CPD Income Eligibility Calculator User Manual

Version 8.3

8/1/2019

Document History

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1.0	11/1/12	Initial Creation
1.1	12/7/12	Inserted language about unearned income of minors and full-time students; inserted language about adult members of household; updated screenshots
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2.0	8/12/2014	Updated document to reflect HUD Exchange website rebranding
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4.1	3/29/2016	Minor updates
5.0	9/9/2016	Added the Housing Trust Fund (HTF) program and minor edits throughout
6.0	5/4/2017	Changed 'Terms and Definitions' to an Appendix, updated section on unearned income of minors and fulltime students, added additional section on calculation of Imputed Income from assets under the Part 5 definition, created an additional Appendix on the 24 CFR Part 5 Income Calculation Guided and Short Method
7.0	11/21/2017	Added a note on IEC system rounding of calculations. Provided an example for the calculation of a COLA increase to annual income.
8.0	6/14/2018	Added clarification on Re-Evaluation of Income Eligibility for the ESG Program.
8.1	10/11/2018	Minor Updates
8.2	12/17/2018	Updated passbook rate guidance
8.3	8/1/2019	Removed Census definition

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Introduction

The CPD Income Eligibility Calculator User Manual presents information on using the CPD Income Eligibility Calculator. It contains useful background information, glossary of terms, instructions, and links to additional resources.

The User Manual is organized as follows:

Section 1: Overview

Section 2: Using the Calculator

Section 3: Income Determination Resources

Appendix 1: 24 CFR Part 5 Income Calculations

Appendix 2: Terms and Definitions

Section 1: Overview

1.1 INCOME CALCULATOR INTRODUCTION

1.1.1 What is the CPD Income Eligibility Calculator?

The CPD Income Eligibility Calculator is an interactive tool that makes determining the income eligibility and assistance amounts for beneficiaries of CPD programs as easy as 1-2-3. Simply enter the requested data and this Calculator will work behind the scenes to generate a summary of results for each beneficiary. You should then print out the summary and include it as part of the beneficiary's file.

The Calculator currently performs income eligibility and assistance amount calculations (as applicable) for the following HUD CPD programs:

- Brownfield Economic Development Initiative (BEDI)
- Community Development Block Grant Program (CDBG)
- CDBG Disaster Recovery Assistance (CDBG-DR)
- Emergency Solutions Grants Program (ESG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Housing Trust Fund (HTF)
- Neighborhood Stabilization Program (NSP)
- Section 108 Loan Guarantee Program
- Self-Help Homeownership Opportunity (SHOP)

The CPD Income Eligibility Calculator is a tool designed to **assist** CPD grantees in their responsibility to accurately calculate and appropriately document their income determinations of CPD program beneficiaries. It is not, and does not provide, online training regarding the rules for determining income (such as whose income to account, etc.) Refer to Section 3: Income Determination Resources for links to a number of resources that are available about the rules for determining income.

The Calculator is a tool to help a grantee calculate income, but it does not *verify* income. The Calculator should not replace the documentation collected by the grantee. The grantee must maintain all documentation and if using the Calculator, it is helpful to print out and maintain the summary documents generated in the Calculator for Annual Income, and as applicable Adjusted Income and Tenant Payments. Record retention will depend upon the CPD program so grantees should be aware of the length of time records must be kept as well as their own state or local laws related to record retention and privacy.

The Calculator is designed to calculate eligibility based on the amount of income that is entered for the beneficiary. Grantees may have specific requirements written into their policies and procedures that are not included or accounted for in the Income Eligibility Calculator (for example, minimum tenant contribution). Therefore, grantees should always review the final calculations produced from this tool and apply their own grantee's requirements if they are more restrictive. If this is the case, a note should be included in the beneficiary's file noting this change.

1.1.2 HUD Disclaimer

HUD makes no warranties or representations whatsoever regarding the quality, content, completeness, accuracy, or timeliness of the information and data contained in the CPD Income Eligibility Calculator. Please read through the terms and conditions of use, including the liability and privacy policy.

1.1.3 Policy Questions

If you have policy questions about income eligibility and determination, please contact HUD.

- For BEDI, CDBG, CDBG Disaster Recovery Assistance, HOME, HTF, and Section 108, contact your local HUD Field Office.
- For ESG, HOPWA, and NSP, submit your question via HUD Exchange Ask A Question and receive answers directly via email.
- For SHOP, contact HUD's Office of Rural Housing and Economic Development.

1.1.4 Technical Issues

If you have technical difficulties using the Income Eligibility Calculator, please contact info@hudexchange.info.

Section 2: Using the Calculator

2.1 REGISTER/LOG IN

Go to: https://www.hudexchange.info/incomecalculator

2.1.1 Request an Account

To access the Income Eligibility Calculator, you must create an account and log in to the Calculator each time. Your account will give you access to calculations you have created in the past and allow you to create and save new ones.

Step 1: Click on **Register Now** at the right side of the screen.

Step 2: Carefully fill in all fields

- Note that all fields are required
- Be sure to create a username and password you will remember

Step 3: Click the **Create Account** button. Once you submit your registration information, you will be logged in.

2.1.2 Log In

To log in, simply:

Step 1: Enter your username and password.

Step 2: Click on **Log In.**

2.1.3 Forget Username or Password

If you forgot your username or password, please use the following instructions:

Step 1: Enter your email address in the **Forget Username and Password** box on the Income Eligibility Calculator Sign In page.

Step 2: Click on **Get Password.**

Step 3: You will receive an email at the address you entered containing your username and new password.

Step 4: Follow the log in instructions in the email to access the Calculator.

2.1.3 Change Password

To change your password, please use the following instructions:

Step 1: Click on your username in the upper right of the screen, then click "My Account." Note: you must be logged into the Income Eligibility Calculator to change your password.

Step 2: On the My Account page, click "Change password" and carefully enter a new password into the fields.

Step 3: Click on **Submit**.

2.2 START A NEW CALCULATION

Prior to starting a new calculation, you should have the following items available:

- A printer (or, a writing instrument and a piece of blank paper);
- Any previous income determinations completed for the beneficiary; and

- Documentation of income for all members of the beneficiary's family or household.

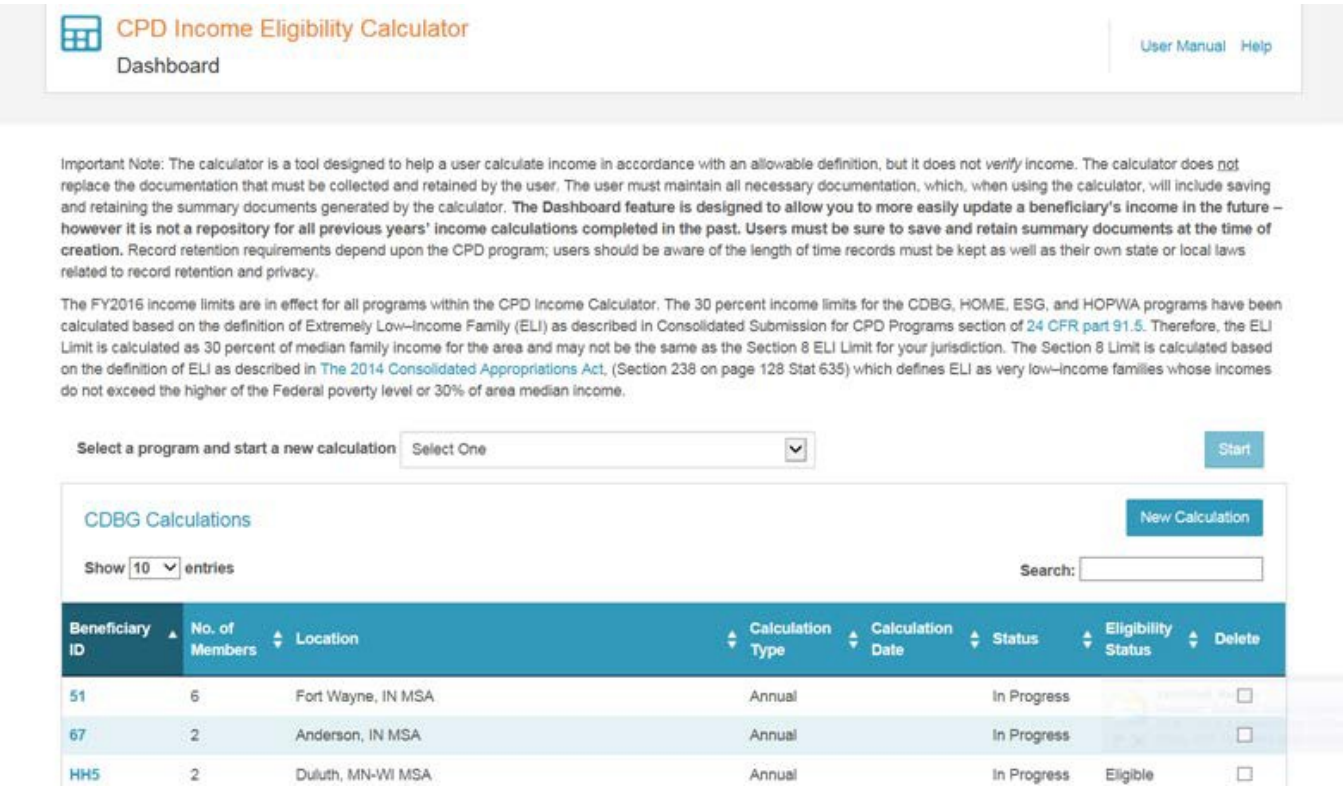
Allow yourself **at least** 15 minutes to complete each applicant's calculation summary. Some calculations may take longer depending upon the experience of the user, the number of household members, the speed of the internet connection, and other factors.

Go to: https://www.hudexchange.info/incomecalculator

2.2.1 Select a Program

Before getting started, it is best to know the mix of programs that may be funding an activity. You should then identify which CPD program has the most restrictive income determination requirements and follow that program's path within the Income Eligibility Calculator.

From the Income Calculator Dashboard, select the applicable program.



2.2.2 Select a Beneficiary ID

The Income Calculator asks for a "Beneficiary ID" instead of a "Last Name" to help protect the privacy of applicants to CPD programs. The Beneficiary ID you enter should be unique, will be included on the Calculator screens and printouts, and will be the key data element necessary to later find, complete, and/or edit the income determination performed for that beneficiary within the Calculator.

DO NOT use any personal information to create a Beneficiary ID, including but not limited to names, social security numbers, or addresses.

Each user is responsible for designing their own method for creating Beneficiary IDs, as well as maintaining and adequately protecting their own auditable records which associate each Beneficiary ID with the individual, family, or household whose income was determined (as appropriate and/or required under the rules of each CPD program.) Printouts from the Calculator for all programs except HOPWA will include both the Beneficiary ID and a blank space in which the Last Name of the associated individual, family, or household can be written or otherwise inserted.

IMPORTANT NOTE: Once you create a Beneficiary ID for an individual, family, or household, you cannot edit that Beneficiary ID. If you need to change that Beneficiary ID, you must create a new calculation.

2.2.3 Select Member IDs

The Income Calculator asks for "Member IDs" instead of "First Names" to help protect the privacy of applicants to CPD programs. Each Member ID you enter should be unique to an individual within the family or household associated with this Beneficiary ID. Printouts from the Calculator for all programs except HOPWA will include the Member IDs entered, along with a blank space in which the First Name of the associated individual can be written or otherwise inserted.

DO NOT use any personal information to create Member ID(s), including but not limited to names, social security numbers, or addresses.

Each user is responsible for designing their own method for creating Member IDs, as well maintaining and adequately protecting their own auditable records which connect Member IDs to the associated individuals within the family or household whose income was determined (as appropriate and/or required under the rules of each CPD program.)

The Income Calculator provides capability for up to 12 members per family or household.

Note: Simply leave all checkboxes blank if the member is over the age of 18 years old and does not meet any of the criteria listed on the Beneficiary Member table.

Example: A 26-year old sibling of the head of household who is living in the household who is also non-disabled and is not a full-time student.

IMPORTANT NOTE: Once you select the number of members, you cannot change the number of members for that Beneficiary. If you need to change the number of members, you must create a new calculation.

2.2.4 Rounding

Please note, the Income Calculator rounds calculations to two decimal places.

2.3 ANNUAL INCOME CALCULATION

Prior to calculating income, you should know which CPD program you are using as well as the activity (and for CDBG, NSP, etc. the national objective), or for ESG which component. Each CPD program calculates income a little differently and the rules surrounding the calculation differ depending upon the activity or component. This section is provided in the order of the income calculator, not specifically on the order of how you conduct income eligibility.

2.3.1 Income Limits

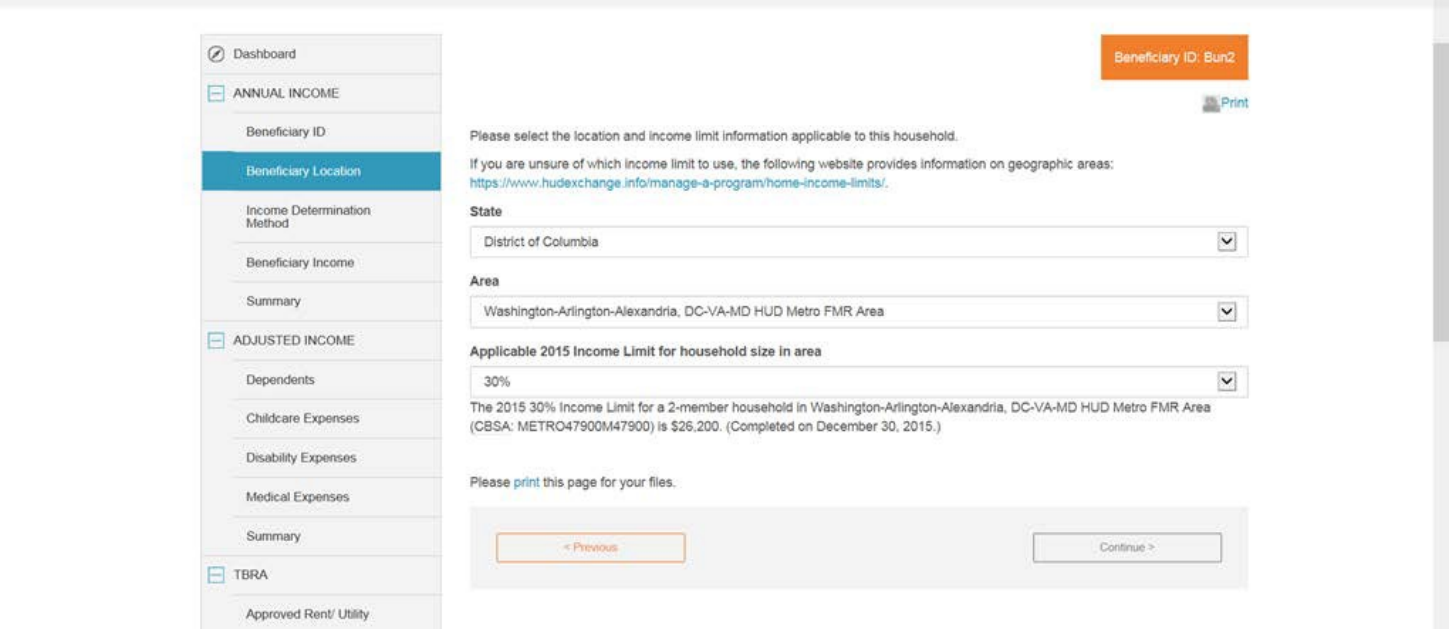
The 30 percent income limits used for the CDBG, ESG, HOME, and HOPWA programs have been calculated based on the definition of Extremely Low-Income Family (ELI) as described in Consolidated Submission for CPD Programs section of 24 CFR part 91.5 and in the terms and definitions later in this manual. Therefore, the ELI Limit is calculated as 30 percent of area median income and may not be the same as the Section 8 ELI Limit for your jurisdiction. The Section 8 Limit is calculated based on the definition of ELI as described in The 2014 Consolidated Appropriations Act, (Section 238 on page 128 Stat 635) which defines ELI as very low-income families whose incomes do not exceed the higher of the Federal poverty level or 30% of area median income.

The remaining income limits (50%, 60%, 80% and for NSP, 120%) for CDBG, HOME, and HOPWA are based upon the HUD Income Limits that are published annually by HUD and are imported into the CPD Income Eligibility Calculator.

The extremely low income (30%) and very low income (50%) limits for HTF is described on HTF Income Limits page and in the terms and definitions later in this manual.

For large households with 9-12 members, the CPD Income Eligibility Calculator includes income limits using a HUD-provided formula: For each person in excess of eight, the four-person income limit is multiplied by an additional 8 percent. For example, the nine-person limit equals 140 percent [132 + 8] of the relevant four-person income limit. Income limits are rounded to the nearest $50.

For each calculation, the user selects the geographic area (county or metropolitan area), the number of members in the beneficiary household, and the applicable income limit (30%, 50%, 60%, 80%, 120%). The Calculator then applies the resulting annual income limit to the income determination being performed. Users should print the Income Limit page that is displayed by the Calculator for their files.



For 10 metropolitan statistical areas (MSAs), at the 80% income limit, they have the option to use either the HUD published 80% income limit or what is called an "uncapped income limit" based upon an exception the Secretary of HUD is authorized to provide under the Quality and Work Responsibility Act of 1998. The MSAs affected by this law are the following:

- Orange County, CA PMSA;
- San Francisco, CA PMSA;
- San Jose, CA PMSA;
- Danbury, CT PMSA;
- Stamford-Norwalk, CT PMSA;
- Washington, DC-MD-VA-WV PMSA;
- Bergen-Passaic, NJ PMSA;
- Middlesex-Somerset-Hunterdon, NJ PMSA;
- Nassau-Suffolk, NY PMSA; and
- Westchester County, NY

This law only covers HOME and CDBG programs and the uncapped limits are not provided in the Calculator as they are only an option for the grantee and not required. For further information, please check with your HUD Field Office and see the following website: https://www.hudexchange.info/manage-a-program/acs-low-mod-summary-data-uncapped-grantees/.

2.3.2 Self-Certification of Annual Income by Beneficiary for Programs that Allow This Method

In some cases, activities may choose to use a verifiable self-certification to document the income of beneficiaries in lieu of a full income calculation or for recertification (see section 2.3.3). A verifiable self-certification is based on a Self-Certification of Annual Income by Beneficiary form in which the beneficiary states and signs-off on their income at the time of assistance.

The Self Certification of Annual Income by Beneficiary is a written statement from the beneficiary documenting the definition used to determine Annual (Gross) Income, the number of beneficiary members in the family or household (as applicable based on the activity), and the relevant characteristics of each member for the purposes of income determination. To complete the form, the user selects the definition of income used, fills in the blank fields, and checks only the boxes that apply to each member. Adult beneficiary members must then sign the form to certify that the information is complete and accurate, and that source documentation will be provided upon request. The form includes space for up to 12 members of a beneficiary. Users should print the Self Certification of Annual Income by Beneficiary form and include the completed form in their beneficiary files. For HOPWA, users must not enter or write any personal information on the printout of the form including but not limited to names, social security numbers, or addresses.

Using a self-certification approach to income documentation can put the activity at possible risk if a beneficiary is later audited and determined to be over the applicable income limit.

The following terms are used in the Self-Certification of Annual Income by Beneficiary form. Each of these terms is defined in the Terms & Definitions section.

- Definition of Income: HUD 24 CFR Part 5; IRS 1040
- Beneficiary ID
- Member IDs
- Head of Household
- Co-Head of Household/Spouse
- Persons with disabilities
- Fulltime student
- Annual gross income

The user must be aware of when and how to use the calculator to determine the Annual Income of ***households*** versus persons within a ***family***. The term "household" is used throughout the ESG, HOME, NSP, HTF, and HOPWA, and SHOP portions of the calculator as it is the appropriate term and unit of analysis for income determinations being performed for these housing programs, while persons within a family or family may be the appropriate unit of analysis and term for public services, public facilities or job activities under the CDBG, CDBG Disaster Recovery, Section 108, and BEDI programs. See the terms and definitions for further information.

2.3.3 Recertifications & Re-evaluations

Depending upon the CPD program, recertifications and/or re-evaluations of a household's annual income is required.

Annual Income Recertification for certain HOME, HOPWA Programs

During an annual income recertification of a family residing in HOME- or HOPWA- assisted rental housing, or receiving HOME tenant-based rental assistance (TBRA) or HOPWA rental assistance, it is necessary to manually exclude from annual income certain increases in the income of a disabled family member. These exclusions apply to annual income increases resulting from the following:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
- Increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- New employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for families funded under Part A

of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering Temporary Assistance for Needy Families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance--provided that the total amount over a six-month period is at least $500.

These exclusions from annual income are of limited duration. The full amount of increase to a qualified family's annual income is excluded for the cumulative 12-month period beginning on the date the disabled family member is first employed or the family first experiences an increase in annual income attributable to the employment. During the second cumulative 12-month period, the grantee, or project sponsor is required to exclude from annual income 50 percent of any increase in income. The disallowance of increased income of an individual family member who is a person with disabilities is limited to a lifetime 24-month period.

Annual Income Recertifications by Government Programs

In some cases, activities may choose to use a verifiable recertification from a government program administrator to document the income of beneficiaries. A verifiable recertification is based on a Recertification of Annual Income by Government Programs form in which a government program administrator states and signs-off on the income of the beneficiary at the time of assistance.

The Recertification of Annual Income by Government Programs is a written statement from the administrator of another government program under which the beneficiary receives benefits, and that examines the annual (gross) income of the beneficiary each year. To complete the statement, the administrator must fill in all of the blank fields, confirm that the information about the members of the beneficiary family or household (as applicable based on the activity) matches the program's records, and sign the form. The form includes space for up to 12 members of a household. Users should print the Recertification of Annual Income by Government Programs form and include the completed form in your beneficiary files. For HOPWA, users must not enter or write any personal information on the printout of the form including but not limited to names, social security numbers, or addresses.

Using a government administrator recertification approach to income documentation can put the activity at possible risk if a beneficiary is later audited and determined to be over the applicable income limit.

The following terms are used in the Self-Certification of Annual Income by Government Programs form. Each of these terms is defined in the Terms & Definitions section.

- Beneficiary ID
- Member IDs
- Annual gross income

Re-Evaluations of Income Eligibility for the ESG Program

Under the Emergency Solutions Grants Program (ESG), income eligibility is re-evaluated not less than once every three months for homelessness prevention and not less than once annually for rapid-rehousing assistance. To remain eligible for ESG assistance at re-evaluation, the household must have an annual income that does not exceed 30% of median family income for the area, as determined by HUD.

2.3.4 Income Definitions

Part 5 Annual Income

Under the Part 5 definition, income sources are either included or excluded as part of Annual Income. The following are typical sources of income:

- Wages/Salaries
- Benefits/Pensions
- Public Assistance

- Other Income

Unearned Income of Minors and Full Time Students

Some sources of income that are treated uniquely in the calculator:

- If the member is a minor below the age of 18, the member's income is set to $0 when the annual gross income is calculated regardless of what is input into the Income Calculator.
    - Therefore, if income is received by an adult on behalf of a minor (e.g. child support, SSI), list it under the profile of the adult member of the household who receives it on behalf of the minor child. It may be helpful to include a note in the description describing to which minor the income is attributable.
- If the member is over 18 **AND** is a *FULL TIME STUDENT* **AND** is not the head or co-head (spouse) of household **AND** if the sum of all his/her anticipated annual income is over $480 **THEN** the total amount of his/her income is capped at $480 during the calculation of annual gross income. Note: The HOME Program explicitly prohibits serving students who are under the age of 24 unless they meet one of the following exceptions: low income, not a dependent of another household (e.g., emancipated youth, parents are deceased), married, served in the military, have a dependent, or Is disabled and was receiving Section 8 assistance as of November 30, 2005.
- Otherwise, the income for a household member is the sum of all his/her anticipated annual income.

The following illustrates how these rules work in the Income Calculator. Please note you will not see the adjustments until the final calculation (line 10 of the Anticipated Annual Income PDF export).

ANTICIPATED ANNUAL INCOME						
First Names	Member IDs	a. Wages/ Salaries	b. Benefits/ Pensions	c. Public Assistance	d. Other Income	e. Asset Income
	51Head	$17,000.00	$0.00	$3,996.00	$0.00	
	45Cohead	$0.00	$0.00	$0.00	$0.00	
	21studen	$2,000.00	$0.00	$0.00	$0.00	
	30disabl	$0.00	$4,800.00	$0.00	$0.00	
	9minor	$1,000.00	$10,000.00	$15,000.00	$4,000.00	
	77elderl	$0.00	$3,900.00	$0.00	$0.00	
9. Totals		a. $20,000.00	b. $18,700.00	c. $18,996.00	d. $4,000.00	e. $2.28
10. Enter total of items from 9a through 9e. This is ***Annual Income***.						10. $30,178.28

Although the student makes $2000 per year in wages, only $480 count towards the Annual Income.
None of the $30,000 listed under the minor child was counted by the Income Calculator as income.
See Appendix 1 for additional information on using the Income Calculator to calculate 24 CFR Part 5 Annual Income.

Passbook Rate

Under the Part 5 definition, a household may have assets with an increased payment-ability, even if its assets do not currently produce income. (For example, a household that owns land that is not rented or otherwise used to produce income.) Rather than require the household to dispose of the property, the rule requires that an "imputed" income be calculated based on a Passbook Rate that is applied to the cash value of all assets.

There are three options for the grantee in setting the rate to be used as its passbook savings rate:

1. Use the same passbook savings rate used by their local public housing authority (PHA);

2. Use the passbook savings rate published by HUD's Office of Multifamily Housing; or

As described in Notice H 2014-15, the Office of Multifamily Housing will publish a passbook savings rate and its effective date through a Housing program notice at least annually (the most current notice is Notice H 2016-01); or

3. Establish its own passbook savings rate.

If a grantee chooses to establish its own rate in calculating imputed income from assets, then the grantee should review its passbook savings rate at least annually to determine that it is allowable. The grantee may establish a passbook savings rate within 75 basis points (plus or minus .75 percent) of the Savings National Rate in effect at the time the grantee establishes the passbook savings rate, and the passbook savings rate may not be less than 0 percent. The Savings National Rate is a simple average of rates paid by United States (US) depository institutions as calculated by the Federal Deposit Insurance Corporation (FDIC). The FDIC publishes this rate on a weekly basis. Historical and current Savings National Rates can be accessed on the FDIC website.

Please note that for all programs within HUD's Office of Block Grant Assistance (OBGA), CDBG, CDBG-DR, and NSP, the imputed asset calculation is not required, so including the cash value of assets and using the passbook rate will not be displayed in the calculator.

Part 5 Assets

Under the Part 5 definition, assets are categorized as either:

- **Total $5,000 or Less** - If the total cash value of all the family's assets is $5,000 or less, the actual income the family receives from assets is the amount that is included in annual income as income from assets.
- **Exceed $5,000** - When net family assets are more than $5,000, annual income includes the greater of the following:
  a. Actual income from assets; or
  b. A percentage of the value of family assets based upon the current passbook savings rate as established by HUD. This is called imputed income from assets. The passbook rate is currently set at .06%.

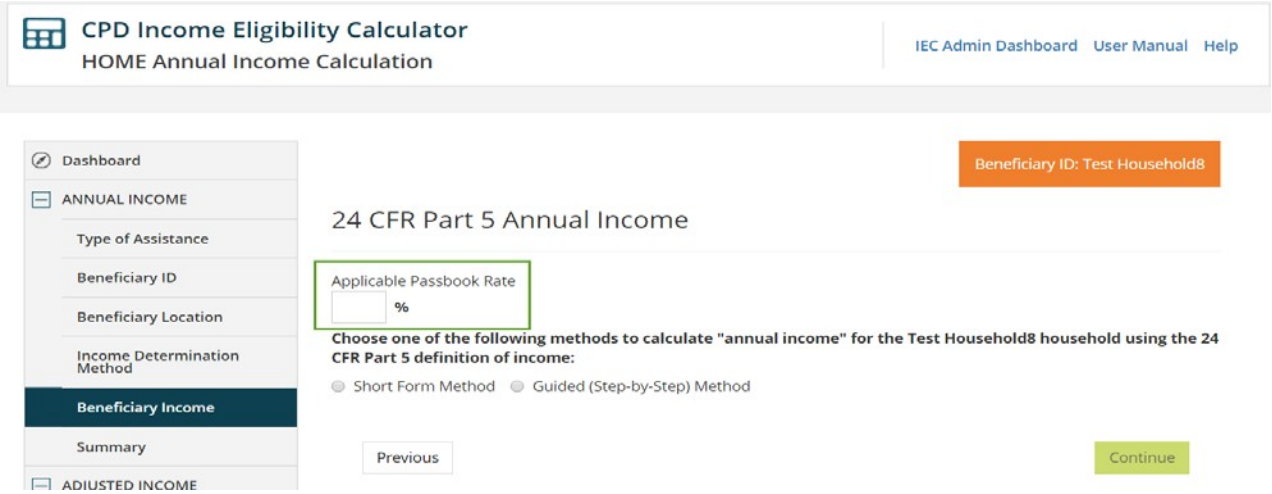
To begin this calculation, first add the cash value of all assets. Multiply the total cash value of all assets by .0006. The product is the "imputed income" from assets. Then, add the actual income from all assets. The greater of the imputed income from assets or the actual income from assets is included in the calculation of annual income.

The following are typical sources of assets:

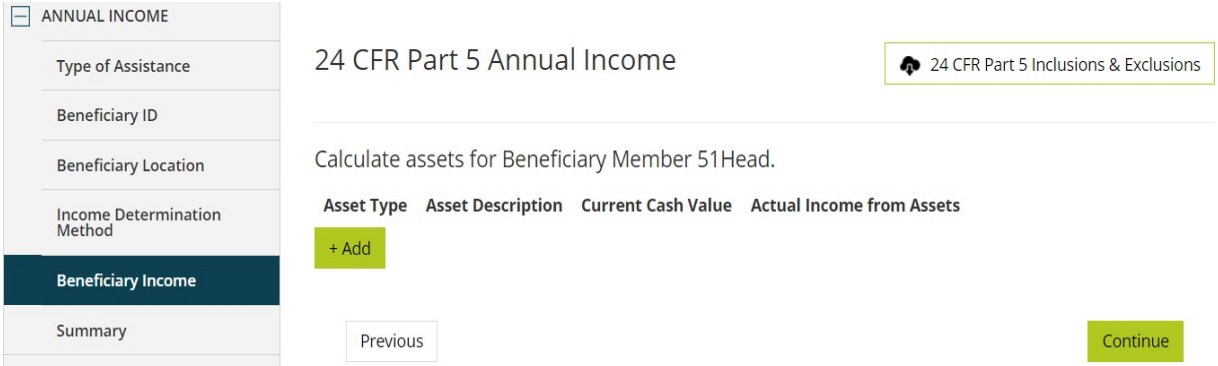
- Cash (e.g., checking, savings)
- Equity
- Stocks
- Retirement Accounts
- Pension Funds
- Life Insurance
- Personal Property
- Lump Sums
- Deeds

Calculating Total Asset Income in the Income Calculator

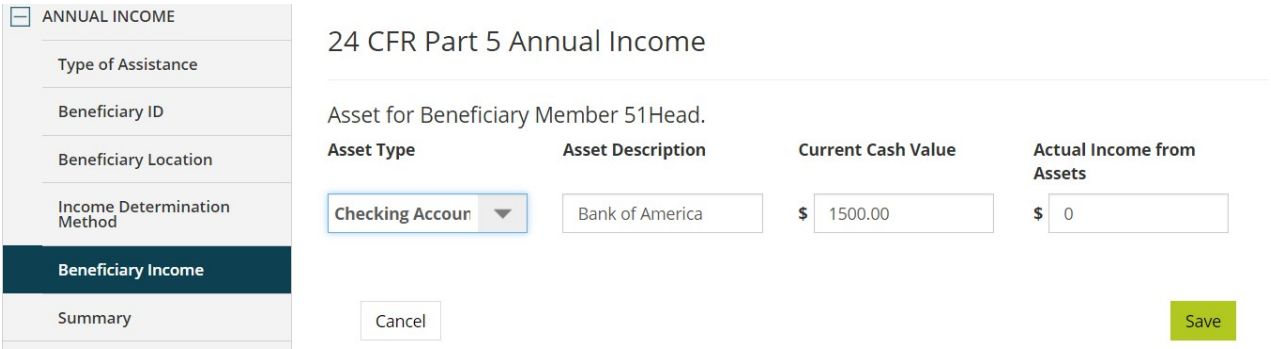
1. Enter the Applicable Passbook Rate and select the calculation method preferred. Select 'Continue'.



2. Select "add" to input an asset in the Income Calculator.



3. Enter the current cash value and actual income from asset for each of the household member's assets. Select save.



Example 1:

The following steps show how the Income Calculator determines the total actual income from assets.

1. The user enters the total cash value of assets and the total actual income from assets into the Income Calculator.

Member ID	Asset Type(s)	Current Cash Value	Actual Income from Assets
51Head	Whole Life Insurance Policy	$3677.00	$0
52Spouse	Savings Account	$1200.00	$.10
51Head	Checking	$1500.00	$0
Net Cash Value of Assets		$6377.00	
Total Actual Income from Assets			$.10

2. As the total current cash value of the assets is greater than $5000.00, the Income Calculator will calculate the Imputed Income by multiplying the Current Cash Value of Assets by the Applicable Passbook Rate. If below $5000.00, the Imputed Income from Asset(s) is set to $0.

Total Current Cash Value of Assets	$6377.00
Applicable Passbook Rate	.02%
Imputed Asset Income	= $6377.00 x .02% = $1.2754

3. Finally, the Income Calculator selects the **greater** of the total actual income from asset and the imputed asset income to be the total asset income.

Total Actual Income from Asset	$ .10
Imputed Asset Income	= $6377.00 x .02% = $1.2754
Total Asset Income	= $1.2754

NOTE: The user will not see the comparison performed in step 3 in the Income Calculator. The total asset income will only appear on page 2, column e of the 24 CFR Part 5 Annual Income Summary PDF Export.

ANTICIPATED ANNUAL INCOME						
First Names	**Member IDs**	**a. Wages/ Salaries**	**b. Benefits/ Pensions**	**c. Public Assistance**	**d. Other Income**	**e. Asset Income**
	51Head	$0.00	$0.00	$0.00	$0.00	
	52Spouse	$0.00	$0.00	$0.00	$0.00	
	53Child	$0.00	$0.00	$0.00	$0.00	
9. Totals		a. $0.00	b. $0.00	c. $0.00	d. $0.00	e. $1.28
10. Enter total of items from 9a through 9e. This is ***Annual Income***.						10. $1.28

IRS Form 1040 Gross Adjusted

When using the IRS Form 1040 definition to determine an applicant's annual income, users must use the most current long form version of IRS Form 1040—the version filed for current year tax reporting purposes. While the online worksheet is a general representation of the IRS Form 1040, it is not updated annually to reflect all changes in the Income and Deductions line items each tax year. The user is advised to consult the IRS Web site at irs.gov for the most current version of and the instructions for this form. Income or Deduction items included in the most current IRS Form

1040, but not specifically reflected below, may be accommodated using the "Other Income" and "Other Deductions" line items below.

Income Line Items Provided for the IRS

- Wages, salaries, tips, etc.
- Overtime/bonus pay
- Raises/COLAs
- Taxable interest
- Ordinary dividends
- Taxable refunds, credits, or offsets of state and local income taxes
- Alimony received
- Business income or (loss)
- Capital gain or (loss)
- Other gains or (losses)
- Taxable amount of IRA distributions
- Taxable amount of Pensions and annuities
- Rentals, real estate, royalties, partnerships, S corporations, trusts, etc.
- Farm income or (loss)
- Unemployment compensation
- Taxable amount of Social security benefits
- Other income (if any)

Deduction Line Items Provided for the IRS

- Educator expenses
- Certain business expenses of reservists, performing artists, and fee-basis government officials
- Health savings account deduction
- Moving expenses
- Deductible part of self-employment tax
- Self-employed SEP, SIMPLE, and qualified plans
- Self-employed health insurance deduction
- Penalty on early withdrawal of savings
- Alimony paid
- IRA deduction
- Student loan interest deduction
- Tuition and fees
- Domestic production activities deduction
- Other Deductions (if any)

2.4 ADJUSTED INCOME CALCULATION

The second section of the income calculator is on how to determine adjusted income. This section is not used by all CPD programs.

The adjusted income calculation is used to determine ability to pay for rent and utilities, by first deducting from annual income a set of deductions. For example, adjusted income is used to determine the rent for a tenant in a HOME-only assisted rental unit whose income increases above 80 percent of the area median or when coupled with the final part of the calculator, rental assistance, the tenant payment depending the model chosen by the grantee.

Adjusted income is derived by subtracting any of five deductions (allowances) that apply to the household from the household's annual (gross) income. The deductions must be applied whenever adjusted income is calculated for eligible households.

A household's eligibility for adjustments to annual (gross) income depends in part on whether the household qualifies as

an elderly household, a disabled household, or a non-elderly, non-disabled household. While defined at 24 CFR 5.611, deductions are applied to eligible households regardless of the definition of annual (gross) income that was initially used to determine their eligibility.

2.4.1 Deductions

Elderly or Disabled Household Deductions

A household that meets the definition of an elderly or disabled household is entitled to a deduction of $400 per household.

Dependent Deductions

For each household dependent, deduct $480 from a household's annual (gross) income when calculating adjusted income. A dependent is defined as any household member who is not the head, co-head, or spouse, but is under the age of 18 years (note that the calculator uses only the terms head or co-head); or disabled (of any age); or a full-time student (of any age).

Child Care Expenses Deductions

Reasonable child care expenses for the care of a child age 12 or under may be deducted from annual (gross) income if they enable one or more adult family member to seek employment actively, be gainfully employed, or further his/her education; and if the expenses are not reimbursed.

Reasonable child care expenses for the care of a child age 12 or under may be deducted from annual income if the child care (1) enables an adult family member to seek employment actively, be gainfully employed, or further his/her education; and (2) expenses are not paid to a member of the household and are not reimbursed. The amount of the deduction is unlimited, but the child care expenses must be reasonable (i.e., typical for the area, age of child, etc.). However, if a full-time student has child care expenses related to employment, these expenses are limited to $480, as the employment income of full-time students in excess of $480 is not counted in the annual income calculation.

Medical Expenses Deductions

Elderly or disabled households that have no disability assistance expenses may claim as a deduction medical expenses that are in excess of three percent of their annual (gross) income, so long as they are not already being reimbursed by insurance or through another entity. Medical expenses that may be considered include all medical expenses anticipate to be incurred during the coming year that are not covered by insurance. Although medical expenses are permitted only for elderly or disabled households, once a household qualifies as an elderly or disabled household the medical expenses of all household members are considered.

Disability Assistance Expenses Deductions

Disability assistance expenses can be deducted from a household's annual income to the extent that they exceed three percent of annual income, so long as they are not already being reimbursed by insurance or another entity. Expenses may be deducted if and only if all of the following conditions are met: (1) they are reasonable, (2) they are not reimbursed from another source, (3) they enable a household member to work, (4) they do not exceed the amount of income generated by the person enabled to work, and (5) they are in excess of three percent of annual income.

2.5 RENTAL ASSISTANCE CALCULATION

The final section of the income calculator is on how to determine rental assistance. This section is not used by all CPD programs.

The rental assistance calculation, when coupled with annual and adjusted income, can be used for determining the tenant payment and the amount of assistance applicable to the eligible household in the following situations:

- Tenant and PJ payments under a HOME-funded TBRA program;
- The rent for a tenant if the grantee has a rental housing program in which rents are based on the household's

ability to pay; and
- The rent for a tenant receiving HOPWA assistance.

Note: The calculator does not provide rental assistance amounts for ESG rental assistance because the recipient or subrecipient determines the appropriate amount of assistance to provide.

2.5.1 Fair Market Rent/Rent Standard

The rent including applicable utility allowance for unit type and size for the unit typically cannot be above the Fair Market Rent or required rent standard for a jurisdiction when using the certificate program (described below). However, the rent charged for a unit must be reasonable in relation to rents currently being charged for comparable units in the private unassisted market and must not be in excess of rents currently being charged by the owner for comparable unassisted units. Rent must be reasonable to provide HOPWA or HOME rental assistance to house the beneficiary in a unit. Rent reasonableness must be documented for tenant based rental assistance and included in the assisted client's file.

In addition, on a unit-by-unit basis, grantees can have up to 20% of the total TBRA enrollments exceed the FMR/payment standard by 10%. Further, PHAs have the authority to issue a community wide exception on FMR's up to 110% of FMR. If a PHA in the grantee's community has an established rent standard of 110% of FMR, then the grantee may utilize the PHA's established FMR. Additionally, grantees may utilize the rule of an extra 10% for 20% of the units on top of the PHA established FMR. This will allow for a total of 120% for 20% of units and 110% for the remaining units. See HOPWA regulations at 24 CFR 574.320(a)(2) and/or HOME regulations at 24 CFR 92.203.

2.5.2 Approved Rent and Utility Allowances

The approved rent will depend upon the program being used (i.e., HOME, HOPWA, etc.) and what is reasonable for the jurisdiction.

The administrator for the rental program should determine what utility allowances should be used. The utility allowance is an estimate of the average monthly utility bills (except telephone) for an energy-conscious household. This estimate considers only utilities paid directly by the tenant. If all utilities are included in the rent, there is not a utility allowance. For the HOME program, utility allowance calculation options are described in HOMEfires Vol. 13, No. 2: Guidance on How to Establish Utility Allowances for HOME-Assisted Rental Units.

2.5.3 Rent Models

This calculator determines assistance amounts using the HUD-prescribed Section 8 method only.

The **Section 8 Rental Certificate Program** assumes a fixed tenant payment - that is, the tenant's share of housing costs, or total tenant payment (TTP), is calculated by formula. The formula for computing TTP under the Certificate Program requires a tenant to pay the greatest of:

2.4.1.1 30 percent of monthly adjusted income;
2.4.1.2 10 percent of monthly annual (gross) income; or
2.4.1.3 Welfare rent (which applies only to welfare recipients in as-paid localities).

Under a HOME TBRA program, the PJ would then pay the difference between the tenant's share - the TTP -- and the approved rent for the unit selected by the tenant.

The **Section 8 Rental Voucher Program** assumes a fixed payment from the grantee toward a unit's rent. The maximum grantee subsidy is calculated first, and then the tenant pays the difference between the grantee subsidy and the approved rent for the unit. Using the Rental Voucher method, a grantee establishes its rent standards by unit size for the TBRA program as a whole (see section above on FMR/Rent Standard), and determines 30 percent of each tenant's monthly adjusted income. The difference between these figures is the maximum amount the grantee will pay toward the rent for the unit selected by the tenant. However, a minimum tenant payment of 10 percent of the tenant's monthly annual (gross) income is required.

HOME PJs may establish their own method for determining the TBRA subsidy. You may wish to print the annual and adjusted income summaries from this calculator for reference when using another methodology.

HOPWA grantees should only use the Section 8 Rental Certificate model.

2.6 CALCULATION DASHBOARD

The Calculation Dashboard allows you to start a new calculation, complete a previously started calculation, and review or update a completed calculation. You can also search for a calculation and delete existing calculations. The Dashboard is organized by Program, and each calculation displayed in the dashboard includes the following information:

- Beneficiary ID
- Number of family or household members
- Location – the City and State selected
- Calculation type – Annual, Adjusted, or TBRA
- Calculation date – the date that the calculation was last updated
- Status – In Progress or Complete
- Eligibility status – Eligible, Ineligible, or Blank if not yet determined

2.6.1 Viewing/Editing Previously Started Calculations

Users may make edits to previously started calculations. From the Calculation Dashboard, find the Calculation and click on the Beneficiary ID.

The calculator stores all data previously entered into the Calculation. The user is required to re-confirm the data by clicking Continue on each screen. You may click on the headings on the left sidebar to skip to various sections of the calculation.

Note the browser back button and previous button on the screen are not always the same due to the various flows for each Program. The browser back button goes to the previous page. The Previous button goes back to the last page from which the user came.

Note new income limits come out each year, typically in the first quarter. If you are in the process of income qualifying a beneficiary, once the income limits are updated in the system, you have to use the new income limits.

Section 3: Income Determination Resources

Several resources are available to assist in income determination.

3.1 REGULATORY CITATIONS

3.1.1 CDBG Regulations

- 570.3 – Income Definition
- 570.208 – Entitlements – Low Income Targeting
- 570.483 – States – Low Income Targeting
- 570.506 – Income Documentation

3.1.2 HOME Regulations

- 24 CFR 92.2 – Definitions
- 24 CFR 92.203 – Income Determinations and Adjusted Income
- 24 CFR 92.209 – TBRA Eligible Costs and Requirements
- 24 CFR 92.216 – Income Targeting: TBRA and Rental Housing Units
- 24 CFR 92.217 – Income Targeting: Homeownership
- 24 CFR 92.252 – Qualification as Affordable Housing: Rental Housing
- 24 CFR 92.254 – Qualification as Affordable Housing: Homeownership Housing

3.1.3 HOPWA Regulations

- 574.3 – Eligible Persons D
- 5.603 – Annual Income Definition
- 5.609 – Annual Income
- 5.611 – Adjusted Income
- 5.617 – Self-sufficiency incentives for persons with disabilities—Disallowance of increase in annual income

3.1.4 NSP Regulations

- See CDBG regulations.

3.1.5 ESG Regulations

- 576.2 – Definitions
- 576.401(b) – Re-evaluation Requirements
- 5.609 – Annual Income

3.1.6 HTF Regulations

- 24 CFR 93.2- Definitions
- 24 CFR 93.151 Income Determinations
- 24 CFR 93.250 -Income Targeting: Rental Units.
- 24 CFR 93.250 - Income Targeting: Homeownership.
- 24 CFR 93.302 – Qualification as Affordable Housing: Homeownership Housing
- 24 CFR 93.304 – Qualification as Affordable Housing: Rental Housing

3.2 TECHNICAL GUIDANCE

3.2.1 CDBG Technical Guidance

Guide to National Objectives and Eligible Activities for Entitlement Communities

This guide provides explanations on national objectives and eligible activities for Entitlement Communities. View the Guide to National Objectives and eligible Activities for Entitlement Communities

Guide to National Objectives and Eligible Activities for State CDBG Programs

This guide provides explanations on national objectives and eligible activities for State CDBG Programs. View the Guide to National Objectives and Eligible Activities for State CDBG Programs

3.2.2 HOME Technical Guidance

Technical Guide for Determining Income and Allowances for the HOME Program

This self-study guide provides explanations of each of the three definitions of income and a glossary of terms, and describes what sources of income must be included or excluded when conducting income verification. In addition to a description of these basic requirements, the guide provides exercises and case studies to enable readers to test their understanding of the key concepts. View the Technical Guide for Determining Income and Allowances for the HOME Program.

3.2.3 NSP Technical Guidance

Guide to Completing NSP Income Certifications

This guide is intended for grantees and their partners seeking guidance on calculating annual gross income for the purposes of NSP eligibility determination. Before approving client applications for NSP rental or homeownership assistance, grantees and their partners must determine whether annual gross income is at or below NSP income limits. While there are a range of acceptable methods for collecting and certifying income data, this guide focuses on the methods used in HUD's HOME Investment Partnership Program. An income calculation worksheet, formatted in Excel, is embedded at the end of this document. View the Guide to Completing NSP Income Certifications.

3.3 FORMS

3.3.1 IRS Forms

Visit the **IRS website** to see the 1040 form and other information about the IRS 1040.

3.3.2 HOME Forms

The following forms are available to HOME participating jurisdictions (PJs); however other grantees may find these resources helpful and could adapt to other programs.

Program Eligibility Release Form

This form gives authorization for the named organization to obtain information from a third party relative to his/her eligibility in a HOME TBRA, homebuyer, rental rehabilitation, or homeowner rehabilitation program. It may also be used to determine continued eligibility or rent charged in a HOME TBRA program or HOME-assisted rental housing.

- View Program Eligibility Release Form

Recertification of Annual Income by Government Programs

This form is used to certify the amount of funding a household receives through a government program. A government administrator completes this form for the PJ to use when recertifying the income of rental housing tenants.

- View Recertification of Annual Income by Government Programs

Recertification of Annual Income by Tenant Family

This form is completed by the tenant family to certify the household size and annual income. The tenant family returns this form to the PJ for use when recertifying the income of rental housing tenants.

- View Recertification of Annual Income by Tenant Family

Sample Format for Calculating Adjusted Income

This form provides a format that can be used to calculate adjusted income for HOME Program purposes.

- View Sample Format for Calculating Adjusted Income

Sample Format for Calculating Part 5 Annual Income

This form provides a format that can be used to assess assets and anticipated income and calculate Part 5 annual income.

- View Sample Format for Calculating Part 5 Annual Income

Sample Format for Computing IRS Form 1040 Series Adjusted Gross *Income*

This form provides a format that can be used to compute the IRS Form 1040 series adjusted gross income.

- View Sample Format for Computing IRS Form 1040 Series Adjusted Gross Income

Sample Format for Computing Total Tenant Payment and PJ Subsidy: Rental Certificate Model

This form provides a format that can be used to compute the total payment and PJ subsidy for a rental certificate model. This form is used with the Sample Format for Calculating Part 5 Adjusted Income.

- View Sample Format for Computing Total Tenant Payment and PJ Subsidy: Rental Certificate Model

Sample Format for Computing Total Tenant Payment and PJ Subsidy: Rental Voucher Model

This form provides a format that can be used to compute the total payment and PJ subsidy for a rental voucher model. This form is used with the Sample Format for Calculating Part 5 Adjusted Income.

- View Sample Format for Computing Total Tenant Payment and PJ Subsidy: Rental Voucher Model

Verification of Alimony and Separation

This form gives authorization for the HOME PJ to verify alimony and separation payments made to all members of the household applying for participation in the HOME Program.

- View Verification of Alimony and Separation

Verification of Assets on Deposit

This form gives authorization for the HOME PJ to verify assets on deposit for all members of the household applying for participation in the HOME Program.

- View Verification of Assets on Deposit

Verification of Child Support Payments

This form gives authorization for the HOME PJ to verify child support payments made to all members of the household applying for participation in the HOME Program on all or none.

- View Verification of Child Support Payments

Verification of Employment

This form gives authorization for the HOME PJ to verify employment income of all the members of the household applying for participation in the HOME Program.

- View Verification of Employment

Verification of Income from Military

This form gives authorization for the HOME PJ to verify military service income of all the members of the household applying for participation in the HOME Program.

- View Verification of Income from Military

Verification of Income from Business

This form gives authorization for the HOME PJ to verify business income of all the members of the household applying for participation in the HOME Program.

- View Verification of Income from Business

Verification of Pensions and Annuities

This form gives authorization for the HOME PJ to verify pension an

d annuity income of all the members of the household applying for participation in the HOME Program.

- View Verification of Pensions and Annuities

Verification of Public Assistance Program

This form gives authorization for the HOME PJ to verify public assistance income for all the members of the household applying for participation in the HOME Program.

- View Verification of Public Assistance Program

Verification of Recurring Cash Contributions

This form gives authorization for the HOME PJ to verify recurring cash contributions made to all members of the household applying for participation in the HOME Program.

- View Verification of Recurring Cash Contributions

Verification of Social Security Benefits

This form gives authorization for the HOME PJ to verify Social Security benefit income for all the members of the household applying for participation in the HOME Program.

- View Verification of Social Security Benefits

Verification of Unemployment Benefits

This form gives authorization for the HOME PJ to verify information about unemployment benefits income for all members of the household applying for participation in the HOME Program.

- View Verification of Unemployment Benefits

Verification of Veterans Administrative Benefits

This form gives authorization for the HOME PJ to verify Veterans Administrative Benefits income for all the members of the household applying for participation in the HOME Program.

- View Verification of Veterans Administrative Benefits

3.3.3 HOPWA Forms

Income Eligibility Calculation Worksheet

To be eligible for assistance under the HOPWA program, individuals must be at or below 80 percent of area median income (AMI). Project sponsors can use this worksheet to calculate household income and determine eligibility for assistance.

- Download Income Eligibility Calculation Worksheet (Excel)

Income & Resident Rent Calculation Worksheet

With the exception of persons in short-term supported housing, persons receiving rental assistance under the HOPWA program must pay rent. According to the HOPWA regulations, tenants must pay the higher of: (1) 30 percent of the family's monthly adjusted income; (2) 10 percent of the family's monthly gross income; or (3) The portion of any welfare assistance payments specifically designated for housing costs. This worksheet can be used by HOPWA project sponsors to determine the Resident Rent Payment.

- Download Income & Resident Rent Calculation Worksheet (Excel)
- View Income & Resident Rent Calculation Worksheet (PDF)

Accepted Forms of Income Verification

HOPWA program regulations require verification of all income from participant households. This tool provides examples of acceptable forms of income documentation.

- Download Accepted Forms of Income Verification (PDF)
- View Accepted Forms of Income Verification (HTML)

Disallowance of Increase in Annual Income (Earned Income Disregard)

In March 2016, HUD amended regulations that require housing providers in certain HUD programs to disregard some or all of the earned income for tenants with disabilities. The Earned Income Disregard, as it is commonly called, allows qualified families receiving housing assistance to keep more of their earned income. During the 12-month period beginning on the date that an eligible individual is first employed or the family first experiences an increase in annual income attributable to employment, 100% of the increased income is excluded from their annual income calculation. Within the second 12-month exclusion period, a qualified family can exclude at least 50% of their earned income. The disallowance of increased income of a qualified family is limited to a lifetime of 24-month period.

Zero-Income Affidavit

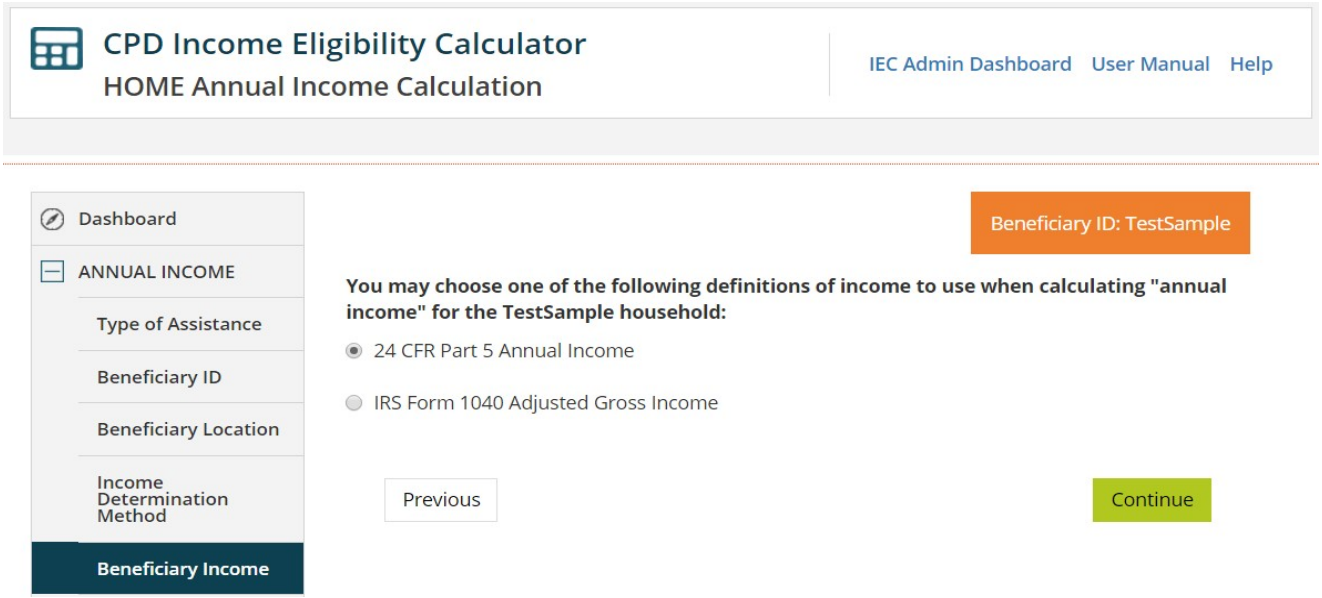
HOPWA program regulations require verification of all income from participating households. This form can be used as documentation when a household has no income.

- View Zero-Income Affidavit (HTML)

Appendix 1: 24 CFR Part 5 Annual Income Calculations

OVERVIEW

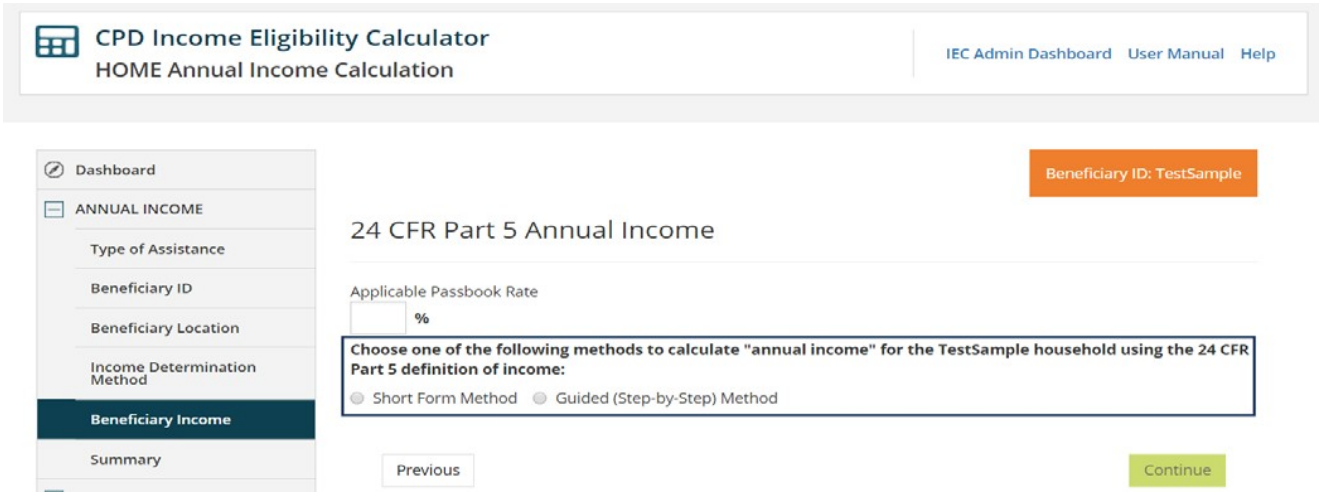
This appendix provides guidance on using the 24 CFR Part 5 Annual Income definition to calculate total annual gross income in the Income Calculator.



When a user selects 24 CFR Part 5 Annual Income, the calculation may be performed using the Short Form Method or the Guided (Step-by-Step) Method.

Choosing Between the Short Form Method and Guided (Step-By-Step) Method

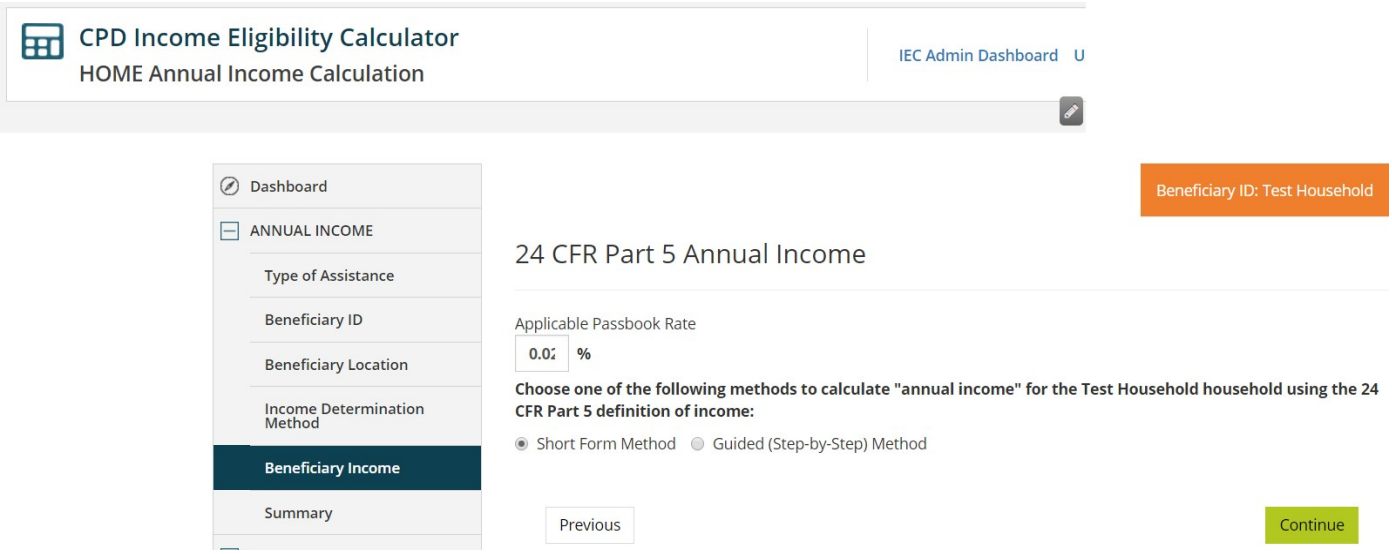
The main differences between the methods is the speed that income and assets data can be input into the Income Calculator and whether the user needs to calculate the annualized income from the income source(s) or asset(s) through the system.



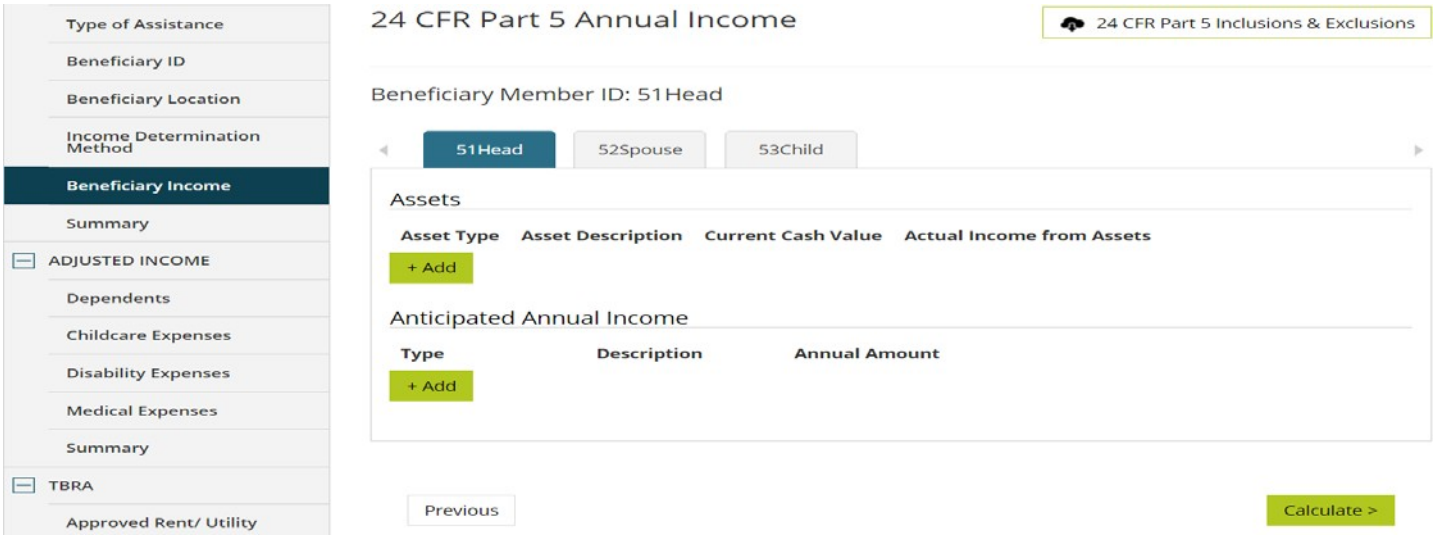
A. Short Form Method

Select the ***Short Form Method*** to quickly enter income sources and assets without much guidance from the system. This method is best used when the annual amount for each income source and asset held by household member is a known and does not need to be calculated through the Income Calculator.

On the Beneficiary Income tab:
1. Enter the Applicable Passbook Rate
2. Select the Short Form Method
3. Select Continue



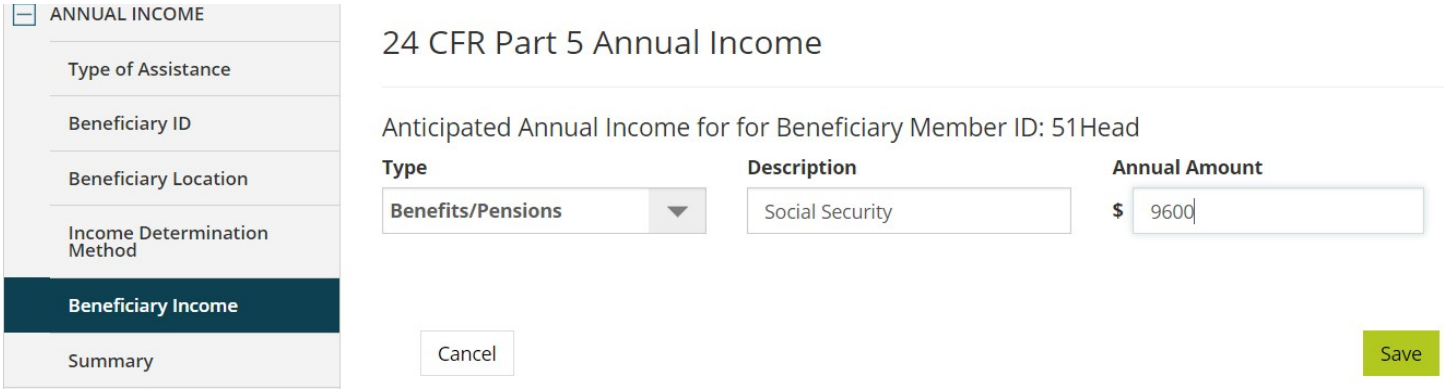
In the Short Form Method, each household member's information is accessible on the same screen. The user is able to rapidly alternate between member tabs and add only the income and asset information required for the member.



However, the user must know the annual figure for each income type as this method does not provide the option of annualizing an amount received periodically.

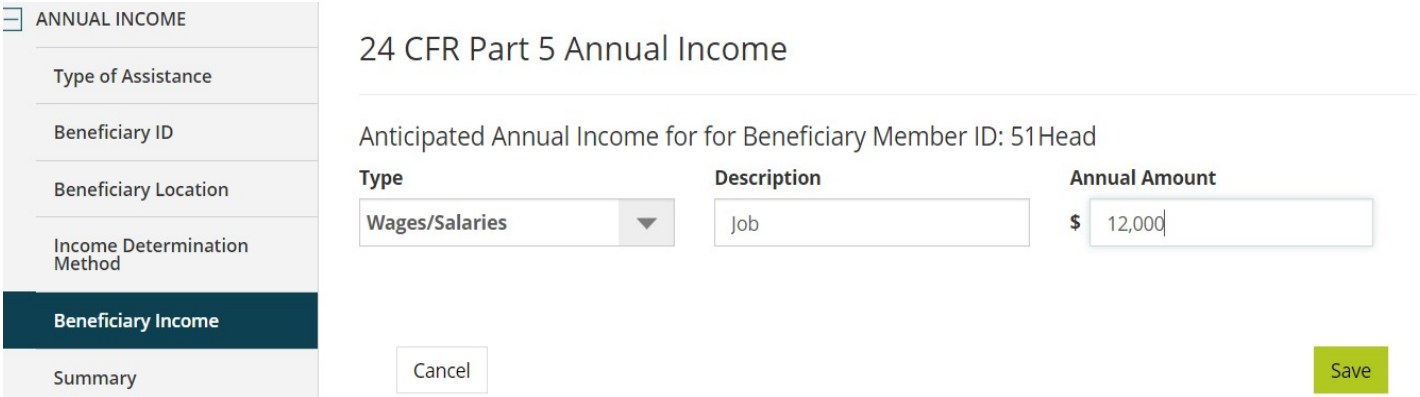
Example 1:

Social security is normally paid in monthly installments, but the user must enter the annualized figure in the Income Calculator.



Example 2:

Wages are normally paid on a periodic basis, e.g. biweekly or semi-monthly. However, the user must calculate the annual wage amount outside of the Income Calculator and input the final figure (including any overtime, raises, COLA, etc.) as the annual amount.

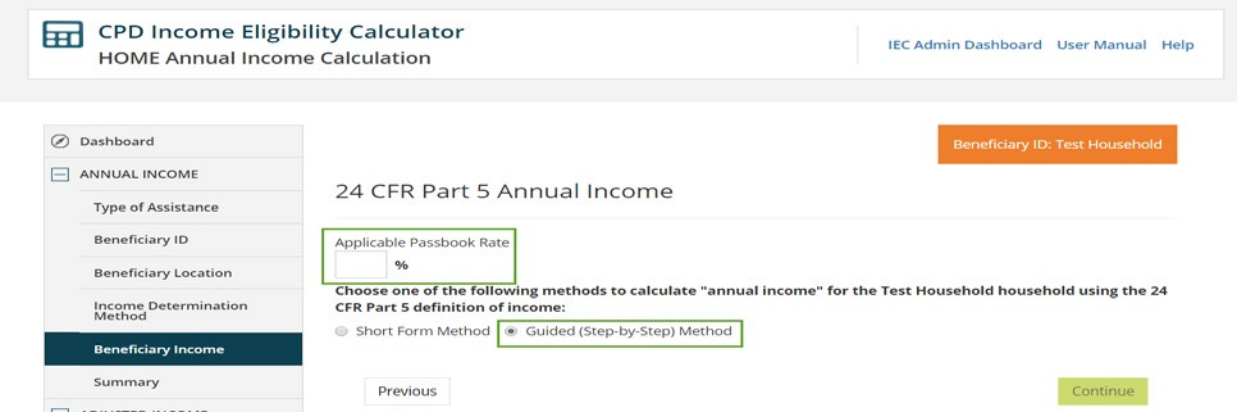


Refer to Calculating Total Asset Income in the Income Calculator for more information on adding assets.

B. Guided (Step-by-Step) Method:

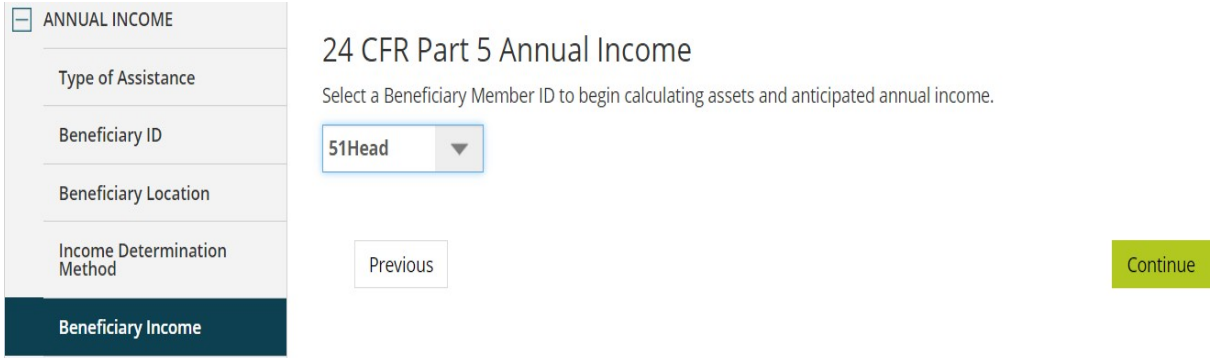
Select the ***Guided (Step by Step) Method*** for detailed guidance on using the Income Calculator to calculate the annual income from each income source and asset. For instance, this method is preferable when the annual income amount for at least one household member's job is based on a combination of wages, overtime, and raises.

On the Beneficiary Income tab:
1. Enter the Applicable Passbook Rate
2. Select the Guided (Step-by-Step) Method
3. Select Continue

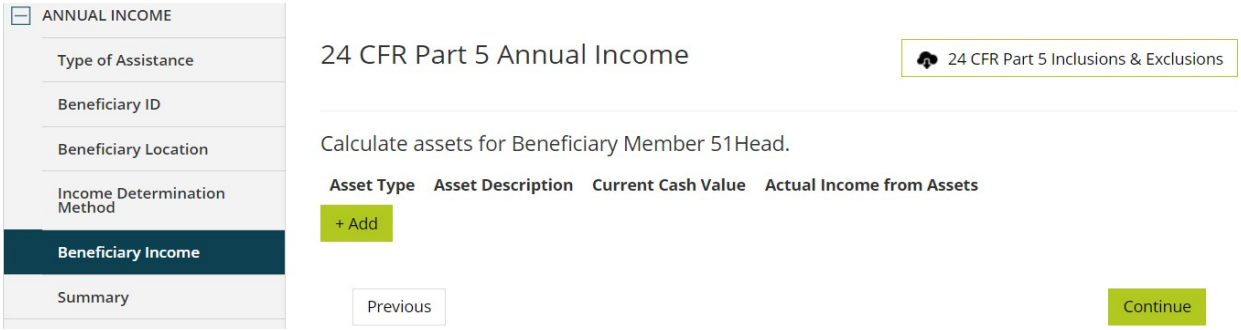


For each household member, the user will be presented with each income type (wages, public assistance, benefits, etc.) for each member selected. The user must select "Yes" or "No" to adding each income type before they are allowed to move forward on the screen.

To begin, select a Beneficiary Member ID in the dropdown to add an income source for the household member. Select "Continue".

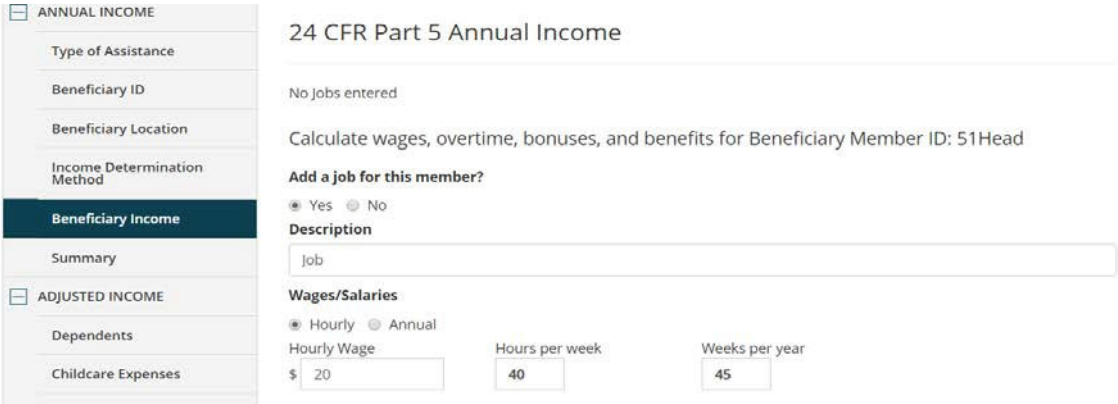


To skip entering asset information, select "Continue". Refer to [Calculating Total Asset Income in the Income Calculator]() for more information on adding assets.

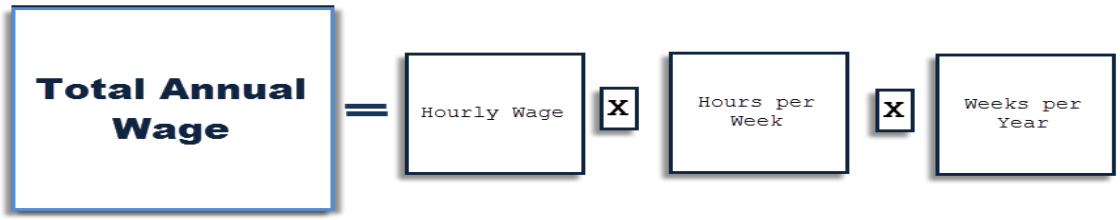


1. Calculating Wages

a. To enter the **hourly wage** select "Yes" under add a job for this member and then "Hourly".

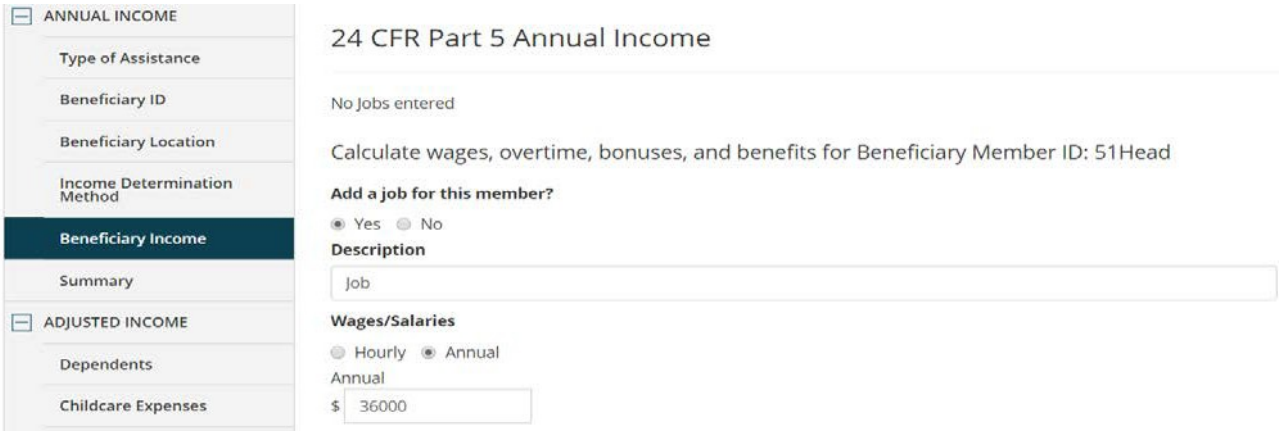


If an hourly pay rate is entered, the income calculator will calculate:



Example 1:
Hourly wage: $20
Hours per week: 40
Weeks worked per year: 45
Total annual wage= $20 x 40 x 45
= $36,000.00

b. To enter an **annual salary** instead, select "Yes" under add a job for this member and then select "Annual" and enter the annual amount.



2. Calculating Overtime Hours

a. If there is **anticipated overtime is a fixed annual amount**, divide the figure by twelve and enter it into each month field.

Example 1:
Annual overtime: $1200.00
Monthly average: $1200/12 = $100 per month

ADJUSTED INCOME
- Dependents
- Childcare Expenses
- Disability Expenses
- Medical Expenses
- Summary

TBRA
- Approved Rent/ Utility
- Rental Model
- Rent Standard
- Welfare Rent
- Summary

Wages/Salaries

Hourly Annual

Hourly Wage	Hours per week	Weeks per year
$ 20	40	45

Overtime/Bonuses

Total Overtime/Bonus Pay, Month 1	Total Overtime/Bonus Pay, Month 7
$ 100	$ 100
Total Overtime/Bonus Pay, Month 2	Total Overtime/Bonus Pay, Month 8
$ 100	$ 100
Total Overtime/Bonus Pay, Month 3	Total Overtime/Bonus Pay, Month 9
$ 100	$ 100
Total Overtime/Bonus Pay, Month 4	Total Overtime/Bonus Pay, Month 10
$ 100	$ 100
Total Overtime/Bonus Pay, Month 5	Total Overtime/Bonus Pay, Month 11
$ 100	$ 100
Total Overtime/Bonus Pay, Month 6	Total Overtime/Bonus Pay, Month 12
$ 100	$ 100

b. If the **anticipated overtime amount fluctuates**, e.g. is seasonal, enter amounts based on the monthly average for each period.

Example:

Overtime rate: $10.00 per hour
Overtime hours per month:
- November- January: 30 hours per month
- February-May: 0 hours per month
- June-July: 10 hours per month
- August-October: 15 hours per month

Monthly overtime amount:
- November- January: $10 x 30 = $300 per month
- February-May: $10 x 0 = $0 per month
- June-July: $10 x 10 = $100 per month
- August-October: $10 x 15 = $150 per month

ADJUSTED INCOME
- Dependents
- Childcare Expenses
- Disability Expenses
- Medical Expenses
- Summary

TBRA
- Approved Rent/ Utility
- Rental Model
- Rent Standard
- Welfare Rent
- Summary

Wages/Salaries

Hourly Annual

Hourly Wage	Hours per week	Weeks per year
$ 20	40	45

Overtime/Bonuses

Total Overtime/Bonus Pay, Month 1	Total Overtime/Bonus Pay, Month 7
$ 300	$ 100
Total Overtime/Bonus Pay, Month 2	Total Overtime/Bonus Pay, Month 8
$ 0	$ 150
Total Overtime/Bonus Pay, Month 3	Total Overtime/Bonus Pay, Month 9
$ 0	$ 150
Total Overtime/Bonus Pay, Month 4	Total Overtime/Bonus Pay, Month 10
$ 0	$ 150
Total Overtime/Bonus Pay, Month 5	Total Overtime/Bonus Pay, Month 11
$ 0	$ 300
Total Overtime/Bonus Pay, Month 6	Total Overtime/Bonus Pay, Month 12
$ 100	$ 300

3. Calculating Raises

a. If there will be a **raise to the hourly wage**, select "Check if a member anticipates a raise or COLA". Then select "Raise".

Raises

All forms of income earned by program applicants must be accounted for. In addition to base salary, this will include raises and annual cost of living adjustments (COLAs). Use the data entry fields below to enter information about any anticipated increase in annual income the applicant will experience over the next 12 months due to a raise in his or her hourly wage or annual salary and/or an annual COLA.

☑ **Check if member anticipates a raise or COLA increase.**

Increase Type

Raise Cost of Living Adjustment (COLA)

Raise

Anticipated New Hourly Wage	Starts on week
$ 21	07/01/2017 mm/dd/yyyy

Previous Save Continue

If an anticipated new hourly wage is entered, the income calculator will calculate:

Example 1: Member works 52 weeks per year
Date of calculation: 4/10/2017
Date raise effective: 7/01/2017
Date a year from now: 4/10/2018
Date difference (between a year from now and the raise start date): 284 days/7 = 40.57 = 40 weeks
Weeks* worked per year: 52
Current hourly wage: $20
Future hourly wage: $21
Hours per week: 40

Annual wages without increase = $20 x 40 hours x 52 weeks
= $41,600.00
Raise increase: $21-20 = $1
Raise over timespan = raise increase * hours per week* weeks worked per year * raise week count / weeks in a year
= $1 x 40 hours x (52 weeks x 40 weeks)/52 weeks
= $1,600.00
Total annual wages = $41,600.00+ $1,600.00
= $43,200.00
*This is the total weeks the household member will work that year, not the number of weeks they will be paid that wage amount.

b. If there will be a **raise to the annual pay**, select "Check if a member anticipates a raise or COLA". Then select "Raise".

Raises

All forms of income earned by program applicants must be accounted for. In addition to base salary, this will include raises and annual cost of living adjustments (COLAs). Use the data entry fields below to enter information about any anticipated increase in annual income the applicant will experience over the next 12 months due to a raise in his or her hourly wage or annual salary and/or an annual COLA.

☑ **Check if member anticipates a raise or COLA increase.**

Increase Type

◉ Raise ○ Cost of Living Adjustment (COLA)

Raise

Anticipated New Annual Salary: $ 39000

Starts on week: 07/01/2017 mm/dd/yyyy

Previous Save Continue

If an anticipated new annual salary is entered, the income calculator will calculate:

Date of calculation: 4/11/2017
Date raise effective: 7/1/2017
Date a year from now: 4/11/2018
Weeks* worked per year: 52
Current annual salary: $36000.00
Date difference (between a year from now and the raise start date): 285 days/7 =40.7142857 = 40 weeks
Anticipated annual salary: $39,000.00
Raise increase = $39,000.00 - $36,000.00 =$3,000.00

Raise over timespan = Raise increase * raise week count / weeks in a year
=$3,000.00 x 40/52
= $2307.69231
Total annual wages including raise = $2307.69231+ $36000.00
= $38,307.6923
= $38,307.69
*This will always be 52 weeks when an annual salary amount is entered into the Income Calculator

4. Calculating COLA

a. If there will be a **COLA to the hourly pay**, select "Check if a member anticipates a raise or COLA". Then select "COLA".

Increase Type

Raise Cost of Living Adjustment (COLA)

Cost of Living Adjustment (COLA)

Annual Cost of Living Adjustment COLA starts on week

2 % 07/01/2017 mm/dd/yyyy

Previous Save Continue

If the COLA percentage is entered, the income calculator will calculate:

Example: Member works less than 52 weeks per year
Date of calculation: 4/10/2017
Date COLA effective: 7/01/2017
Date a year from now: 4/10/2018
Date difference (between a year from now and the raise start date): 284 days/7 = 40.57 = 40 weeks
Weeks* worked per year: 45
Current hourly wage: $20
Hours per week: 40

Annual wages without increase= $20 x 40 hours x 45 weeks
= $36,000.00
COLA rate: 2%
Raise over timespan = COLA rate x hourly rate x hours per week x weeks worked per year x raise week count / weeks in a year
= .02 x $20 x 40 hours x (45 weeks x 40 weeks)/52 weeks
= $553.846154
Total annual wages = $36,000.00+ $553.846154
= $36,553.846154
= $36,553.85

b. If there will be a **COLA to the annual pay**, select "Check if a member anticipates a raise or COLA". Then select "COLA".

Increase Type

Raise Cost of Living Adjustment (COLA)

Cost of Living Adjustment (COLA)

Annual Cost of Living Adjustment COLA starts on week

2 % 05/01/2017 mm/dd/yyyy

Previous Save Continue

Example: Member works 52 weeks a year
Date of calculation: 4/10/2017
Date COLA effective: 5/1/2017
Date a year from now: 4/10/2018
Weeks worked per year: 52
Current annual salary: $36000.00
Date difference (between a year from now and the COLA start date): 345 days/7 =49.2857143 = 49 weeks
Anticipated COLA: 2%

Total Annual Wage = COLA Increase + Annual Salary
COLA Increase = increase over timespan x salary
= COLA increase is effective for 49 weeks
= Weeks in year is 52
= Step 1: 2 x 49 /52 = 1.8846
= Calculator takes into account only up to 2 decimal values so round to 1.88
= Step 2: .0188 x 36000
= $676.80
Total Annual Wage = $676.80 + $36000
= $36676.80

Appendix 2: Terms and Definitions

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

A

ACTUAL INCOME FROM ASSETS: Income derived from assets to which family members have access.

1. Assets are items of value that may be turned into cash. A savings account is a cash asset. The bank pays interest on the asset. The interest is the income from that asset. There are also assets that do not earn interest such as a quantity of money under a mattress: it is a thing of value that could be usedto the benefit of its owner, but is not producing income. Some belongings of value are not considered assets. Necessary personal property is not counted as an asset.
2. The calculation to determine the amount of income from assets to include in annual income considers both of the following:
    a. The total cash value of the family's assets; and

    b. The amount of income those assets are earning or could earn.

ADJUSTED GROSS INCOME: Annual income (as determined by the owner) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions. In determining adjusted income, the owner must deduct the following amounts from annual income:

1. $480 for each dependent;

2. $400 for any elderly family or disabled family;

3. The sum of the following, to the extent the sum exceeds 3% of annual income: a. Unreimbursed reasonable medical expenses of any elderly family or disabled family; and b. Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older who are able to work because of such attendant care or auxiliary apparatus; and

4. Any reasonable child care expenses necessary to enable the family member to be employed or to further his or her education.[24 CFR 5.611]

ADJUSTED INCOME: See ADJUSTED GROSS INCOME.

ADULT: An individual who is 18 years of age or older or a minor under the age of 18 who has been emancipated to act on his/her own behalf, including the ability to execute a contract or lease.

ALIMONY: An allowance made to one spouse by the other for support pending or after legal separation or divorce.

ANNUAL INCOME: All amounts, monetary or not, which: 1. Go to, or on behalf of, the family head or spouse [or co-head] (even if temporarily absent) or to any other family member; or 2. Are anticipated to be received from a source outside the family during the 12-month period following eligibility; and 3. Which are not specifically excluded [by regulation]. Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access. [24 CFR 5.609]

The HOME and HTF Programs allows the use of two income definitions for the purpose of determining applicant eligibility:

- Annual income as defined in the Code of Federal Regulations (24 CFR 5.609);
- Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual federal annual income tax purposes.

The definitions are collectively referred to as "annual income" and are also used in the Community Development Block Grant (CDBG) Program.

ANNUITIES: The sum of money payable yearly or at other regular intervals.

ANTICIPATED ANNUAL INCOME: Gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

APPROVED RENT: Rent requirement as set by HUD that meet one of the following requirements:

1. For the HOME Program, the rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted income assumptions. However, if the rent determined under this paragraph is higher than the applicable rent under 24 CFR 92.252(a), then the maximum rent for units under this paragraph is that calculated under 24 CFR 92.252(a), or the rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

2. For the HTF Program, The maximum HTF rents are:
   - Extremely Low Income Tenants: The HTF rent plus utilities of an extremely low-income tenant shall not exceed the greater of 30 percent of the federal poverty line or 30 percent of the income of a family whose annual income equals 30 percent of the median income for the geographic area, as determined by HUD, with adjustments for the number of bedrooms in the unit.
   - Very Low Income Tenants: The HTF rent plus utilities of a very low income tenant shall not exceed 30 percent of the income of a family whose annual income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit.

   The Fair Market Rents for unit sizes larger than 4 bedrooms are calculated by adding 15 percent to the 4 bedroom FMR for each extra bedroom.

ASSETS: Items of value that may be turned into cash. Some assets may earn interest, such as savings accounts. Other assets, such as cash, do not earn interest. Some belongings of value are not considered assets. Necessary personal property is not counted as an asset.

B

BROWNFIELDS ECONOMIC DEVELOPMENT INITIATIVE (BEDI): The Brownfields Economic Development Initiative (BEDI) is a key competitive grant program that HUD administers to stimulate and promote economic and community development. BEDI is designed to assist cities with the redevelopment of abandoned, idled and underused industrial and commercial facilities where expansion and redevelopment is burdened by real or potential environmental contamination.

BEDI: See BROWNFIELDS ECONOMIC DEVELOPMENT INITIATIVE.

BENEFICIARY: A family, household, or individual whose income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger households or families. However, HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of unusually high or low household or family incomes.

BENEFICIARY ID: The CPD Income Eligibility Calculator asks for a "Beneficiary ID" instead of a "Last Name" to help protect the privacy of applicants to CPD programs. The Beneficiary ID you enter should be unique, will be included on the Calculator screens and printouts, and will be the key data element necessary to later find, complete, and/or edit the income determination performed for that beneficiary within the Calculator. DO NOT use any personal information to create a Beneficiary ID, including but not limited to names, social security numbers, or addresses.

BENEFITS: Government benefits such as Social Security Benefits, Veterans Administration Benefits, and Unemployment Benefits.

BONUS PAY: Compensation over and above the amount of pay specified as a base salary or hourly rate of pay.

BUSINESS INCOME OR LOSS: Business income is income received from the sale of products or services. For example, fees received by a professional person are considered business income. Rents received by a person in the real estate business are business income. Payments received in the form of property or services must be included in income at their fair market value.

C

CAPITAL GAIN OR LOSS: Everything an individual owns and uses for personal or investment purposes is a capital asset. Examples include a home, household furnishings, and stocks or bonds held in a personal account. When a capital asset is sold, the difference between the basis in the asset and the amount it is sold for is a capital gain or a capital loss. Generally an asset's basis is its cost.

- If you sell the asset for more than your basis it is a capital gain.
- If you sell the asset for less than your basis it is a capital loss.

Capital gains and losses are classified as long-term or short-term. If the asset is held for more than one year before disposed of, the capital gain or loss is long-term. If it is held one year or less, the capital gain or loss is short-term.

CASH: Money in coins or notes, as distinct from checks, money orders, or credit. Cash is either handled individually outside of a bank account or within a bank account such as checking or savings.

CDBG: See COMMUNITY DEVELOPMENT BLOCK GRANT.

CDBG DISASTER RECOVERY ASSISTANCE: Title XII of Division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111-005, approved February 17, 2009) appropriates $1 billion to carry out the CDBG program under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301, et seq.) (HCDA) on an expedited basis. These funds will be distributed to grantees that received CDBG funding in Fiscal Year (FY) 2008 in accordance with the provisions of 42 U.S.C. 5306. The grant program under Title XII is commonly referred to as the CDBG Recovery (CDBG-R) program.

CHILDCARE EXPENSES: See ADJUSTED GROSS INCOME.

CHILD SUPPORT: Court-ordered payments, typically made by a noncustodial divorced parent, to support one's minor child or children.

CODE OF FEDERAL REGULATIONS (CFR): The Code of Federal Regulations (CFR) is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the federal government. It is divided into 50 titles that represent broad areas subject to federal regulation. Each volume of the CFR is updated once each calendar year and is issued on a quarterly basis.

CO-HEAD OF HOUSEHOLD: A spouse or an adult member of the family who is treated the same as a head of the household for purposes of determining income eligibility.

COLA: See COST OF LIVING ADJUSTMENT (COLA).

COMMISSIONS: A fee paid to an agent or employee for transacting a piece of business or performing a service; especially, a percentage of the money received from a total paid to the agent responsible for the business.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG): Created under the Housing and Community Development Act of 1974, this program provides grant funds to local and state governments to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents. CDBG replaced several categorical grant programs, such as the Model Cities program, the Urban Renewal program, and the Housing Rehabilitation Loan and Grant program.

COMMUNITY PLANNING AND DEVELOPMENT (CPD): HUD's Office of Community Planning and Development seeks to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons. The primary means toward this end is the development of partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations.

COST OF LIVING ADJUSTMENT (COLA): Employment contracts, pension benefits, and government entitlements (such as Social Security) can be tied to a cost-of-living index, typically to the Consumer Price Index (CPI). A Cost of Living Allowance (COLA) adjusts salaries based on changes in a cost-of-living index. Salaries are typically adjusted annually. They may also be tied to a cost-of-living index that varies by geographic location if the employee moves.

CPD: See COMMUNITY PLANNING AND DEVELOPMENT.

CURRENT CASH VALUE OF ASSETS: Income derived from assets to which family members have access. Assets are items of value that may be turned into cash. A savings account is a cash asset. The bank pays interest on the asset. The interest is the income from that asset. There are also assets that do not earn interest such as a quantity of money under a mattress: it is a thing of value that could be used to the benefit of its owner, but is not producing income. Some belongings of value are not considered assets. Necessary personal property is not counted as an asset.

D

DEDUCTIONS: Amounts subtracted or withheld from your gross income. Some deductions, such as taxes, are required by law. Others are elective. See ADJUSTED INCOME.

DEEDS: A signed and usually sealed instrument containing some legal transfer, bargain, or contract.

DEMOLITION: Structures taken down and removed.

DEPENDENTS: A member of the family other than the head, spouse, or co-head, who is under 18 years of age or is a person with disabilities or a full-time student. Also, a foster child, a foster adult, or a live-in aide may never be a dependent regardless of age or disability.

DISABILITIES: Also known as “Disabled Family or Disabled Household”. Disabled household means a household composed of:

1. One or more persons at least one of whom is an adult (18 years or older) who has adisability;

2. Two or more persons with disabilities living together, or one or more such persons living with another person who is determined by HUD, based upon a certification from an appropriate professional (e.g., a rehabilitation counselor, social worker, or licensed physician) to be important to their care or wellbeing; or

3. The surviving member or members of any household described in paragraph (1) of this definition who were living in a unit assisted under this part with the deceased member of the household at the time of hisor her death. [24 CFR 891.305]

DISABILITY EXPENSES: See ADJUSTED GROSS INCOME.

DIVIDENDS: An individual share of something distributed: as 1. A share in a pro rata distribution (as of profits) to stockholders, 2. A share of surplus allocated to a policyholder in a participating insurance policy.

DOMESTIC PRODUCTION ACTIVITIES: Businesses with "qualified production activities" can take a tax deduction of 3% from net income. This is a tax break pure and simple. The more complicated the business, the more complicated the math for calculating the Domestic Production Activities Deduction. In a nutshell, businesses engaged in manufacturing and other qualified production activities will need to implement cost accounting mechanisms to make sure their tax deduction is accurately calculated.

E

EDUCATOR EXPENSES: Expenses incurred by eligible educators for books, supplies, computer equipment, and supplementary materials used in the classroom. See IRS.gov for more details.

ELDERLY FAMILY/HOUSEHOLD: 1. Families of two or more persons, the head of which (or his or her spouse) is 62 years of age or older; 2. The surviving member or members of a family described in paragraph (1) living in a unit assisted under 24 CFR part 891, subpart E (Section 202 loans) with the deceased member of the family at the time of his or her death; 3. A single person who is 62 years of age or older. 4. Two or more elderly persons living together, or one or more such persons living with another person who is determined by HUD, based upon a licensed physician's certificate provided by the family, to be essential to their care or well-being. [24 CFR 891.505].

EMERGENCY SOLUTIONS GRANTS PROGRAM: The HEARTH Act revised the Emergency Shelter Grants Program to create the Emergency Solutions Grants (ESG) Program. The ESG Program provides funding to: (1) improve the number and quality of emergency shelters for homeless individuals and families; (2) help operate these shelters; (3) provide essential social services to shelter residents; and (4) prevent families and individuals from becoming homeless.

EQUITY: The money value of a property or of an interest in a property in excess of claims or liens against it.

ESTATES: the assets and liabilities left by a person at death.

EXCLUSIONS: When determining Annual Income, these are certain types of income and asset sources that are "excluded" from the calculation. Exclusions will depend upon the income definition.

EXTREMELY LOW INCOME: Family whose income is between 0 and 30 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

EXTREMELY LOW INCOME (HTF): An extremely low-income family is defined as a low income family whose annual income does not exceed 30 percent of the median family income of a geographic area with adjustments for smaller and larger families. HTF Income Limits are calculated using the following methodologies:

- The formula that HUD uses for calculating the income limits for the Section 8 program, in accordance with Section 3(b)(2) of the U.S. Housing Act of 1937, as amended. These limits are based on HUD estimates of median family income, with adjustments based on family size.
- The Federal Poverty Line as determined by the U.S. Department of Health and Human services, published annually in the Federal Register.

In years in which the amount available for allocation is below $1 billion, the income limits reports published by HUD will only display the income limit for extremely low income families or families with incomes at or below the poverty line (whichever is greater) and will not include the very low income limit.

F

FAIR MARKET RENT (FMR): Primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation Single Room Occupancy program, and to serves as a rent ceiling in the HOME or HOPWA rental assistance program where the certificate model is used.

FAMILY: One or more persons related by blood, marriage or adoption.

FARM INCOME OR LOSS: Farm income and expenses includes the amounts realized from the sales, and the expenses incurred in the business of farming, including cultivating operating or managing a farm for profit, either as an owner or a tenant. A farm includes livestock, dairy, poultry, fish, fruit and truck farms. It also includes plantations, ranches, ranges and orchards. If your deductible farm expenses are more than your farm income, you have a loss from the operation of your farm. See IRS.gov for more details.

FMR: See FAIR MARKET RENT.

FOSTER ADULT: A foster adult is usually an adult with a disability who is unrelated to the family and who is unable to live alone.

FOSTER CHILD: Children that are in the legal guardianship or custody of a State, county, or private adoption or foster care agency, yet are cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

FULLTIME STUDENT: A person who is attending school or vocational training on a full-time basis [24 CFR 5.603].

G

GROSS ANNUAL INCOME: The total income, before taxes and other deductions, received by all members of the tenant's household. There shall be included in this total income all wages, social security payments, retirement benefits, military and veteran's disability payments, unemployment benefits, welfare benefits, interest and dividend payments and such other income items as the Secretary considers appropriate. This is the same term as Annual Income.

H

HEAD OF HOUSEHOLD: The adult member of the family who is the head of the household for purposes of determining income eligibility [24 CFR 5.504].

HEALTH SAVINGS ACCOUNT: An account that allows individuals to pay for current health expenses and save for future qualified medical and retiree health expenses on a tax free basis, with some state exceptions.

HEARTH ACT: The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. The HEARTH Act amends and reauthorizes the McKinney-Vento Homeless Assistance Act, including the Emergency Solutions Grants Program (ESG).

HOME (HOME INVESTMENT PARTNERSHIPS PROGRAM): Provides formula grants to states and localities that communities use — often in partnership with local nonprofit groups — to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or to provide direct rental assistance to low-income people.

HOME OR HTF AFFORDABILITY PERIOD: Affordability refers to the requirements of either the HOME or HTF Programs that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME regulations. Affordability requirements vary depending on the nature of the HOME-assisted activity (i.e., homeownership or rental housing).

HOPWA: See HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS.

HOUSEHOLD: All the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA): Provides housing assistance and supportive services to low-income people with HIV/AIDS and their families. HOPWA funds may also be used for case management, mental health services, housing information, nutritional services, transportation, substance abuse treatment, employment services, and other supportive services.

HOUSING TRUST FUND (HTF): An affordable housing production program that will complement existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families.

HUD METRO FMR AREA: Indicates that only a portion of the OMB-defined core-based statistical area (CBSA) is in the area to which the income limits or FMRs apply. HUD is required by OMB to alter the name of metropolitan geographic entities it derives from the CBSAs when the geography is not the same as that established by OMB.

I

IL: See INCOME LIMIT.

IMPUTED INCOME FROM ASSETS: See Technical Guide for Determining Income and Allowances Under the HOME Program.

INCLUSIONS: When determining Annual Income, these are certain types of income and asset sources that are "included" in the calculation.

INCOME DETERMINATION: Determination of income which includes all amounts, monetary or not, including the full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, compensation for personal services, and more.

INCOME LIMIT: Determines the eligibility of applicants for HUD's assisted housing programs.

INDIVIDUAL RETIREMENT ACCOUNT: A personal savings plan that offers tax advantages to those who set aside money for retirement. Depending on the individual's circumstances, contributions to the IRA may be deductible in whole or in part. Generally, amounts in an IRA, including earnings and gains, are not taxed until distributed to the individual.

INTEREST: A charge for borrowed money generally a percentage of the amount borrowed or an amount earned as a result of cash held by a lending institution such as in a checking or savings account.

INTERNAL REVENUE SERVICE: The Internal Revenue Service (IRS) is a federal government agency responsible for tax collection and tax law enforcement.

IRA: See INDIVIDUAL RETIREMENT ACCOUNT.

IRS: See INTERNAL REVENUE SERVICE.

IRS 1040 ADJUSTED GROSS INCOME: One of the definitions of Annual Income. Adjusted Gross Income is defined as gross income minus adjustments to income. Refer to the latest federal income tax return.

IRS FORM 1040: Form used under the IRS 1040 Adjusted Gross Income definition.

J

K

L

LIFE INSURANCE: Insurance providing for payment of a stipulated sum to a designated beneficiary upon death of the insured.

LIHTC: See LOW-INCOME HOUSING TAX CREDIT.

LOW-INCOME HOUSING TAX CREDIT (LIHTC): A tax incentive intended to increase the availability of low-income housing. The program provides an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects.

LOW/MOD – HOUSING: One of the Community Development Block Grant (CDBG) national objectives for housing activities.

LOW/MOD – JOBS: One of the Community Development Block Grant (CDBG) national objectives for job activities.

LOW/MOD - LIMITED CLIENTELE: One of the Community Development Block Grant (CDBG) national objectives for activities serving limited clientele who are low/moderate income persons.

LOW/MOD - LIMITED CLIENTELE - PRESUMED BENEFIT: One of the Community Development Block Grant (CDBG) national objectives for activities serving limited clientele. Examples include senior centers, homeless shelters, etc.

LOW/MOD - AREA BASIS: One of the Community Development Block Grant (CDBG) national objectives for activities serving areas that can be documented as a low/moderate income area.

LUMP SUMS: A complete payment consisting of a single sum of money as opposed to a series of payments.

M

MA: See METROPOLITAN AREA.

MEDICAL EXPENSES: See ADJUSTED GROSS INCOME.

MEMBER ID: The CPD Income Eligibility Calculator asks for "Member IDs" instead of "First Names" to help protect the privacy of applicants to CPD programs. Each Member ID you enter should be unique to an individual within the family or household associated with this Beneficiary ID. Printouts from the Calculator for all programs except HOPWA will include the Member IDs entered here along with a blank space in which the First Name of the

associated individual can be written or otherwise inserted. DO NOT use any personal information to create Member ID(s), including but not limited to names, social security numbers, or addresses.

METROPOLITAN AREA (MA): A large population nucleus, together with adjacent communities that has a high degree of economic and social integration with that nucleus.

METROPOLITAN STATISTICAL AREA (MSA): An area with at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core, as measured by commuting ties.

MODERATE INCOME: Households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families. HUD may establish income ceilings higher or lower than 95 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs, fair market rents, or unusually high or low family incomes.

MOVING EXPENSES: Expenses due to a change in job or business location, or starting a new job or business. See IRS.gov for more details.

MSA: See METROPOLITAN STATISTICAL AREA.

N

NEIGHBORHOOD STABILIZATION PROGRAM (NSP): Provides emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program (NSP) provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008.

NET CASH VALUE OF ASSETS: Total cash value of all assets used in calculating Annual Income.

NET RENTAL INCOME: The remaining income from rent after all expenses have been deducted.

O

ORDINARY DIVIDENDS: Ordinary dividends are a result of the trust or estates' investment in a corporation and are paid out of the earnings and profits of the corporation.

OTHER INCOME: This section of Annual Income in the Calculator allows for input of any other income source not previously included in the other income categories.

OVERTIME: Time in excess of a set limit; working time in excess of a standard day or week.

P

PART 5 ANNUAL INCOME: Also known as HUD 24 CFR Part 5. One of the definitions of Annual Income. Part 5 definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period. The rules concerning Section 8 annual income were previously found at 24 CFR Part 813. However, Part 813 was removed from the Federal regulations on October 18, 1996. At the same time, 24 CFR Part 5 was published. Subpart F of Part 5 consolidated the requirements pertaining to income for many of HUD's programs, including Section 8. See Appendix 1 for additional information on using the Income Calculator to calculate Part 5 Annual Income.

PARTICIPATING JURISDICTION (PJ): The term given to any state, local government, or consortium of local governments that HUD has designated to administer a HOME Program. HUD designation as a PJ occurs if a state, local government, or consortium meets the funding thresholds, notifies HUD that it intends to participate in the program, and obtains approval by HUD of a Consolidated Plan.

PARTNERSHIPS: Arrangement where parties agree to cooperate to advance their mutual interests.

PASSBOOK RATE: Interest rate on savings account established periodically by HUD. The Passbook Savings Rate is used to calculate the minimum amount of income from your assets. Either that amount or the amount of income you report for those assets (whichever is greater) are added to your other unearned income and your earned income to calculate your gross non-excluded income.

PENALTY ON EARLY WITHDRAWAL ON SAVINGS: Penalty incurred if you withdraw money from a certificate of deposit or other time-deposit savings account prior to your certificate maturing. The penalty is charged by the bank and withheld directly from your proceeds from the certificate.

PENSION FUNDS: See PENSIONS.

PENSIONS: A fixed sum paid under given conditions to a person following retirement from service or to surviving dependents.

PERSONAL PROPERTY: Property other than real property consisting of things temporary or movable.

PJ: See PARTICIPATING JURISDICTION.

PUBLIC ASSISTANCE: Government aid to needy, aged, or disabled persons and to dependent children.

PUBLIC FACILITY: Infrastructure and facilities necessary to support the services and functions provided by the government or public utility companies. These can include Neighborhood facilities including, but not limited to public schools, libraries, recreational facilities, parks, playgrounds; and facilities for persons with special needs such as facilities for the homeless or domestic violence shelters, nursing homes, or group homes for the disabled.

Q

R

RAISES: An increase in wages or salary.

RECERTIFICATION OF ANNUAL INCOME BY GOVERNMENT PROGRAMS FORM: The Recertification of Annual Income by Government Programs is a written statement from the administrator of another government program under which the beneficiary receives benefits, and that examines the annual (gross) income of the beneficiary each year.

REHABILITATION: The labor, materials, tools, and other costs of improving buildings, other than minor or routine repairs. The term includes where the use of a building is changed to an emergency shelter and the cost of this change and any rehabilitation costs does not exceed 75 percent of the value of the building before the change in use.

RETIREMENT ACCOUNTS: A plan for setting aside money to be spent after retirement. Examples include Individual retirement accounts, 401(k), SIMPLE IRAs, and Multiple retirement accounts.

ROYALTY INCOME: Payment related to the use of a valuable right. This includes payments for the use of trademarks, trade names, service marks or copyrights, whether or not payment is based on the use made of such property, are ordinarily classified as royalties for federal tax purposes. See IRS.gov for more details.

S

SALARY: Fixed compensation paid regularly for services.

S CORPORATIONS: S corporations are corporations that elect to pass corporate income, losses, deductions and credit through to their shareholders for federal tax purposes. Shareholders of S corporations report the flow-through of income and losses on their personal tax returns and are assessed tax at their individual income tax rates. This allows S corporations to avoid double taxation on the corporate income. S corporations are responsible for tax on certain built-in gains and passive income. See IRS.gov for more details.

SECTION 108 LOAN GURANTEE PROGRAM: Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) Program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects.

SECTION 8 RENTAL CERTIFICATE MODEL (FIXED TENANT PAYMENT): The rental assistance model that assumes a fixed tenant payment—the tenant's share of housing costs (Total Tenant Payment [TTP]) is calculated by formula. The public housing agency (PHA) then pays the difference between the tenant's share and the approved rent for the unit.

SECTION 8 RENTAL VOUCHER MODEL (FIXED PJ PAYMENT): The rental assistance model that assumes a fixed PHA payment—the maximum PHA subsidy is calculated and the tenant pays the difference between the PHA subsidy and the approved rent for the unit.

SELF-CERTIFICATION OF ANNUAL INCOME BY BENEFICIARY FORM: The Self Certification of Annual Income by Beneficiary is a written statement from the beneficiary documenting the definition used to determine Annual (Gross) Income, the number of beneficiary members in the family or household (as applicable based on the activity), and the relevant characteristics of each member for the purposes of income determination.

SELF-EMPLOYMENT: The INTERNAL REVENUE SERVICE defines self-employed people who are required to file self-employment Social Security taxes as a sole proprietor that conducts a trade or business; an independent contractor; member of a partnership; or if you are otherwise in business for yourself.

SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM (SHOP): SHOP awards grant funds to eligible national and regional non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income persons and families.

SHOP: See SELF-HELP HOMEOWNERSHIP OPPORTUNITY PROGRAM.

SLUM/BLIGHT – AREA BASIS: One of the Community Development Block Grant (CDBG) national objectives to indicate an area meets the definition of slum/blight under the regulations.

SLUM/BLIGHT – SPOT BASIS: One of the Community Development Block Grant (CDBG) national objectives to indicate a building meets the definition of slum/blight under the regulations.

SLUM/BLIGHT – URBAN RENEWAL: One of the Community Development Block Grant (CDBG) national objectives, but used rarely as there are few urban renewal areas.

SOCIAL SECURITY BENEFITS: The comprehensive federal program of benefits providing workers and their dependents with retirement income, disability income, and other payments. The Social security tax is used to pay for the program.

SOURCE DOCUMENTATION: Original documentation that demonstrates an income or asset source. Examples include wage statements (i.e., pay stubs), Social Security letters, etc.

STOCKS: The proprietorship element in a corporation usually divided into shares and represented by transferable certificates.

STUDENT LOAN INTEREST: Interest paid on a qualified student loan. See IRS.gov for more details.

SUPPLEMENTAL SECURITY INCOME (SSI): See SOCIAL SECURITY BENEFITS.

T

TANF: See TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.

TAXABLE INTEREST: Most interest that you either receive or is credited to your account and that can be withdrawn without penalty is taxable income. Examples of taxable interest are interest on bank accounts, money market accounts, certificates of deposit, and deposited insurance dividends. Interest on insurance dividends left on deposit with the Department of Veterans Affairs, however, is not taxable. See IRS.gov for more details.

TBRA: See TENANT-BASED RENTAL ASSISTANCE.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF): Under the welfare reform legislation of 1996, (the Personal Responsibility and Work Opportunity Reconciliation Act – PWRORA – Public Law 104-193), TANF replaced the welfare programs known as Aid to Families with Dependent Children (AFDC), the Job Opportunities and Basic Skills Training (JOBS) program and the Emergency Assistance (EA) program. The law ended federal entitlement to assistance and instead created TANF as a block grant that provides States, territories and tribes federal funds each

year. These funds cover benefits, administrative expenses, and services targeted to needy families. TANF became effective July 1, 1997 and was reauthorized in February 2006 under the Deficit Reduction Act of 2005.

TENANT-BASED RENTAL ASSISTANCE (TBRA): HUD assists low- and very low-income families in obtaining decent, safe, and sanitary housing in private accommodations by making up the difference between what they can afford and the approved rent for an adequate housing unit. This is also known as either rental assistance or tenant payments.

TIPS: A gift or a sum of money tendered for a service performed or anticipated: gratuity.

TRUSTS: A property interest held by one person for the benefit of another.

TUITION: The price of or payment for instruction.

U

UNEMPLOYMENT COMPENSATION: Money that substitutes for wages or salary, paid to recently unemployed workers under a government- or union-run program.

URGENT NEED: One of the Community Development Block Grant (CDBG) national objectives, but used rarely under the program.

U.S. CENSUS BUREAU: Serves as the leading source of quality data about our nation's people and economy.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD): Established in 1965, HUD's mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination. To fulfill this mission, HUD will embrace high standards of ethics, management and accountability and forge new partnerships — particularly with faith-based and community organizations — that leverage resources and improve HUD's ability to be effective on the community level.

UTILITY ALLOWANCE: PHA or administrator’s estimate of the average monthly utility bills (except telephone) for an energy-conscious household. This estimate considers only utilities paid directly by the tenant. If all utilities are included in the rent, there is not a utility allowance. Utility allowances vary by unit type and are listed on the project’s rent schedule or HAP contract.

V

VETERANS (VA) PAYMENTS: Monetary payment or the furnishing of goods or services having a monetary value to or for an eligible veteran, veteran’s dependent, or veteran’s survivor.

VERY LOW-INCOME: Households whose incomes do not exceed 50 percent of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes or where needed because of facility, college, or other training facility; prevailing levels of construction costs; or fair market rents.

VERY LOW-INCOME (HTF): Families whose annual incomes are in excess of 30 percent but not greater than 50 percent of the median family income of a geographic area, as determined by HUD with adjustments for smaller and

larger families. ‘‘Very low-income family’’ also includes any family that resides in a nonmetropolitan area that does not exceed the poverty line applicable to the family size involved.

W

WAGES: Payment usually of money for labor or services usually according to contract and on an hourly, daily, or piecework basis.

WELFARE: See TANF.

X

Y

Z