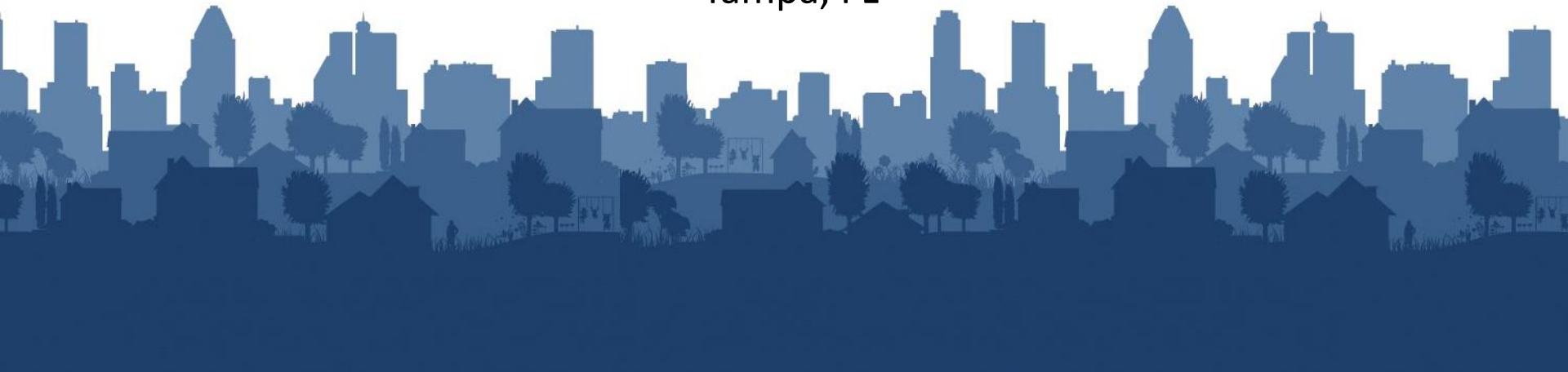




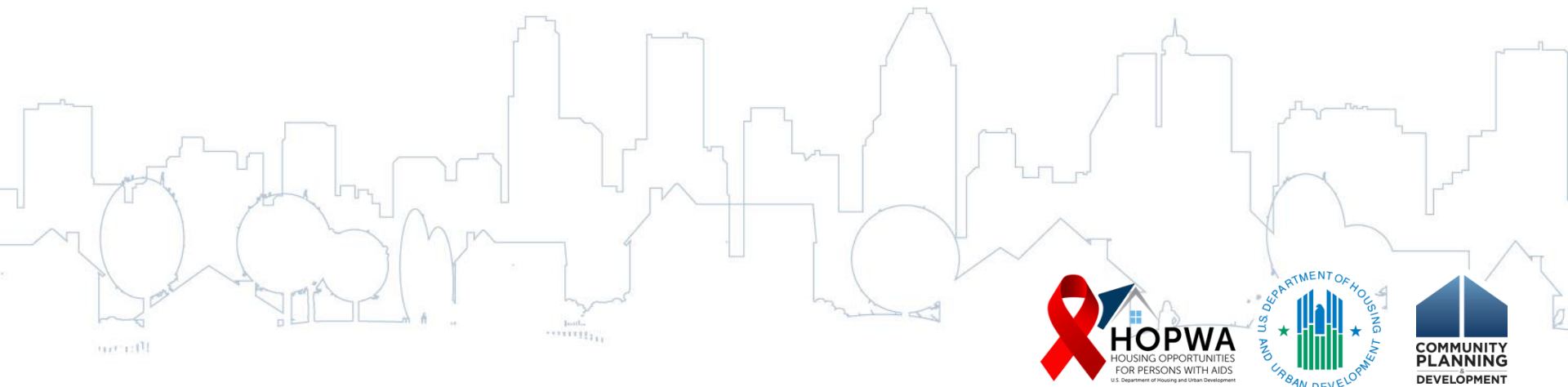
Income & Rent Calculation – in 25 Minutes!

National HOPWA Institute 2017
Tampa, FL



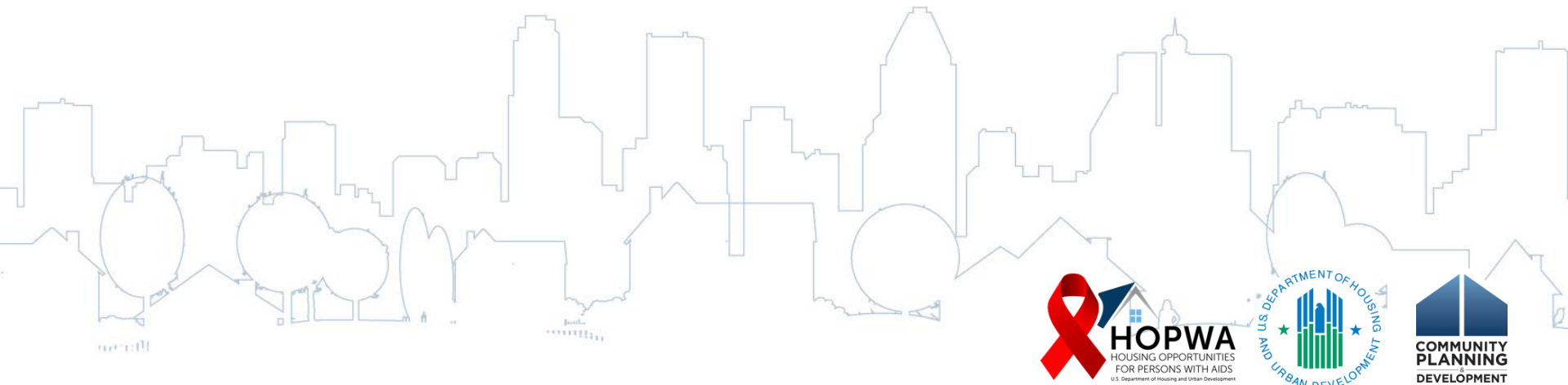
Income & Rent Calculations

The learning objectives of this presentation include providing you with high-level focused overview of what you *need to know* in order to determine household income, and calculate the tenant rent portion.



The HOPWA Institute:

“Housing’s Role in Ending the HIV Epidemic”



Income & Rent Calculation

Household Composition & Characteristics

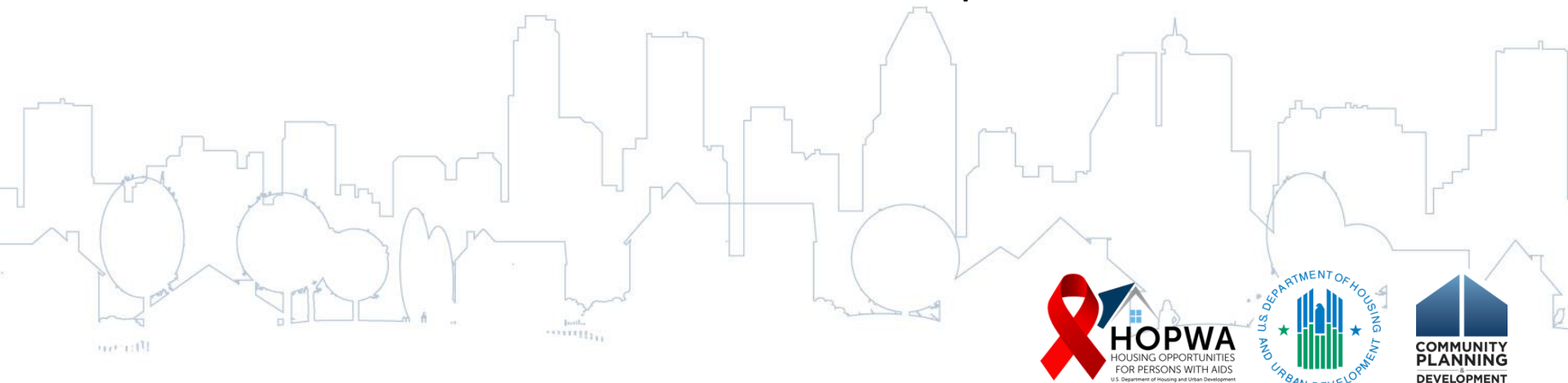
Income Type & Frequency

Income Inclusions & Exclusions

Income Allowances & Deductions

Examples – income inclusions & exclusions

MATH time – Rent Calculation example



Household Composition & Characteristics

Composition

How many people currently live or will be living in the unit?

Characteristics

Who are the people that live or will be living in the unit?

- Adults
- Adult full-time students
- Minors
- Foster Children & Foster Adults
- Live-In Aide
- Temporarily Absent family (household) member(s)

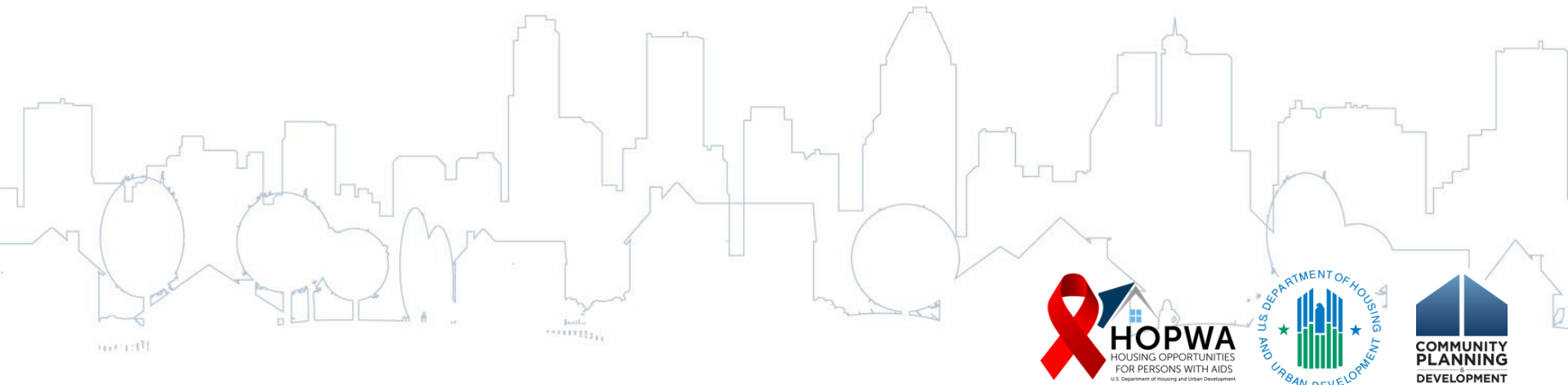


Household Composition & Characteristics

When gathering information to determine household income and complete a rent calculation...

Why do you need to know the household composition?

Why do you need to know the characteristics?



Rent Calculations – What you need to know

✓ Household composition & characteristics

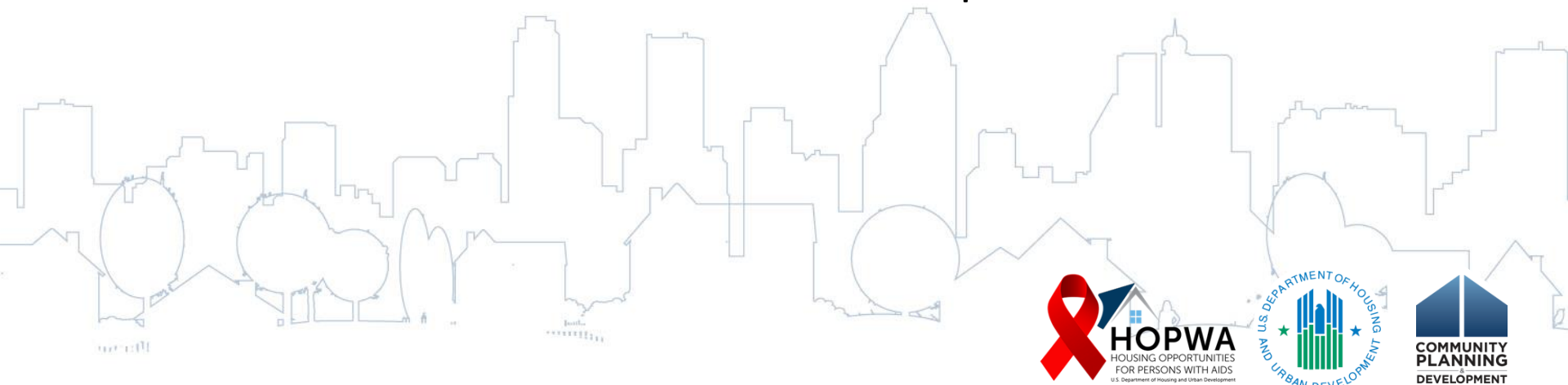
❑ **Income Type & Frequency**

❑ Income Inclusions & Exclusions

❑ Income Allowances & Deductions

❑ Examples – income inclusions & exclusions

❑ MATH time – Rent Calculation example



Income Type & Frequency

Earned Income

- Part-time
- Full-time
- Seasonal
- Sporadic

Benefit Income

- SSI, SSDI, Vet, SSA, Pension, Retirement, etc.

Other Income

- Regular & reoccurring contributions & Asset Income



Income Type & Frequency

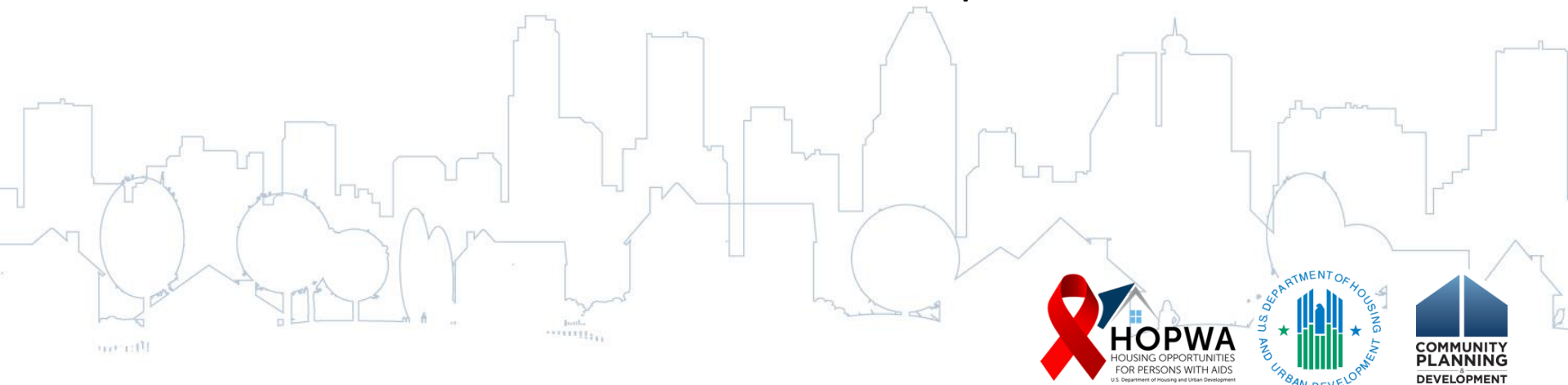
Frequency of Wages	Convert to Annual Income
Hourly	2080
Weekly	52
Biweekly	26
Semi-monthly	24
Monthly	12

Note: Other than full-time income, multiply the wages by the actual number of hours or weeks the person is expected to work



Income & Rent Calculation

- ✓ Household composition & characteristics
- ✓ Income Type & Frequency
- Income Inclusions & Exclusions**
- Income Allowances & Deductions
- Examples – income inclusions & exclusions
- MATH time – Rent Calculation example



Income Inclusions

- Wages, salaries, overtime pay, commissions, tips and bonuses – before payroll deductions
- Net Income – operation of a business
- Interest and dividends
- Periodic payment amounts
- Payment in lieu of earnings
- Welfare Assistance
- Periodic allowances
- Income from temporarily absent family members
- Regular & reoccurring gifts & contributions
- Regular Armed Forces pay



Income Exclusions

- Income from employment of children and foster children under 18 years old
- Payments received for the care of foster children or foster adults
- Lump-sum additions to family assets inheritances, insurance payment, capital gains, etc.
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member
- Income of a live-in aide
- The full amount of student financial assistance paid directly to the student or to the educational institution
- Special pay to a family member serving in the Armed Forces - exposed to hostile fire
- Temporary, nonrecurring, or sporadic income (including gifts)
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
- Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household Adoption assistance payments in excess of \$480 per adopted child
- Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts

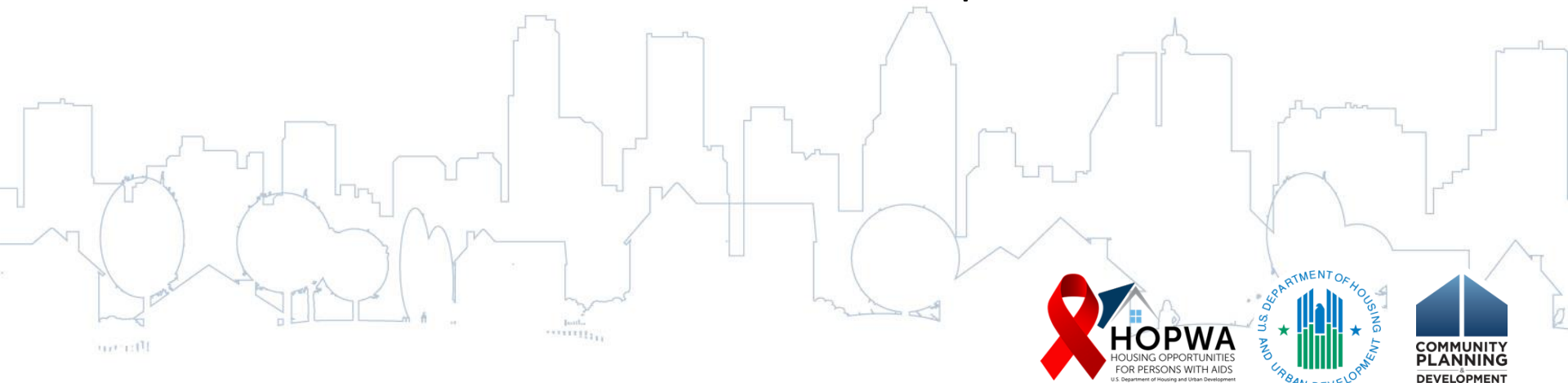
A comprehensive list of income exclusions can be found here at:

https://www.hudexchange.info/plugins/incomecalculator/assets/docs/HUD_P5_Inclusions_Exclusions.pdf



Income & Rent Calculation

- ✓ Household composition & characteristics
- ✓ Income Type & Frequency
- ✓ Income Inclusions & Exclusions
- Income Allowances & Deductions**
 - Examples – income inclusions & exclusions
 - MATH time – Rent Calculation example



Income Allowances & Deductions

Allowances & Deductions	Applicable Amounts	Descriptions & Definitions
Elderly or Disabled	\$400	Elderly or disabled household - 62 or older and/or disabled
Dependent	\$480	Full time students, elderly or disabled household members - any age; and minors under the age of 18. NOT the head, spouse or co-head
Unreimbursed Medical Expenses	Expenses that exceed 3% of Annual Income	All household members residing in the elderly/disabled household
Unreimbursed Attendant Care/Auxiliary Apparatus Expenses	Expenses that exceed 3% of gross annual income. Allowance may not exceed the <u>earned</u> income received by the adult able to work because of such attendant care or auxiliary apparatus.	All household members residing in the disabled household
Reasonable, unreimbursed Child Care Expenses	All	Child care expenses for children under the age of 13 to enable a family member to be employed or further education



Pop-Quiz!!

Question:

Under what circumstances would a HOPWA household not receive the \$400 deduction?

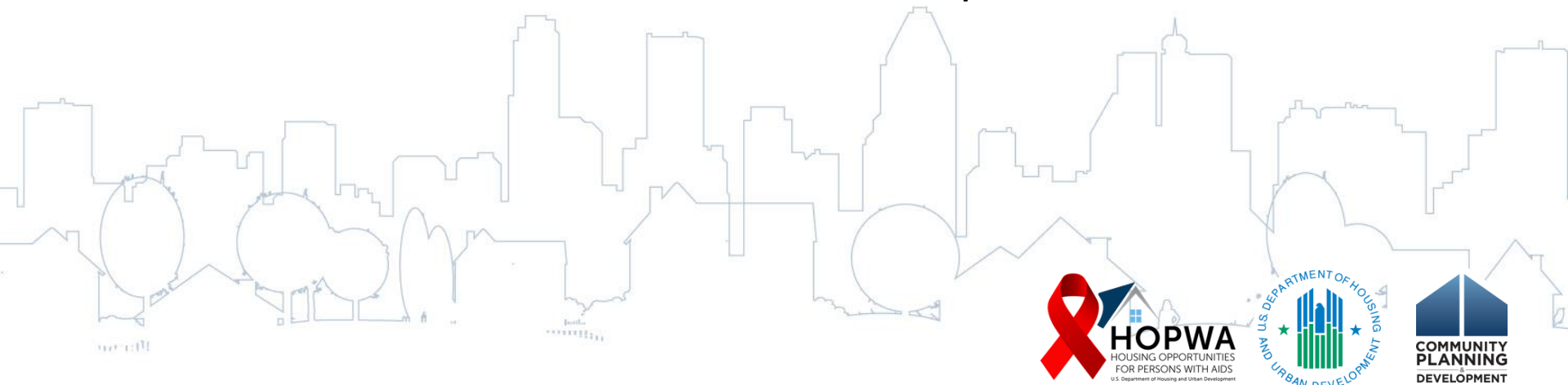
Answer:

Only when a minor with HIV is the qualifying person in the household.



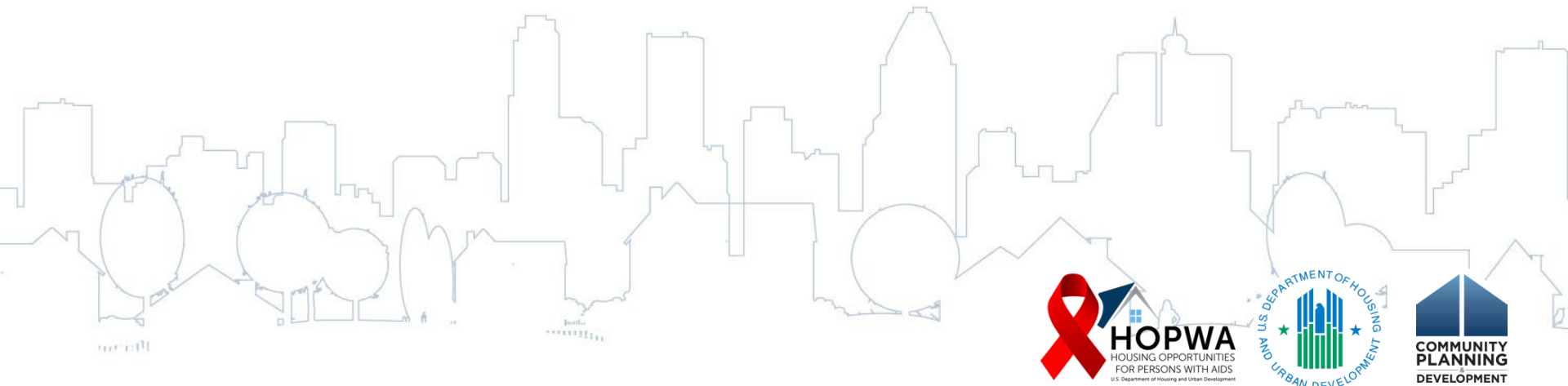
Income & Rent Calculation

- ✓ Household composition & characteristics
- ✓ Income Type & Frequency
- ✓ Income Allowances & Deductions
- ✓ Income inclusions & exclusions
- ❑ **Examples – income inclusions & exclusions**
- ❑ MATH time – Rent Calculation example



Let's Review some Examples

Whose Income do you include?



Whose Income is Included?

Household Members	Earned Income	Other Income (including income from assets)
Head	✓	✓
Spouse	✓	✓
Co-head	✓	✓
Other adult (including foster adult)	✓	✓
Child under 18	No	✓
Full-time student 18 and over (not the head, co-head or spouse)	Exclude earned income that exceeds \$480	✓
Foster child under 18	No	✓

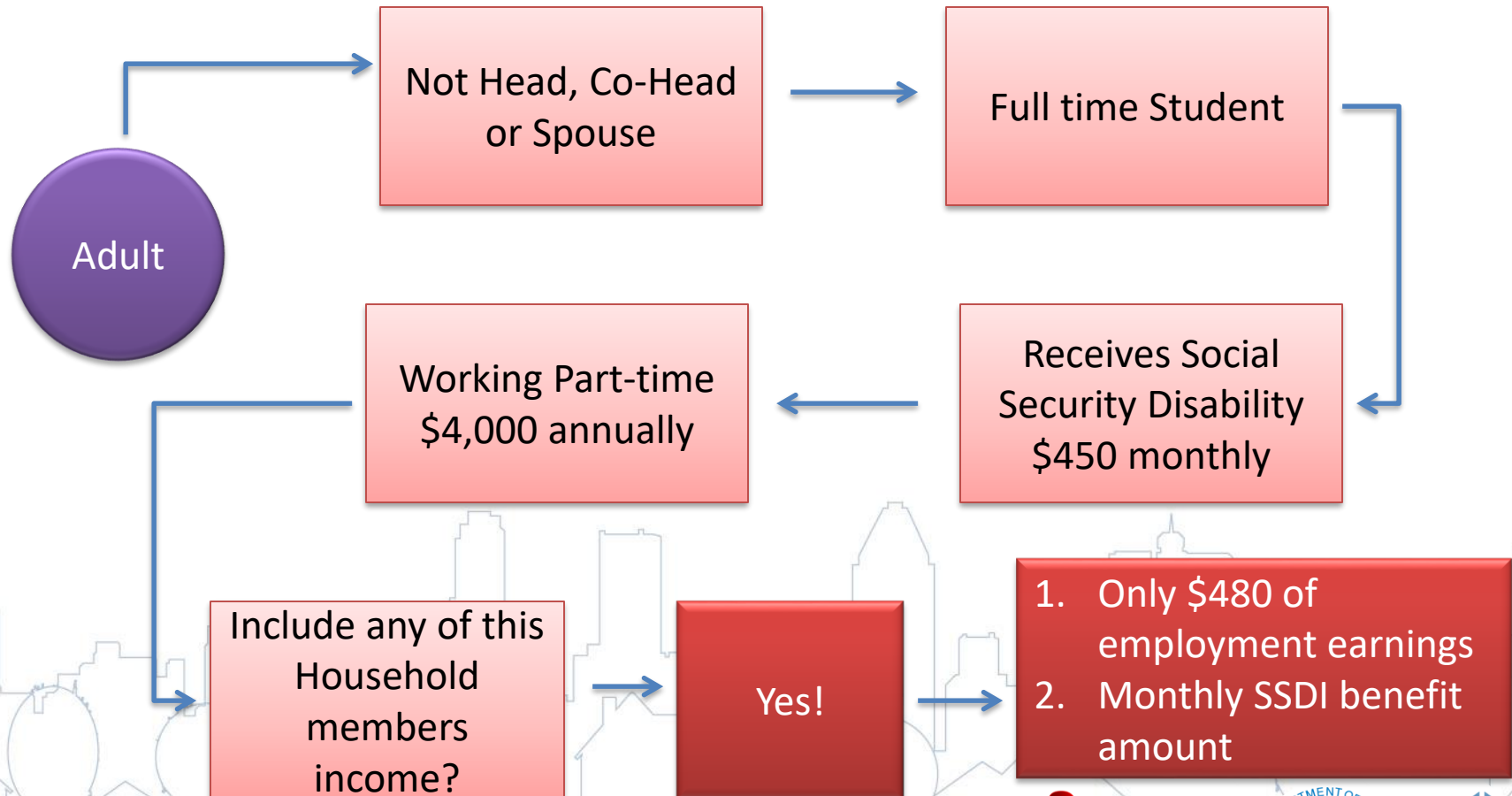


Whose Income is Excluded?

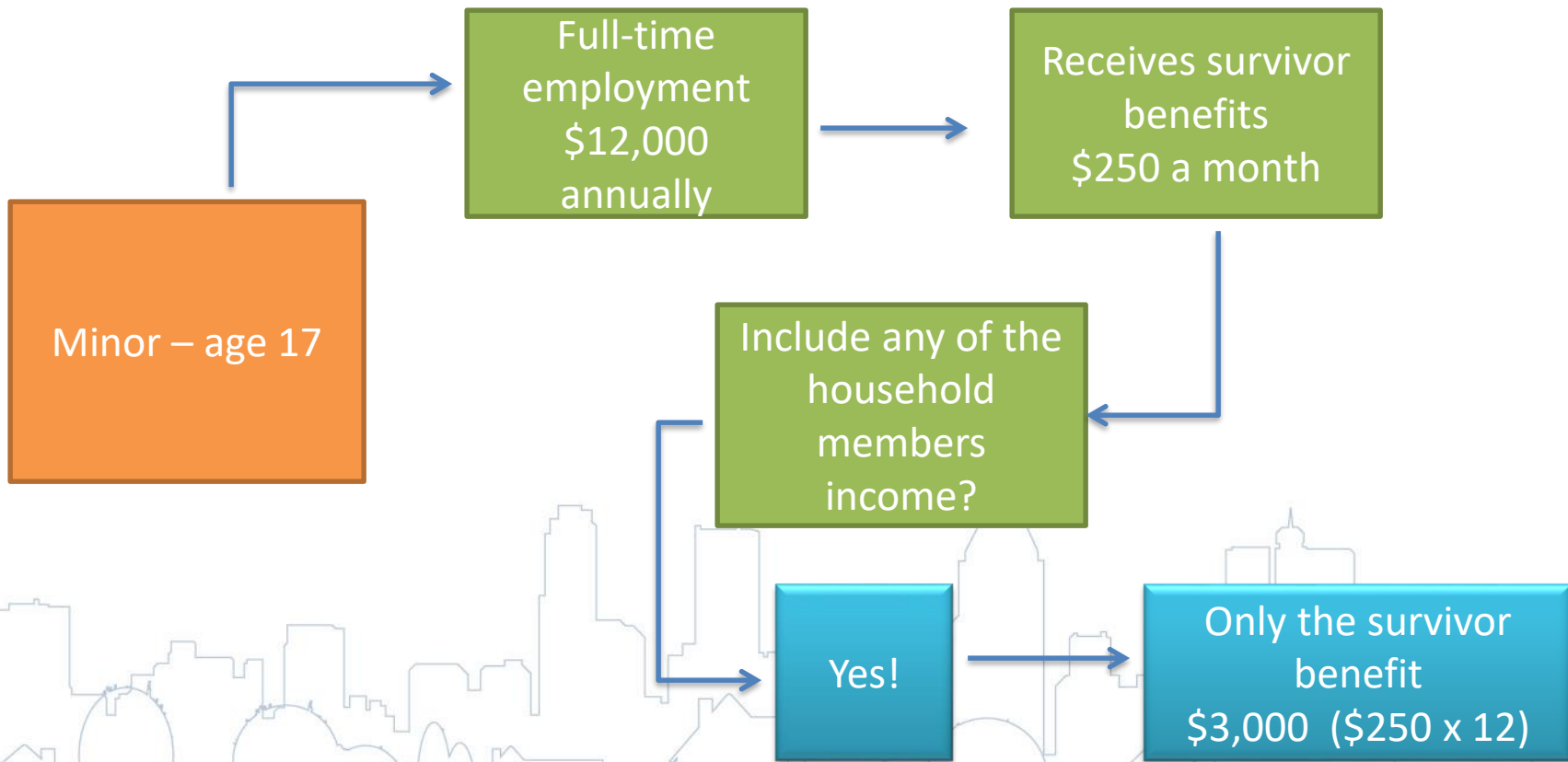
Not Household Members	Earned Income	Other Income (including income from assets)
Live-in aide	No	No
Shared housing: Roommate(s)	No	No
Shared housing: Other household(s)	No	No



Based on this *fancy* flow chart...What would YOU do?



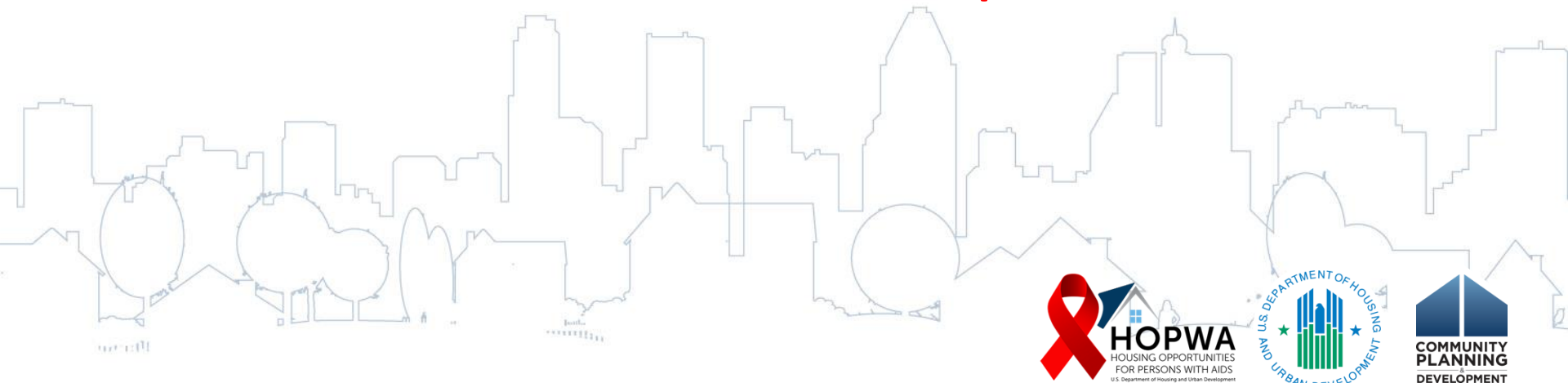
Let's do ONE more – isn't this fun!



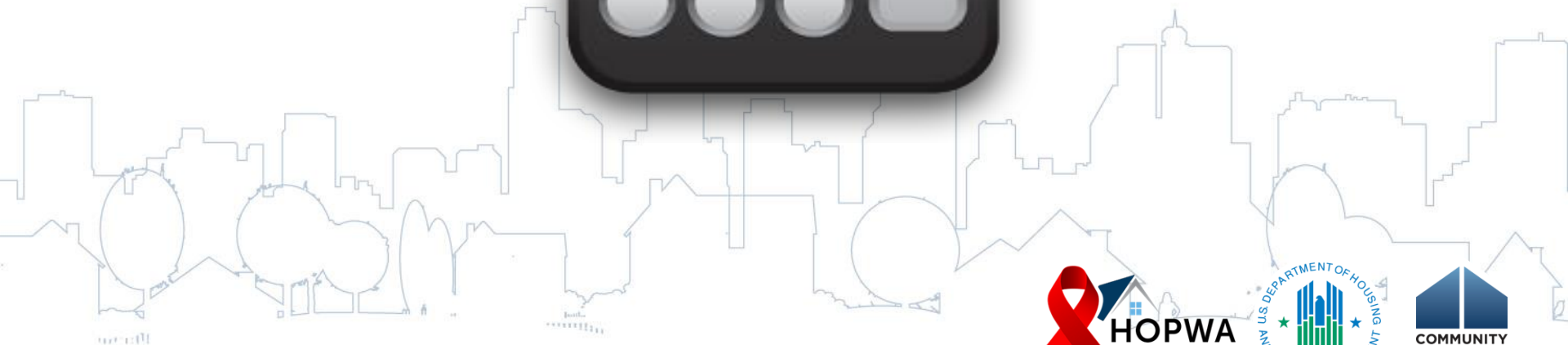
Income & Rent Calculations

- ✓ Household composition & characteristics
- ✓ Income Type & Frequency
- ✓ Income Allowances & Deductions
- ✓ Income inclusions & exclusions
- ✓ Examples – income inclusions & exclusions

❑ MATH time – Rent Calculation example



Example Rent Calculation



Setting the scene

Household composition, characteristics and income

- One qualifying HOPWA individual, who is the head of household and a full time student
- Employment \$175 weekly
- Receives \$150 per month from an aunt (outside the household)
- Has health insurance but pays RX and appointment copays out of pocket (\$1,500 Annually)

1. What income should you include?

2. How do you calculate the income that is included?



The Result....

Both income sources are included

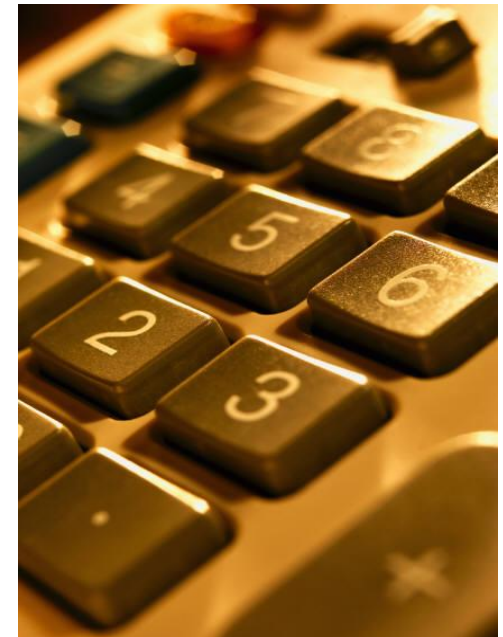
Employment income:

$\$175 \times 52 = \$9,100$ annually

Regular & reoccurring contributions & gifts:

$\$150 \times 12 = \$1,800$

Gross annual income is \$10,900



Review for other household information....

Any other income sources?

- No other income sources

Any applicable income deductions & allowances?

- Yes - Elderly or disabled & unreimbursed medical
- Elderly/disabled: **\$400**
- Unreimbursed medical expenses: **\$1,500**



Unit information

Let's assume the unit meets FMR, rent reasonableness and passes Habitability. The contract rent and utility allowance for tenant paid utilities is as follows:

- Contract Rent: \$953
- Utility Allowance: \$75
 - ✓ Remember that the FMR is the total of the contract rent and the utility allowance added together

Now what do we do?



Putting it all together!

Example Rent Calculation

Annual Gross Income	\$10,900	
Elderly or Disabled Allowance		\$400
Unreimbursed Medical Expenses	\$1,500	
3% of Annual Income	\$327	
Unreimbursed Medical Allowance		\$1,173
Total Allowances		\$1,573
Total Annual Adjusted Income	\$9,327	
Annual Gross Income for Household	\$10,900	
Monthly Gross Income for Household	\$908	
Monthly Tenant Rent Portion - 10% Gross Monthly Income	\$91	
Annual Adjusted Income for Household	\$9,327	
Monthly Adjusted Income for Household	\$777	
Tenant Rent Portion at 30% Adjusted Monthly Income	\$233	
State Designated Welfare Rent. <i>(If Applicable in Some States)</i>	\$0	



Putting it all together!

Tenant Portion of Rent (the higher of 10% of gross monthly, income, welfare rent or 30% of adjustment monthly income)		\$233
Contract Rent		\$953
HOPWA Subsidy Amount		\$720
Utility Allowance		\$75
Tenant Rent to Landlord		\$158
HOPWA Subsidy Payment to Landlord		\$795



Income & Rent Calculation

We have covered a lot of information regarding Income & Rent Calculation in 25 minutes!

Topics covered....household composition and characteristics, income inclusions/exclusions, examples illustrating whose income to include and a rent calculation example....

Further information regarding household income and completing rent calculation can be found here:

<https://www.hudexchange.info/resource/2818/hopwa-rental-assistance-guidebook/>

Thank you for your attention and attendance during our presentation on Income & Rent Calculation



Question Time....

ANY
QUESTIONS
?

