:**

Cost of Attendance (COA)	= \$25,000	VMSDEP Tuition/Fee Waiver	= \$15,000
Tuition and required fees	= \$15,000	VMSDEP stipend	= \$2,000
Student Aid Index (SAI)	= \$4,000	Merit-based aid	= \$10,000
		Total aid	= \$27,000

In the above scenario, the student did not receive need-based financial aid, so the Student Aid Index (SAI) does not factor into the overaward calculation. However, the total aid—\$27,000—exceeds the school's \$25,000 Cost of Attendance (COA) by \$2,000. Since financial aid packages cannot exceed the COA, something must be adjusted.

² [Cost of Attendance](#) is a federally authorized calculation combining all direct and indirect costs associated with attending an institution.

When Total Aid Exceeds the Cost of Attendance (COA): Options for Coordinating VMSDEP and Other Awards

If the combination of VMSDEP benefits and other forms of financial aid (e.g., merit scholarships, grants) exceeds the institution's Cost of Attendance (COA), the institution must take action to bring total aid within allowable limits. In such cases, the institution has several options to determine how best to proceed:

Option 1: Adjust the merit-based award

The institution may reduce or remove the merit award, in accordance with institution policies, so that the total aid does not exceed \$25,000 COA. This allows the student to retain the full value of their VMSDEP waiver and stipend for the semester.

Option 2: Adjust the VMSDEP benefit

The institution may consult with the student to determine whether they wish to reduce their VMSDEP waiver or stipend by \$2,000. This preserves the full merit-based award but reduces the total amount of VMSDEP benefits received in that term and will count, even if only receiving a partial award, as a full term of benefits used.

Option 3: Defer the VMSDEP benefits for future use

The student retains the right to choose to defer use of the VMSDEP benefits for the semester or year. This preserves use of the benefits for a future term and may maximize the long-term value of the benefit, especially if the student plans to attend school for more than four years, pursue a dual-degree program, or continue to graduate study.

- **Exceeding Tuition/Fees**

Cost of Attendance (COA) = \$25,000	VMSDEP Tuition/Fee Waiver = \$15,000
Tuition and required fees = \$15,000	VMSDEP stipend = \$2,000
Student Aid Index (SAI) = \$4,000	Athletic Tuition Sch. = \$10,000
	Total aid = \$27,000

In the above scenario, the student receives VMSDEP tuition/fee waiver and an additional VMSDEP stipend of \$2,000. However, the combined **tuition-only** programs cannot exceed tuition/fee charges. Please note that the provider of any grant or scholarship can designate whether the award must be applied to tuition and fees only or to any cost of attendance item. Other examples of tuition-only awards might include, but are not limited to, a merit scholarship, ROTC and some private awards. The financial aid office can confirm whether an award is designated as tuition only.

In this example, a student has \$25,000 in total tuition-related awards, but the tuition and fees total charge is only \$15,000. That means they are overawarded tuition aid by \$10,000, and the school must adjust one of the tuition awards to bring the aid in line with allowable limits.

There are a few ways to resolve this:

Option 1: Reduce or remove the VMSDEP waiver or athletic scholarship

- Either award can be reduced to correct the overaward.
- However, **reducing** the VMSDEP waiver still results in **usage of the benefit**—there is **no carryover** or way to "save" what was *reduced* for future use. Any use of the benefit counts as a semester against the maximum lifetime usage.

Option 2: Defer the VMSDEP waiver and stipend

- This is often the better choice if the students' other awards (like athletic scholarships) are **time-limited**, while **VMSDEP can be used in a later term**.

How it works in this case:

- The student has a **\$10,000 athletic tuition scholarship**. That covers **\$10,000** of the **\$15,000 tuition**, leaving just **\$5,000 out-of-pocket or covered by other aid, if available**.
- The **VMSDEP waiver and stipend are deferred**, preserving a full semester of eligibility and allowing the student to use the benefit in a future term and the student finds other means to cover the remaining \$5,000.
- Please note that unless otherwise directed, most public institutions will honor the VMSDEP tuition waiver and reduce other aid to bring the award package back into compliance.

Note that some forms of state aid are not compatible with the awarding of the VMSDEP tuition/fee waiver; see the list below for a list of state tuition/fee-based programs. The combination of these programs with the VMSDEP waivers cannot exceed the total cost of tuition and mandatory fees.

Q4. How are Military Education Benefits affected by other aid programs?

Federal law - [38 USC 3313](#) - directs that military education tuition benefits (chapter 33) must be reduced by the amount of financial assistance whose purpose is to defray tuition/fees. Whereas the VMSDEP *stipend* is not directed to cover tuition or fees, it is *not* included within this calculation.

The following state aid programs are designated specifically to cover tuition and required fees and therefore reduce the federal military education tuition benefit under chapter 33 and any other federal military education tuition benefit with an equivalent restriction:

- Virginia Military Survivors and Dependent Education Program – tuition/fee waiver
- Virginia Commonwealth Award
- Virginia Guaranteed Assistance Program - VGAP (that portion of the award that does not exceed tuition and required fees)
- Brown v Board of Education Scholarship program (the portion of the award that is based on tuition and required fees)
- Foster Care Tuition Grant (the portion of the award that is based on tuition and required fees)
- Get Skilled, Get a Job, Give Back (G3) (the portion of the award that is based on tuition and required fees)
- Senior Citizens Tuition Waiver
- New Economy Workforce Credential Grant
- Unfunded Scholarships
- That portion of any other state aid program intended to defray all or a portion of tuition and required fees, but only that portion intended for or based upon tuition and required fees.
- If a financial aid program is permitted to cover all - or a portion of - books and supplies, that portion does not reduce other tuition only awards. Contact the institution for details on programs that can cover both tuition/fees and books.

Q5. Which military education benefits are included in overaward calculations?

The 2025-2026 Federal Student Aid Handbook designates the military education benefits not considered as Other Financial Assistance.

- These benefits are not included in any **over need** or **over cost of attendance** calculation.
- In accordance with federal law described above, these programs can be considered for **over tuition** calculations if the award is designated to cover tuition and E&G fees.

According to the 2025-2026 Federal Student Aid Handbook "[Volume 3, Chapter 3](#), Exclusion of Federal Veterans Education Benefits From OFA", the excluded benefits are:

- Chapter 103 of Title 10, United States Code (Senior Reserve Officers' Training Corps)
- Chapter 106A of Title 10, United States Code (Educational Assistance for Persons Enlisting for Active Duty)
- Chapter 1606 of Title 10, United States Code (Selected Reserve Educational Assistance Program)
- Chapter 1607 of Title 10, United States Code (Educational Assistance Program for Reserve Component Members Supporting Contingency Operations and Certain Other Operations)
- Chapter 30 of Title 38, United States Code (All-Volunteer Force Educational Assistance Program, also known as the "Montgomery GI Bill—active duty")
- Chapter 31 of Title 38, United States Code (Training and Rehabilitation for Veterans with Service-Connected Disabilities)
- Chapter 32 of Title 38, United States Code (Post-Vietnam Era Veterans Educational Assistance Program)
- Chapter 33 of Title 38, United States Code (Post-9/11 Educational Assistance)
- Chapter 35 of Title 38, United States Code (Survivors' and Dependents' Educational Assistance Program)
- Section 903 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note) (Educational Assistance Pilot Program)
- Section 156(b) of the "Joint Resolution making further continuing appropriations and providing for productive employment for the fiscal year 1983, and for other purposes" (42 U.S.C. 402 note) (Restored Entitlement Program for Survivors, also known as "Quayle benefits")
- The provisions of Chapter 3 of Title 37, United States Code, related to subsistence allowances for members of the Reserve Officers Training Corps

"Note: The above list of federal veterans' education benefits to be excluded from OFA previously included benefits received under the Veterans Retraining Assistance Program (VRAP) and the Veterans Rapid Retraining Assistance Program (VRRAP). As a result of a change made by the FAFSA Simplification Act, only federal veterans education benefits that are specifically listed in the HEA may be excluded from OFA. Because benefits received under the VRAP and VRRAP programs are not included in the statutory list of federal veterans' education benefits to be excluded from OFA, they have been removed from this list."

Glossary and Descriptions

Awarding rules – All grants and scholarships are subject to the policies and procedures set by the offering source (government, institution or private). In general, most financial aid programs are included in over award calculations, except for certain federal programs. (See list above.) Some may be designated to be applied against specific cost of attendance items, such as tuition/fees.

Institution-based aid – Aid subject to criteria and awarding rules set by the institution. While not always need-based, institution aid can be affected by the receipt of other forms of assistance. Other restrictions may be enforced. Consult with the institution for more detailed information.

Tuition and fees–

- Tuition/fees waived under the VMSDEP program:

Tuition - Any charge covering student educational and general (E&G) expenses, whether charged for all courses or for a specific course or program, including program tuition differential fees.

Mandatory (non-E&G) fees - Non-instructional fees assigned to all students, or a group of students, regardless of participation in the activity supported by the fee, including activities such as student health services, athletics, recreational activities, campus transportation (not including “per-use” charges) and capital debt service. Such fees are charged each term based solely on enrollment level.

- Not required to be waived under the VMSDEP program:

Room and board or single-use, one-time or consumable fees such as, but not limited to, application fees, laboratory fees, books and course supplies, parking fees, fines, deposits, fees unique to study abroad programs, transcript fees, graduation fees, etc. The VMSDEP stipend may be applied against these non-waived fees.

Merit-based scholarships – Aid most often provided by the institution or private sources. Though not need-based, it is subject to overaward calculations.

Need-based grants and scholarships – Aid can come from multiple sources, including the federal government (such as the Pell grant), state government, institution or private sources. Need-based aid can be based on the student’s Student Aid Index, family income level or more often based on a calculation of remaining need – Cost of Attendance, less SAI, less other aid. Most need-based aid is subject to an over need calculation, ensuring that the total of all aid plus the student’s Student Aid Index does not exceed the student’s cost of attendance.

VMSDEP Benefits – Eligible students can receive a tuition/fee waiver and/or a stipend. These can be used together or separately; however, use of either one counts against the lifetime maximum of four years for use of VMSDEP benefits.

- **VMSDEP Stipend** – Benefit provided to qualifying VMSDEP students. The actual award amount is determined by the number of recipients and available funds as well as the student enrollment level. Funds can be applied towards any cost of attendance component, but refunds to the student are based on institutional refund policies. The maximum annual stipend is based on the academic year, e.g., Fall, Spring and ending with Summer. Please note that there is no guarantee that the stipend funds will be available in time for purchase of books or other education materials.
- **VMSDEP Waivers** – Benefit provided to qualifying students that results in full waiver of tuition and mandatory fees. This aid is not need-based, but it is subject to over-award calculations.

Important Note:

Virginia Military Survivors and Dependent Education program administration is provided with the Virginia Department of Veterans Services serving as the lead agency for program policies and student eligibility, and the State Council of Higher Education for Virginia serving as a fiscal agent for program funds and providing expertise in the interaction with other financial assistance programs. As such, this Frequently Asked Questions document is provided as a joint release.

This document may be amended periodically as need arises. Each new version supersedes any prior version. This document does not create new law or requirements; rather it is intended to describe the interaction between existing laws and requirements.