HLS Summer Living Allowance Examples

Example 1: SPIF Position Only

SPIF Exception: Because the base SLA is more than adequate to offset any estimated net income, students (without dependent children) working in a SPIF-funded position over the summer will not have their income assessed for a student contribution. This is the one case where the effective SLA is not higher than the base SLA. In fact, the effective SLA may be lower that the base SLA, because the total income for the summer (if the student has no other employment) will be lower than the SLA. In this case, the expected student contribution from income will be $0.

Example 2: Gross Summer Income = $20,000

Taxes: Federal taxes of $984 are based on the federal tax table for a net income of $9,600 (after the standard personal deduction and personal exemption). State taxes and FICA are both based on the original gross income of $20,000. The state tax allowance given for Massachusetts would be $800 and the 7.65% FICA allowance generates a FICA tax of $1,530. The federal, state, and FICA taxes are totaled to get an overall estimated tax burden of $3,314.

Estimated Post-Tax Income: The estimated total tax burden ($3,314) is subtracted from the gross summer income of $20,000 to get $16,686 in estimated post-tax income.

Base Summer Living Allowance: The base SLA of $8,200 is then deducted from the $16,686 est. post-tax income. The resulting $8,486 becomes the Estimated Net Income — the total amount available for your summer contribution to fund your legal education.

Additional SLA Protection: In a final set of calculations, an additional 10% of the Estimated Net Income is protected ($8,486 x 10% = $849).

Assessed Contribution: From the Estimate Net Income of $8,486, subtract the additional protected 10% ($849). This new amount rounded to the nearest $10 is the assessed SC from summer income: $7,640.

Effective SLA: Of your post-tax income of $16,686, your effective SLA is $9,049 (based on the Base SLA ($8,200) plus the additional income protected ($869)).

Example 3: Gross Summer Income = $35,000

Taxes: Federal taxes of $3,234 are based on the federal tax table for a net income of $24,600 (after the standard personal deduction and personal exemption). State taxes and FICA are both based on the original gross income of $35,000. The state tax allowance given for Massachusetts would be $1,400 and the 7.65% FICA allowance generates a FICA tax of $2,678. The federal, state, and FICA taxes are totaled to get an overall estimated tax burden of $7,312.
**Estimated Post-Tax Income:** The estimated total tax burden ($7,312) is subtracted from the gross summer income of $35,000 to get $27,688 in estimated post-tax income.

**Base Summer Living Allowance:** The base SLA of $8,200 is then deducted from the $27,688 est. post-tax income. The resulting $19,488 becomes the Estimated Net Income — the total amount available for your summer contribution to fund your legal education.

**Additional SLA Protection:** In a final set of calculations, an additional 10% of the Estimated Net Income is protected ($19,688 x 10% = $1,969).

**Assessed Contribution:** From the Estimate Net Income of $19,688, subtract the additional protected 10% ($1,969). This new amount rounded to the nearest $10 is the assessed SC from summer income: $17,720.

**Effective SLA:** Of your post-tax income of $27,688, your effective SLA is $10,169 (based on the Base SLA ($8,200) plus the additional income protected ($1,969)).