

Clarity Enhanced Tax Verification (ETV) FAQs for Families

What's different about this new tax verification process for families?

The main difference is that guardians are required to complete a one-time identity verification process. Additionally, families provide an authorization that allows Clarity to retrieve up to 3 years of future tax documents, but only if the family re-applies for financial aid and consents to the disclosure of that tax data at the time of those future school year financial aid applications. The reason Clarity requests this authorization in advance is to speed up the process of retrieving future year tax documents, but no future year tax documents will be retrieved without the family reapplying for financial aid, which gives consent to Clarity to disclose their tax data in that future school year.

What does the identity verification process involve?

Identity verification is a one-time process where families upload a picture of a government-issued photo ID and take a selfie photo to verify their identity. Families can complete this process from within the financial aid application, or have a link texted to their mobile device to complete it there.

Who needs to complete the identity verification process?

All guardians required to provide tax documents through Clarity's new IRS integration must complete the one-time identity verification process.

What if we file jointly but one of us does not receive a W2?

If both guardians in the household file jointly, but one guardian did not receive a W2, we will only require the other guardian to verify their identity.

Do both guardians need to be present to complete the application together?

If one guardian is completing the application, the other guardian listed on the application does not need to be present for identity verification. A link can be texted to the second guardian, allowing them to complete verification conveniently from their mobile device.

Does the identity verification process need to be completed every year?

No, guardians are only required to complete identity verification one time and will not ask them to re-verify in future years, provided they use the same account.

How does the authorization for future year taxes work?

During the application process, families will provide authorization and consent for Clarity to retrieve their 2024 1040(s) and W2(s) and share them with the schools they submit their

application to. Additionally, families will provide authorization (but not consent) for Clarity to retrieve their 2025, 2026, and 2027 1040(s) and W2(s). The reason Clarity requests this advanced authorization is that it will allow Clarity to instantaneously retrieve and share future year tax documents with schools upon a family's re-application in those future years.

What if a family does not reapply for financial aid next year?

If a family does not reapply for financial aid next year, then Clarity will not retrieve any future year tax documents for them. No future year tax documents are retrieved without the family submitting a financial aid application for the relevant school year.

What if a family is not comfortable with authorizing Clarity to retrieve future year taxes?

If a family does not submit another financial aid application, then Clarity will never retrieve any future year tax documents. The authorization for future year tax documents that families provide enables Clarity to instantaneously pull future year tax documents when a family reapplies for financial aid for a future school year, but Clarity will never retrieve future year tax documents without the family reapplying for financial aid in those future years.

Which families will go through this new tax verification process?

Families will be selected at random to go through this new tax verification process. Initially, only a small number of families will go through this new process, but as we gather feedback and data, we will increase the number of families going through this new tax verification process.

What if I file an extension? How will that impact my application?

If the family's 2024 taxes are not available at the time that they submit their financial aid application, they should indicate the date they plan to file on their application, and will likely have to upload their tax documents for manual review.

Will there be an additional cost to using the Clarity Enhanced Tax Verification Process?

No, there is no additional cost.

I don't want to go through the identity verification process. How do I avoid it?

The identity verification process is something that the IRS requires in order to authorize the sharing of tax transcripts. There is no way around it, but it's a one time process, which means that once guardians do it this year, they won't have to do it again in the future.

How do I know my information that I share in the identity verification process is secure?

Clarity takes safeguarding your personal data incredibly seriously and goes through annual SOC2 audits as well as engages in annual penetration testing. Additionally, all of the data

collected during the identity verification process is stored in an encrypted database and will only be accessed in the event of an audit by the IRS.

Who are James McGowan and Elizabeth Boonin?

Tax Authorization Requests require an IRS credentialed designee on file as a liable party. James and Elizabeth are our designated IRS practitioners, so their names will be the one displayed.