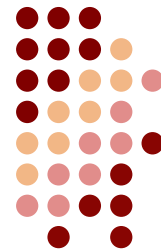


Earned Income Disallowance

Introduction



Slide 1

Welcome to HUD's Office of Special Needs Assistance Programs (SNAPS) Training on the Earned Income Disallowance benefit, also known as the Earned Income Disregard or EID.

This self-paced training focuses on the eligibility criteria and benefits of EID and provides instructions, guidance, and scenarios to property managers, tenants, case managers, and employment specialists who will be receiving the benefit, administering the benefit, or advising benefit recipients.

We hope you will use these resources to learn more about how to access, administer, and advise on the EID benefit.

EID Training Course



- Provides detailed information about:
 - Purpose, history and importance of EID
 - Responsibilities of tenants and property managers
 - Eligibility requirements and restrictions of EID
- Intended for property and housing managers, tenants, case managers, and employment specialists.

Slide 2

This training course provides information on the EID benefit and, as mentioned earlier, is intended for property managers, tenants, case managers, and employment specialists.

This course:

- Discusses the purpose, history, and importance of EID;
- Explains how EID can be used as an incentive for tenants living in eligible assisted-housing who are interested in becoming employed;
- Details the responsibilities of both tenants and property managers in accessing and managing the benefit; and
- Explains the eligibility requirements and restrictions of EID.

In addition, this training will also provide you with scenarios and examples that will show how EID works, as well as directions on how to complete the necessary forms to receive EID.

This training is designed as a self-paced tool. You will find notes under each slide which provide additional important information in a narrative format. When you have completed the slide show we hope you will come back to it again and again as you have questions.

Module 1

Why EID Matters



Slide 3

This training is divided into 5 modules (which are similar to chapters in a book).

Module 1: Why EID Matters.

Learning Objectives



- After completing this module, you will understand:
 - What EID is
 - Why it was created
 - How it was implemented
 - Why it matters

Slide 4

In this module we will describe what EID is, why it was created, how it was implemented, and why it matters.

What is EID?



- **E**arned **I**ncome **D**isallowance *or* **D**isregard
- Allows tenants who have been out of work to go back to work without having their rent increase right away
- Targets tenants with disabilities in certain subsidized, permanent housing units **and** any Public Housing tenant, with or without disabilities

Slide 5

The Earned Income Disallowance, sometimes called Earned Income Disregard or EID, is a program that allows tenants who have been out of work to accept a job without having their rent increase right away. It encourages self-sufficiency by rewarding residents who go to work to increase their earnings.

For purposes of rent calculation (which will be discussed later in this training), the disallowance functions as an income exclusion, so a portion of a qualified tenant's increased income is not counted in their rent calculation for a period of time. EID does not replace other income exclusions in rent calculation for tenants with disabilities.

The benefit is to limit rent increases due to increases in income due to employment. If an individual's overall income does not increase due to employment, there is no EID. If unearned income is replaced dollar for dollar with earned income or the overall income does not exceed the prior baseline income there is no EID.

The rules for EID are somewhat different for tenants of public housing and tenants of other covered housing programs. It is important to know that in Public Housing any tenant may qualify for the EID benefit – those with and without disabilities, while in other covered programs the EID benefit targets only tenants with disabilities.

What is EID?



- Excludes 100% of increase income attributable to new earnings for a 12 months in calculating rent
- Excludes 50% of increase income attributable to new earnings for an additional 12 months

Slide 6

When calculating a tenant's rent, the property manager or person responsible for rent calculations is bound by EID rules to disregard 100% of a qualified tenant's increased income attributable to new earnings for 12 months and to also disregard 50% of the increase in income for another 12 months within a continuous 48 month period. EID does not simply ignore a tenant's earned income. The rules state that a responsible entity, such as the property manager or leasing agent, must exclude from annual income of a qualified family **any increase in income resulting from the employment of a family member over the prior income of that family member. The family member must be a person with disabilities living in housing subsidized under certain HUD housing programs, or must be a Public Housing tenant.**

This means the amount of income disregarded is actually any **incremental income** – the amount earned above the previous annual income.

We will review many examples of how to calculate EID later in the training, but let's review a simple example now.

Susan: A Simple Example



- Susan's baseline income is \$6,500 from SSDI.
- She starts a job and makes \$400 per month earning \$4,800 a year.
- Susan's new total income is \$11,300 a year.
- For the first 12 eligible months, all of Susan's earnings are disregarded and she pays rent based on her \$6,500 SSDI income.
- For the next 12 eligible months, Susan pays rent based on an income of \$8,900.

Slide 7

Susan is a single woman with a disability, homeless in Chicago off and on over the past five years. She moved into an SHP unit at Lakeshore Supportive Housing in June of last year and now, 12 months later, started working part-time. Her adjusted annual income from Social Security Disability Insurance is \$6,500. She begins work and makes \$400 per month working without interruption for 12 months, earning a total of \$4,800. Susan's total income is \$11,300.

Susan is eligible for the Earned Income Disregard.

The EID benefit is the amount of the new earned income that exceeds the previous adjusted income. In Susan's case her EID benefit is the amount of her earnings of \$4,800 that is greater than her prior adjusted income of \$6,500. For the first 12 eligible months of EID, Susan pays rent based on an income of \$6,500 since we disregard all of her earnings. In the second 12 months with her \$4,800 in earnings, assuming Susan remains eligible, only 50% of her earnings are disregarded. Therefore, Susan would pay rent on an annual income of \$6,500 in unearned income plus \$2,400 in earned income for a total of \$8,900.

Goals of EID



- *Motivate* tenants to return to work or to start work
- *Support* tenants' efforts to achieve financial self-sufficiency
- *Remove* disincentives for tenants to seek employment while maintaining stable housing

Slide 8

EID encourages tenants to go to work, by allowing them to keep more of their pay.

The goals of the benefit are to:

- *Motivate* eligible tenants to accept employment, rather than to discourage them from work by the belief that most of what they earn will be spent on higher rent.
- *Support* tenant's efforts to achieve self-sufficiency by allowing participants to use new income to pay for the initial costs of keeping employment, such as transportation and work clothing.
- *Remove* disincentives for tenants that might keep them from seeking employment, especially the need to maintain stable housing as they begin to work.

Importance of Employment



- Employment contributes positively to individuals and families by
 - Adding income and reducing dependency on public assistance
 - Providing a sense of purpose & well-being
- Employment improves communities by
 - Promoting stronger families
 - Reducing poverty and homelessness

Slide 9

So why is employment important?

Employment is especially important to individuals and families living in public or subsidized housing. Employment adds income, which can help individuals and families become more independent and less reliant on public assistance. Employment also gives a sense of purpose and well-being and increases self-esteem for families and individuals. Many studies show that employment helps to promote stronger families and improves future options for children living in HUD housing programs.

HUD sees employment as an integral component of its efforts to reduce poverty and homelessness. Because of this belief, HUD has invested in employment services for homeless people in different communities for over ten years, and more recently has partnered with the Department of Labor to encourage individuals who are homeless to have simultaneous access to affordable housing and employment services.

HUD has also established an outcome expectation for grantees of its competitive homeless assistance grant programs. Under its current performance measure, HUD expects the rate of employment for clients exiting homeless assistance programs to be 18 percent or better.

Why is EID Important?



- Provides incentives to pursue employment while living in affordable housing
- Allows tenants to pay for new work-related expenses and responsibilities
- Helps tenants move toward self-sufficiency

Slide 10

EID is an important benefit offered to HUD tenants. It creates incentives for tenants to pursue employment while living in affordable housing, an option that could add up to a significant amount of savings. EID gives a direct message to tenants that HUD is willing to provide additional benefits to people with disabilities who are ready, willing, and able to work. It is also an incentive for those who may have been afraid to pursue employment previously, believing that it would endanger the stable housing they now enjoy.

Without EID, tenants who want to work are faced with a significant increase in rent at a time when they have new work-related expenses, such as transportation to work and increased clothing expenses. The combination of increased rent and new work-related expenses act as a disincentive to pursuing employment. With EID, tenants can more easily afford to pay the work-related expenses.

The EID benefit also helps tenants move toward self-sufficiency. The support provided by housing assistance programs need not be an impediment to increasing household income, earnings, and employment rates. Instead, stable housing and employment opportunities can work together to help increase tenant income. Housing subsidies provide the funding necessary for a stable living environment from which tenants can pursue their employment goals. Employment activity can contribute to a stable tenancy and enhance the well being of the individual tenant.

Why is EID Important?



- Promotes stronger housing communities
- Helps ensure housing stability for formerly homeless families and individuals
- Prevents unwanted relocations
- Provides services staff an incentive to use with tenants when encouraging pursuit of employment

Slide 11

Although income from early employment efforts are likely to be modest, eventually, as employment and job retention improves, increased earnings may mean additional rent revenue and decreased reliance on subsidies, as well as increased individual income. It is in everyone's self-interest to increase and support work activity in HUD-assisted housing.

EID benefits organizations that operate subsidized housing. Employed tenants strengthen housing programs by adding greater stability and bringing new resources to the community. EID reduces tenant turnover by allowing tenants to stay in their unit at lower rents for a longer period of time. Because they do not have to move when their income increases, tenants can remain in their housing longer, reducing turnover for the property manager. This can result in potentially lower administrative costs and keeps the program's subsidy stream stable. In this way, EID helps ensure housing stability for formerly homeless families and individuals and prevents unwanted relocations.

The EID benefit offers a valuable tool for case managers and employment staff as they encourage tenants to pursue active employment opportunities.

History of EID



- Enacted in 1990 for Public Housing Tenants only.
- Modified by the *Quality Housing and Work Responsibility Act of 1998* (QHWRA).
- Changed rule in 2001 made people with disabilities in other specified programs (SHP, HOME, HOPWA, and Section 8 Voucher Program) eligible for EID.

Slide 12

EID was instituted in a different form from the present rule by statute in 1990 and by regulation in 1994 for public tenants only and was later modified in the Quality Housing and Work Responsibility Act of 1998, also known as QHWRA. The QHWRA modifications broadened eligibility and changed the EID benefit by:

- Providing a full disregard of incremental earned income for a maximum of 12 months;
- Providing a 50 percent disregard of incremental earned income for an additional maximum of 12 months;
- Providing an extension of the disallowance period for up to 48 months if earned income is sporadic; and
- Limiting each adult family member to only one disallowance period.

To encourage and assist people with disabilities to work, in 2001 HUD revised the regulations of certain programs to apply EID. Consistent with the QHWRA modifications, HUD extended this definition of EID to people with disabilities living in Housing for Persons with AIDS (also known as the HOPWA Program), the HOME Investment Partnership Program (also known as the HOME Program), the Supportive Housing Program (also known as the SHP Program), and the Housing Choice Voucher Program (also known as the Section 8 Voucher Program).

EID is currently applied to Section 8 tenants only in the Housing Choice Voucher Program and not for Section 8 tenants in project-based rental assistance. Appropriations do not affect EID implementation in the Housing Choice Voucher Program and housing authorities are supposed to be implementing EID with tenants in Housing Choice Voucher programs.

The purpose of the 2001 amended disallowance was to support the efforts of tenants with disabilities to obtain self-sufficiency, remove increased rent as a disincentive to working, and make rent calculations consistent across these programs.

For more information on the intent and history of EID, see 42 U.S.C. (United States Code) § (Section) 1437a.

Implementation Barriers of EID



- Tenants, PHAs, and property managers unaware of the benefits or confused
- Supportive services staff and advocates unaware of the benefit and its value as an incentive to tenants
- As a result, improper, slow, or no implementation

Slide 13

Despite Congress' effort to clarify and HUD's more recent attempts to publish regulations on EID, it has become a source of confusion for tenants, their advocates, Public Housing Authorities (known as PHAs) and owners of other selected federally-funded housing. This confusion has led to improper, or often a complete lack of implementation, especially in non-public housing sites since many tenants are unaware of the benefits available to them, and many site managers as well as case management and employment staff are also unfamiliar with the benefit. In some instances, tenants are evicted for not paying rent that was set too high because of the failure to implement EID. Some tenants have responded to this confusion with litigation and/or negotiation efforts for the purpose of implementing EID.

Failure to Implement



- Overall EID implementation has been poor.
- Failure to enforce EID can significantly harm tenants:
 - Loss of income for those who can least afford it
 - Barriers or disincentives to pursue employment
 - Ability to afford housing can be threatened due to increased rent, potentially leading to eviction

Slide 14

Overall, EID implementation has been poor. However, there has been improvement in implementation practices in public housing sites due to:

- Litigation that required PHAs to enforce the benefit, and
- An increased awareness of the benefit by public housing managers, staff, and tenants.

Unfortunately, in many other affordable housing sites, implementation also continues to be limited and slow. Because of the limited implementation of EID, tenants have continued to be impacted adversely.

Failure to enforce EID rights can result in significant harm to tenants by:

- Decreasing their available income;
- Creating barriers or disincentives for individuals who might otherwise pursue employment; and
- Threatening their ability to afford housing by increasing their rent.

If a tenant's income goes up, it may be difficult to pay for work expenses, such as clothing and transportation, as well as an increase in rent. In a worst-case scenario, tenants who fall behind on the increased rent may be evicted.

Tenants need to know their rights to this benefit, and housing sites have an obligation to provide accessible and accurate information to their tenants in a timely manner.

Module 2

How EID Works



Slide 15

Module 2: How EID Works.

Learning Objectives



- After completing this module, you will be able to describe:
 - Terms of EID
 - Length of the benefit
 - Portability of the benefit

Slide 16

This module explains when and how tenants can access EID.

After completing this module, you will be able to describe the terms, length, and portability of the EID benefit. Through examples and scenarios, you will also understand when and how the benefit ends.

Terms of EID



- 24 months of EID benefit
 - 12 months of rent at pre-employment levels
 - 12 more months of rent at a reduced level
- EID benefit may be used within a period of 48 months, the EID “clock”
 - One lifetime use of EID
- Rent is recalculated after 12 months and upon termination of EID

Slide 17

There are three important features you must be aware of when participating in the EID benefit.

- Participation in EID is based on a tenant’s pre-employment income for up to 24 months; for the first 12 months, **incremental** earned income (as defined in the law) is disregarded, and rent may stay at the pre-employment level. For the second 12 months, 50% of earned income is disregarded for rent calculation purposes.
- Second, EID can be spread out over a period of 48 months, starting and stopping along with employment. This 48-month period is sometimes referred to as the EID “clock.” An individual can use the benefit for only one 48-month period;
- Third, once the tenant is no longer eligible for EID, the tenant’s income is recalculated and the tenant’s rent may go up if the tenant’s income is higher than it was prior to employment.

How Long is the EID Benefit?



- Months of EID benefit and EID “clock” start with employment
 - If the tenant delays reporting to property manager:
 - Interim months still counted
 - No backdated refund of rent
 - If the property manager fails to properly implement EID:
 - Interim months still counted
 - Backdated refund of rent is due to tenant
 - If the tenant was not made aware of benefit:
 - Interim months still counted
 - Backdated refund of rent is due to tenant
- EID benefit months stop and start
- The benefit is portable

Slide 18

EID has a specific beginning and ending point. Eligibility for EID begins whenever the tenant begins employment or paid training.

If the tenant does not notify the property manager until later, the property manager is still required to count the months of EID benefit, as well as the months of the 48-month EID clock, from the first day of the month following the start of employment or paid training. As a result, EID benefit period for that tenant is reduced by the amount of time between when employment begins and when the tenant notifies the landlord/property manager of the change in earned income. For example, if the tenant fails to notify the landlord/property manager for three months about the employment, the 100% EID benefit period is reduced from 12 months to 9 months and the 48-month benefit period is reduced by 3 to 45 months. No backdated refund of rent occurs.

On the other hand, if a tenant goes to work and promptly notifies the property manager, but the landlord or property manager fails to implement the benefit, the landlord or property manager is responsible for any rent overpayment retroactive to the date the tenant became eligible for the benefit through employment.

If an eligible tenant was not made aware of the benefit and subsequently requests it, he or she can request a refund of any overpayment of rent. Provided that the tenant informed the property manager or owner that they had an increase in income, the 48 months would be calculated from the start of employment or paid training.

Overall, EID is good for a total of 24 months, which do not have to be consecutive. The EID benefit is used in each month the tenant is employed or has earnings from a training program. If the tenant's employment is interrupted in any given month, that month is not an EID countable month. In other words, the months in which the tenant does not receive the benefit do not count against the first or second 12-month periods. However, a tenant must use the 24 months of disallowed income within a 48-month period, and a tenant can only use the EID benefit once in his or her lifetime. After the 48-month period, any additional months of work do not result in changes in rent based on EID.

EID is portable. **If the tenant leaves housing where rent is subsidized by an EID-covered program and moves to other housing where rent is also subsidized by an EID-covered program**, the benefit continues to be available to the tenant with the same rules applying as if the tenant remained in their original housing. Therefore the benefit is portable, so long as the tenant continues to use the 24 months of the benefit within a 48-month window. It is tenants' responsibility to inform the new property manager of their use of the EID benefit. The new property manager can verify that use with the tenant's previous property manager.

Case Example: Length of EID Benefit



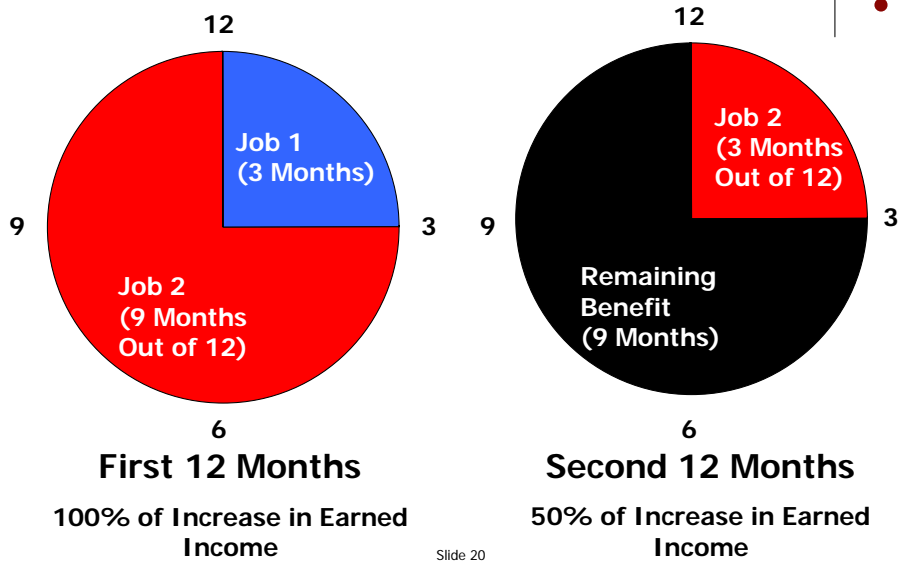
- John starts working on May 1
- Works past his first anniversary, stops in July
- Lands another job which will start in October
- Wants to know...
 - How many EID months used?
 - How many EID months remaining?
 - What percentage of income will be disallowed during the remaining months?

Slide 19

Let's consider a case example that demonstrates the length of an EID benefit.

John is a tenant living in a unit funded with HOME Program dollars. He has a disability, and has not worked in the past year. He starts a new job, and is eligible for the benefit. John begins working in May and tells his property manager promptly that he has a new job. He keeps this job just past his first anniversary, stopping work in July of the following year. John then finds another job that will start in October of that same year. Before starting his October job, John wants to calculate how many months of the benefit he has used and how many months he has remaining.

Case Example: Length of EID Benefit, Continued



Slide 20

John determines he has used 15 months of EID. He worked past his anniversary to complete his first 12 months of the benefit and he continued to work another 3 months into his second 12 months of the benefit, stopping in July. He worked continuously for 15 months and was eligible for EID during that entire time.

John also determines that he has 9 months left of the benefit. This was determined by subtracting the 15 months he used from the total 24 months of the EID benefit to arrive at a 9 month balance. These 9 months may be used over the remaining benefit period of 31 months, since 17 months have passed since he triggered the 48-month EID benefit clock.

John has used all of the first 12 months in which 100 percent of his earned income was disallowed in calculating his rent and 3 months of the benefit in which 50 percent of his earned income was disallowed. During the remaining 9 EID months, 50 percent of his earned income will be disallowed.

This information may be important to John, especially if he is also receiving entitlements that are affected by income. Case managers may want to assist John in planning his financial situation since earned income can create a loss of unearned income, particularly SSI and TANF which could be reduced or lost immediately.

When does EID End?



- At the end of 24 months, if both periods of eligibility are completely used
- At the end of 48 months, even if the full eligibility was not used
- The benefit may be terminated earlier if fraudulent activity by the tenant occurs.

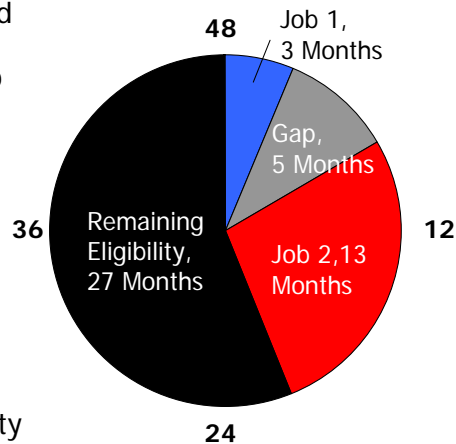
Slide 21

As we discussed, EID is available for a total of 24 active months. The benefit may be used consecutively for 24 months, or it can stop and start depending on the tenant's employment status. However, the benefit will end permanently at the end of 48 months from the month in which the benefit was first received, even if the 24 months have not been completely used. As is true of any HUD program, the benefit may be terminated earlier if there is evidence of fraudulent activity.

Case Example: The 48-Month Eligibility Period



- Joan is previously unemployed and qualifies for EID.
- **October 1, 2007:** She gets a job in a local warehouse and works through December. She has now used 3 months of eligibility.
- **June 1, 2008:** Joan becomes employed again. This time, she works for 13 months. She starts her second job at the start of the ninth month of her 48-month eligibility period. At the end of the 13 months, she has used 16 months of eligibility and is 21 months into her 48-month eligibility period.



Slide 22

Let's review how the 48-month period of eligibility for EID works through another case example.

Joan is previously unemployed and qualifies for EID.

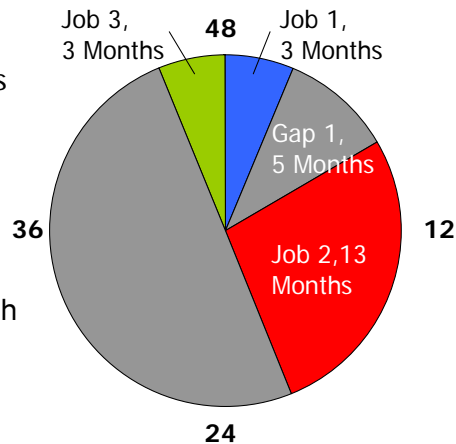
- On October 1, 2007, Joan gets a job in a local warehouse and works through December. She has now used 3 months of eligibility because she worked from October to December.
- On June 1, 2008, Joan becomes employed again. This time, she works for 13 months.

Joan starts her second job at the start of the ninth month of her 48-month eligibility period. At the end of the 13 months at her second job, she has used 16 months of her 24-month eligibility because she worked 3 months in 2007 and 13 months in 2008 and 2009. She is 21 months into her 48-month eligibility period because 21 months have passed since she was first eligible for EID.

Case Example, Continued



- **July 1, 2009:** Joan stops work and does not work again for 2 years (24 months). She now has only 3 months of eligibility for EID remaining during her 48-month “window” of eligibility.
- **July 1, 2011:** Joan starts work and her income is reduced for 3 more months. She has now reached the end of her 48-month eligibility period and cannot use EID again.



Slide 23

On July 31, 2008, Joan stops working and does not work again for 2 years (24 months). She now has only 2 months of eligibility for EID remaining during her 48-month “window” of eligibility.

Finally, on August 1, 2009, Joan starts work and her income is reduced for 2 more months. She has now reached the end of her 48-month eligibility period and cannot use EID again in her lifetime.

What Happens if the Tenant Moves?



The tenant remains eligible for benefits, if:

- He or she is still within the 48-month period of eligibility, and
- The tenant has moved to other housing allowing the EID benefit.

Slide 24

As we mentioned earlier, if an eligible tenant moves to other housing for which a tenant is eligible for EID within the 48-month period and has not completed the 24 months of active employment, the tenant is eligible for EID for the remaining period of time.

For example, if a tenant after 8 months of employment while living in a HOPWA-assisted unit moves to a unit assisted by the Housing Choice Voucher program, the tenant would be eligible for 4 months of a 100% disallowance and then 12 months of a 50% disallowance of earned income in their rent calculation.

If it is not clear if the tenant has used any or all of their EID benefit when they move into a new unit, property managers may check prior EID usage by contacting the previous landlord or they may act upon the tenant's request for EID. It is recommended that the property manager routinely ask about the use of EID at lease-up.

Module 3

Roles and Responsibilities



Slide 25

Module 3: Roles and Responsibilities.

Learning Objectives



- After completing this module, you will understand:
 - Roles and responsibilities of property managers, services staff, and tenants
 - How to access or manage EID benefits

Slide 26

This module covers the roles and responsibilities of property managers, service staff, and tenants. It provides property managers with specific, step-by-step instructions about how to access and manage EID, including:

- Marketing and reaching out to tenants about the benefit;
- Applying and calculating the benefit; and
- Managing the benefit as a property manager once it is in effect.

Responsibilities of the Property Manager



- EID is mandatory for owners/operators of the eligible housing programs.
- Property Managers must:
 - Inform tenants about EID,
 - Help eligible tenants access this benefit,
 - Manage the benefit, and
 - Monitor the benefit.

Slide 27

It is important to understand that EID is the law. It is not optional for those who own and/or operate housing funded by one of the eligible housing programs. If an eligible tenant has reported the necessary employment information to the property manager, but has not been receiving the reduction in rent to which they are entitled, the property manager is required to award the eligible tenant a refund of excess rent paid.

Property managers, including others who calculate rents, in qualified housing programs should be prepared to:

- Inform tenants about EID; and
- Help eligible tenants access the benefit

Property managers should also be prepared to manage the benefit so rent is accurately calculated and tracked over time, and monitor tenant participation.

Tools for Marketing EID to Tenants



- Discuss at initial lease-up, recertification of income, and annual recertification
- Tools include:
 - Poster
 - Brochure/Tenant Insert
 - This training curriculum and related Trainer's Guide
- More information about EID at www.hudhre.info

Slide 28

Property managers should discuss EID with every tenant at initial lease-up and at each recertification of income, whether it is completed annually or when a change in employment status for the household occurs, to ensure that their tenants are aware and informed about the benefit and rent is properly calculated.

Several tools are available to help property managers market EID to their tenants.

- HUD has developed a poster to advertise EID to tenants. The poster may be placed in the rental office, common rooms, such as recreational or laundry facilities, or wherever tenants pay rent each month. The poster should also be placed where tenants, who may be seeking employment or related services, may go, such as support services offices, workforce service centers, job board areas, and adult training programs.
- HUD has also developed a brochure for property managers, which contains a tenant insert that provides basic information to tenants who may qualify. The brochure and tenant insert should be located in areas accessible to property and housing managers, supportive and employment services staff, housing and employment advocates, and tenants at affordable and public housing sites. It could also be disseminated door-to-door or in mailboxes.
- This training curriculum and the accompanying Trainer's Guide are additional resources that property managers can use to help educate people in various roles about EID. They could be used in abbreviated form, for example, at a meeting with a Resident Council or tenant's group.
- Fourth, property managers, tenants and staff who have more questions or want to download or view the materials discussed above can go to the HUD's Homelessness Resource Exchange website at www.hudhre.info for additional information.

Outreach to Tenants



- Make information accessible to tenants within the housing community:
 - Provide regular marketing
 - Train staff about the benefit
 - Ensure services staff have accurate information
- Conduct outreach to other organizations and service professionals related to the target population.
- Outreach and training to staff at other sites

Slide 29

Using the tools described in the previous slide, property managers and others involved in operating eligible housing sites are encouraged to make information about EID accessible to tenants within the housing community by:

- Providing regular marketing;
- Training staff; and
- Ensuring that services staff have accurate information about EID.

In addition to these measures, property managers may want to inform other organizations and service professionals that work with the tenant population to ensure that information about EID is reaching tenants. It is important for social workers, health care workers, employment specialists, vocational rehabilitation agencies, and others that regularly interact with tenants to know about EID.

Property managers are also encouraged to provide outreach information to organizations and information sites where individuals go to look for affordable housing and employment. Good outreach targets include workforce centers, job boards, employment and housing advocacy organizations, benefits' services groups, shelters, and drop-in centers. Tenants have different relationships with other agencies and may be encouraged to go to work or participate in EID by a case manager or other professional.

Finally, outreach or training to staff at other sites will help to spread knowledge about the benefit, and encourage tenants to inquire about it. Through these approaches, property managers can be assured that they are doing everything possible to inform tenants of this benefit.

Managing EID



- Keep information about EID in the tenant's file:
 - Start and end dates for benefit
 - Employment dates and wages
 - Total number of months worked
 - Total used out of the total allowed
 - Income and rent calculation

Slide 30

In addition to providing outreach to tenants and case managers on EID, property managers are also responsible for managing the EID benefit. Property managers must keep the following information in the tenant's file:

- The date the EID benefit was first triggered and the date it ends (48 months later);
- Documents verifying this income, including the beginning and end dates of employment and wages, for each specific episode of employment;
- The total number of months the tenant worked and used out of the total 24 months allowed; and
- Income and rent calculations that reflect the tenant's participation in EID.

Landlords or property managers need to keep records for all income to ensure rent is calculated correctly. In addition to EID, rent amounts may also change depending on other circumstances, making accurate and detailed records even more critical. For example, a tenant may go to work and continue to receive unearned income, such as Supplemental Security Income (SSI), which is also readjusted based on the tenant's employment income.

It is important to carefully calculate rent, complying with the rules and regulations to avoid under and overpayment of rent. A survey of national public housing and Section 8 programs found that:

- 36 percent of all households were paying at least \$5 per month less than they should, with an average error of \$105 per month, and
- 24 percent of all households were paying at least \$5 per month more than they should, with an average error of \$56 per month.

Managing EID



To ensure accuracy:

- Communicate with the tenant
- Communicate with case managers, and employment specialists
- Ensure software includes EID benefit support.

Slide 31

Communication between the tenant using EID and the property manager regarding any changes in income is important. Property managers may want to establish policies about what information is important to communicate and how that should occur. The purpose of such communication is to ensure that both the tenant and the property manager are in compliance with the rent calculation rules and the EID benefit.

Case managers and employment specialists also have a role in assisting the tenant in managing the EID benefit. In particular, they should help the tenant monitor the use of EID to avoid rent underpayments or overpayments. This can occur when communication about earned income change goes unreported. Case managers can also encourage tenants to work as much as they can during the EID benefit period to increase tenant's overall income and self-sufficiency.

Many property managers manage leasing and rent calculation functions using computer software programs. They should make sure their software includes the EID benefit support. If you are a property manager and you do not manage these functions electronically, paper records of EID benefit use should be kept on file along with annual income verification information.

Monitoring EID



- Errors can be costly
- Consider using a standard questionnaire for maintaining accurate information on EID participants
- Work closely with any housing/human service agency



To access the **Eligibility Questionnaire**, minimize this window and select the *Eligibility Questionnaire link* from the Earned Income Disallowance page of the HRE.

Slide 32

Mistakes in calculating annual income can lead to errors in rent calculation that are not only costly for tenants, but that also could affect owners and managers of housing, if a rent refund is owed to the tenant. They could also impact the rent subsidies that are received based on the annual contracts held by the housing owner with the Housing Authority or other administrative agency.

To avoid costly errors, you may want to use a questionnaire as a standard tool for reviewing eligibility and maintaining accurate information on EID participants. Go to the Earned Income Disallowance page of the HRE website at www.hudhre.info for a printable version of the EID Eligibility Questionnaire.

Implementation of EID rules requires close communication between housing and human service agencies that are working with property managers to qualify or refer tenants to housing units. If another agency calculates the tenant's rent or refers clients for housing, make sure it is informed of EID. Also, property managers should create a list of local economic self-sufficiency programs and inform them of EID so they too can share information with the participants.

Close communication should be maintained between the property and housing manager and supportive service and employment staff within the housing site, as well as other service providers in the community. This will ultimately make the program better for tenants and property managers.

Tenant Responsibilities



- Make an informed choice about when to access the benefit
- Inform the property manager of any changes in employment status
- Give notification of a potential change in rent status
- Correctly report wages, income, and status



To access the **EID Tenant Letters** or **EID Brochure**, minimize this window and select the *EID Tenant Letter* or *EID Brochure link* from the Earned Income Disallowance page of the HRE.

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Though EID is an incentive for eligible tenants, all tenants have the responsibility to find out as much as they can about the benefit. Tenants should work directly with case managers or employment specialists for help accessing the benefit. If you are a tenant and want more information about EID, go to the Earned Income Disallowance page of the HRE to print a brochure that will provide a description of EID.

The tenant is responsible for informing the property manager when a change in employment status occurs, whether that change means an increase in income or a decrease in income. Tenants are encouraged to let the property manager know as early as possible so that planning can occur. We have included form letters that tenants may use to inform a property manager that they are requesting the EID benefit. Go to the Earned Income Disallowance page of the HRE website at www.hudhre.info to print a copy of the tenant letter.

Tenants may also want to let supportive services staff know about any changes in advance so they can provide assistance to the tenant.

In summary, the tenant's primary responsibility is to report accurate information in a timely way, including information about wages, income, and employment status.

Responsibilities of Case Managers and Employment Staff



- Outreach to tenants and information dissemination
- Help tenants to:
 - Access and manage the benefit and to understand consequences of receiving the benefit
 - Plan for long-term housing and employment goals
 - Maintain financial stability

Slide 34

Case managers and employment staff also play an important role in providing information about EID to tenants. Their role includes conducting outreach to make the benefit well-known throughout the community, so that eligible tenants ask for and receive it.

They also help tenants to:

- Access and manage the benefit and to understand consequences of receiving the benefit;
- Plan for long-term housing and employment goals; and
- Maintain financial stability.

Specifically, case managers and employment staff play an important role in helping tenants to manage the impact of EID on other benefits the tenant may receive, such as SSI. (The impact of EID on SSI will be covered later in this presentation.) Finally, these staff have a clear responsibility to help tenants pursue logical, appropriate training and employment goals. EID is an important tool for them in fulfilling this responsibility.

Module 4

Eligibility for EID



Slide 35

Module 4: Eligibility for EID.

Learning Objectives



- After completing this module, you will understand the eligibility criteria for EID, including:
 - Housing
 - Income
 - Employment
 - Disability
 - Family status

Slide 36

This module provides detailed information about who is eligible for EID.

After completing this module, you will understand the eligibility criteria for EID, including:

- Housing;
- Income;
- Employment;
- Disability; and
- Family status.

Eligibility Criteria



- Factors involved in determining eligibility for EID include:
 - Housing status
 - Disability status
 - Income and benefits
 - Employment status and related wages

Slide 37

To use the EID benefit, a tenant receiving housing assistance must meet the eligibility criteria for EID. The eligibility criteria are based in HUD's rules and regulations for housing assistance. Factors related to eligibility include:

- Housing status;
- Presence of a disability, except for residents of public housing;
- Income and benefits currently being received by the tenant; and
- Tenant's employment status and related wages.

In the next few slides, we will review each of these areas and the specific requirements tenants need to meet in order to qualify for the EID benefit. If you are interested in learning more about the HUD rules and regulations for EID, the last slide of this training shows you how to access additional EID resource document.

What is a Qualified Family?



- Public Housing
 - Any family with any member whose income increased through a “qualifying event”
- Other Assisted Housing
 - Housing assisted with HOME, HOPWA, SHP, or the Housing Choice Voucher Program
 - Family income increased through a “qualifying event” attributable to a family member with a disability

Slide 38

Criteria for a qualified family in public housing is different than in other housing programs. A qualified family in public housing is one in which any family member’s income increases through a qualifying event. Qualified events will be discussed shortly and include employment income or pay from training programs. In public housing the new earnings do NOT have to be from a person with a disability.

Families that do not live in public housing must also meet certain criteria to be eligible for EID. For these families, HUD defines a “qualified family” as any family residing in housing assisted under one of the included programs (HOME, HOPWA, SHP, or the Housing Choice Voucher Program), whose income increases as a result of a “qualifying event” attributable to a family member with a disability.

A qualified family is NOT limited to a family in which the head of household or spouse is disabled. However income that is disregarded must be from the family member with a disability.

Housing Requirements



- EID recipients must meet one of the following housing requirements:
 - Live in public housing
 - Live in housing assisted with HOME, HOPWA or SHP funds (tenants with disabilities only)
 - Funds can be through rental housing or tenant-based rental assistance (TBRA)
 - Participate in the Housing Choice Voucher Program (tenants with disabilities only)

Slide 39

The availability of EID as a benefit is limited to specific housing programs and subsidies.

- First, it is available to all public housing residents, including both people with disabilities and those without disabilities
- **Second, EID is available for tenants with disabilities living in HOME-, HOPWA-, or SHP-assisted rental housing or who receive HOME, HOPWA, or SHP tenant-based rental assistance (TBRA)**
- Finally, EID is available for persons with disabilities who participate in the Housing Choice Voucher Program

Owners and managers of housing funded by HOME, HOPWA, or SHP, operators of Section 8 Housing Choice Voucher Programs, and operators of public housing must implement EID, if they calculate tenant income for purposes of establishing rent or tenant payment. In some cases, the city from which a landlord or property manager receives funds calculates rents or tenant payments and, therefore, must also implement EID. This is typically true in HOME-funded programs where state or local government staff often calculate income for tenants. If you partner with another organization or a PHA, you will need to make sure they know about EID and coordinate an implementation strategy with them.

It is the responsibility of the organization administering the housing assistance to adequately inform its tenants about EID, its benefits and provisions.

EID Does NOT Apply to:



- Project Based Section 8
 - But Tenant-Based Section 8 is EID-eligible
- Low Income Housing Tax Credit Program
- Section 811 People with Disabilities Program
- Section 202
- Single Room Occupancy Mod Rehab
- Shelter Plus Care Program

Slide 40

EID does not apply to Section 8 project-based assistance, nor does it apply to the Low Income Housing Tax Credit Program, Section 811, Section 202, or the Single Room Occupancy (or SRO) Mod Rehab and Shelter Plus Care programs under the McKinney-Vento Act.

Concerning Section 8, it is important to distinguish between two types of assistance – tenant-based Section 8 assistance (which is EID-eligible) and project-based Section 8 assistance (which is not EID eligible).

In tenant-based rental assistance, the assistance is tied to a family, and not to the apartment unit. Housing vouchers are portable, meaning once a family is issued a voucher, it can potentially use it for any unit that meets housing quality standards and rent standards that vary by region. The landlord must be willing to accept the voucher. The housing voucher means the family will pay no more than 30% of its adjusted income toward rent, if the rent is not higher than the local payment standard. The remainder (the difference between what the family pays and the actual rent amount) is paid by the federal government.

In project-based rental assistance, the rental subsidy is tied to a housing unit. For as long as a family resides in a project-based housing unit, the family will pay no more than 30% of its adjusted income toward rent. Once again, the difference between what the family pays and the actual rent amount is paid by the federal government. When a family moves out of a project-based housing unit, the rental subsidy does not move with them, but is available to the next tenants of that unit.

Where can I learn more about these Housing Programs?



- Public Housing <http://www.hud.gov/renting/phprog.cfm>
- Home Investment Partnership Program (HOME) <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>
- Housing for Persons with AIDS (HOPWA) <http://www.hud.gov/offices/cpd/aidshousing/programs>
- Supportive Housing Program (SHP) <http://www.hud.gov/offices/cpd/homeless/programs/shp/>
- Housing Choice Voucher Program <http://www.hud.gov/offices/pih/programs/hcv/>

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As we have discussed, EID is mandatory in five housing programs including Public Housing, the Housing Choice Voucher Program, HOME, HOPWA, and SHP.

- Public housing comes in all sizes and types, from scattered single family houses to high rise apartment buildings. There are approximately 1.3 million public housing units, managed by some 3,300 public housing authorities that are government or quasi-public entities which receive federal assistance from HUD.
- HOME funds that are awarded as part of a rental project or tenant-based rental assistance fall under EID. The owner or sponsor is accountable for administering EID to eligible tenants.
- The HOPWA program includes any rental housing units in which HOPWA funds were used for acquisition, rehabilitation, conversion, lease, or repair; for new construction of SROs or community residences; or to provide either project- or tenant-based rental assistance, such as assistance for shared housing arrangements.
- The Supportive Housing Program, HUD's primary homeless assistance program, may provide dollars for acquisition, rehabilitation of existing rental dwellings, new construction, and leasing. Tenants in any of these dwellings are EID eligible.
- The Housing Choice Voucher Program is usually administered by a Housing Authority. These are tenant-based rental assistance, "portable" vouchers. While PHAs may also administer a portion of its Section 8 program as project-based rental assistance, these are not included as a covered program under EID.

HUD Definition of Disability



Individual must meet one of the following three criteria:

1. Has physical, mental, or emotional impairment that is characterized by all of the following:
 - Long-continued or indefinite duration
 - Impedes ability to live independently
 - Improved ability with more suitable housing conditions
2. Has a developmental disability
3. Includes persons with AIDS

Slide 42

For people who do not live in public housing, a “qualifying family” for the purposes of EID is one that has a member who has a disabling condition. The increased income must be earned by the person with the disabling condition. It’s not enough that the family include a person with a disabling condition.

According to HUD, a person with disabilities is one who meets one of the following criteria.

First, a person with disabilities can be one who has a disability as defined in section 223 of the Social Security Act (42 U.S.C. 423), or is determined to have a physical, mental, or emotional impairment that is characterized by all of the following:

- Is expected to be of long-continued and indefinite duration;
- Substantially impedes his or her ability to live independently; and
- Is of such a nature that such ability could be improved by more suitable housing conditions.

Second, a person with disabilities can be one who has a developmental disability as defined by the Developmental Disabilities Assistance and Bill of Rights Act.

Finally, a person with disabilities can be a person with AIDS, which requires an HIV positive status in order to be eligible for housing for persons with AIDs.

By virtue of being in a HOPWA-funded housing unit, a person is considered to have a disability for the purposes of EID. Verification of disability for tenants of HOME, SHP, and the Housing Choice Voucher, who do not meet the Social Security definition, should include documentation of disability from an appropriate professional, such as a licensed clinical social worker, a physician, or a psychologist.

SSA Definition of Disability



- HUD also accepts the SSA definition of disability:
 - Inability to participate in gainful activity
 - Medically-determined physical or mental impairment
 - Expected to result in death or last continuously for at least 12 months

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HUD also accepts the Social Security Administration or SSA definition of disability. This definition establishes disability based on employment and earnings and having a substantial medical condition that makes the individual unable to work. The exact Social Security definition states that disability is “the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.”

SSA permits trial work and some work after the trial period. A person on SSI and/or SSDI can meet the SSA definition and still earn income.

A qualified person is one who can meet either the HUD or Social Security Administration definition of disability to use the EID benefit.

“Qualifying Events” for EID



- For Public Housing Tenants - Annual Income increases:
 - Due to employment of a previously unemployed member, OR
 - When a family member participates in an economic self-sufficiency program or job training program, OR
 - Within six months of receipt of TANF payments, benefits and services worth at least \$500.

Slide 44

Income to be excluded under the EID benefit in public housing includes income from any of three “qualifying events.” These three events include:

- Income increases, due to employment of a family member who was unemployed during the previous 12 months. The definition includes a person who has worked a little but who has earned no more than 10 hours per week for 50 weeks at the established minimum wage, in the previous 12 months;
- Income increases, as a result of a family member’s participation in an economic self-sufficiency or other job training program; and
- Income increases during or within six months of having received monthly income payments, benefits and services worth at least \$500 from Temporary Assistance for Needy Families (also known as TANF).

If income increases during the eligibility period as a result of any one of the above situations, the family is eligible.

“Qualifying Events” for EID



- For tenants assisted by Housing Choice Voucher, SHP, HOPWA or HOME programs, Annual Income increases:
 - Due to employment of a member **with a disability**, who was previously unemployed OR
 - When a family member **with a disability** participated in an economic self-sufficiency program or job training program, OR
 - Due to increased earnings by a person **who has a disability** who received during the past 6 months, TANF payments, benefits, and services worth at least \$500.

Slide 45

For people receiving housing assistance under the Housing Choice Voucher, SHP, HOPWA, or HOME programs, there are also three qualifying events. **These events are similar to the qualifying events for Public Housing Tenants except that here the events involve a family member with a disability.**

The first type of qualifying event is when annual income increases as a result of employment of a family member who is a person with disabilities who was previously unemployed. Previously unemployed means a person who has earned in the previous 12 months, no more than 10 hours per week for 50 weeks at the established minimum wage.

The second type of qualifying event is when annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program.

Finally, the third type of qualifying event is when annual income increases as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving payments, benefits, or services worth at least \$500 under any state program for temporary assistance for needy families (or TANF), funded under Part A of Title IV of the Social Security Act. The property manager or other responsible entity determines eligibility according to this criterion in consultation with the local agencies administering TANF and Welfare-to-Work (WTW) programs. The TANF-based eligibility is not limited to receipt of monthly income maintenance, but also includes receipt of benefits and services, such as one-time payments, wage subsidies, and transportation assistance--provided that the total amount over a six-month period is at least \$500.

Economic Self-Sufficiency Program



- Encourages, assists, trains or facilitates the economic independence of HUD-assisted families or provides work
- Types of programs:
 - Job training
 - English proficiency
 - Employment counseling
 - Workfare
 - Work placement
 - Finance or household management
 - Basic skills training
 - Occupational skills
 - Apprenticeship
 - Education
 - Sheltered workshop participation
 - Substance abuse
 - Mental health treatment
 - On-the-job training
 - Other job training or job readiness programs

Slide 46

An economic self-sufficiency program is designed to assist tenants in gaining their financial independence or any program necessary to ready a participant for work. It may also include enrollment in non-vocational programs, “as long as such program is designed in some way to encourage, assist, train or facilitate the economic independence of HUD-assisted families or to provide work for such families.”

Examples of economic self-sufficiency programs include: job training; English proficiency; employment counseling; workfare; work placement; finance or household management; basic skills training; occupational skills; apprenticeship; education; sheltered workshop participation; substance abuse; mental health treatment; on-the-job training; or other job training or job readiness programs.

Remember that any tenant who lives in public housing who has increased income from participating in these activities qualify for EID, while only people with disabilities who receive increased income from participation in self-sufficiency or job training qualify for EID in the Housing Choice Voucher, SHP, HOPWA or HOME programs.

Furthermore, if a tenant is participating in a HUD-funded training program, the entire amount, not just the incremental amount, is excluded. HUD-funded training programs may include those funded by the Community Development Block Grant (CDBG), McKinney-Vento Act service projects, etc.

Income from training programs funded by WIA, US DOL, State Vocational Rehabilitation agencies or other non-HUD funded training programs are disregarded under EID rules.

Previously Unemployed



- Has not worked in the past 12 months,
OR
- Has earned income in the past 12 months equal to or less than 10 hours of work per week for 50 weeks at the established minimum wage

Slide 47

For those seeking EID eligibility because the family member had increased income as a result of employment, the person must have been previously unemployed. This means the tenant must have not worked at all in the past 12 months, or if he or she did have earned income, the income received during the past 12 months was equal to or less than the amount that would have been earned working 10 hours of work per week for 50 weeks, at the established minimum wage.

For example, if a tenant who lives in a state that uses the federal minimum wage had some earnings during the past year, the amount of those earnings would have to be no more than \$2,575.00. How did we arrive at that threshold? The federal minimum is \$5.15 per hour, which would be multiplied by 10 hours per week for 50 weeks.

For a family living in public housing, the previously unemployed family member could be any family member, with or without a disability. In contrast, for a family receiving housing assistance under the Housing Choice Voucher, SHP, HOPWA, or HOME programs, the previously unemployed family member must be a person with a disability.

If the family is seeking EID eligibility under the other criteria – that is increased income from an economic self-sufficiency or job training program or as a result of employment or increased earnings of a TANF recipient – the previously unemployed requirement does not apply.

Minimum wage



- Local, state or federal minimum wage

EXAMPLE:

Minimum wage is \$6.55

X 10 hours = \$65.50

X 50 weeks = \$3,275.00

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If your state or locality has established a minimum wage that's higher than the Federal standard, that higher prevailing minimum wage should be used to determine the threshold for this requirement.

For example, if the local prevailing minimum wage is \$6.55 per hour, the tenant could earn no more than \$3,275.00. This would be earning \$6.55 for 10 hours per week over 50 weeks. This is the most the tenant could have earned in the 12 months prior to employment and still be eligible for EID, if the person is seeking eligibility based on the first type of qualifying event. Remember, the first type of qualifying event is one in which the family is seeking EID eligibility because the eligible family member was previously unemployed and now has increased income as a result of employment.

Income Requirements



- Income increased
 - Due to employment of someone who was “previously unemployed”
 - Due to participation in an economic self-sufficiency or job training program (stipend)
 - Within six months of receiving TANF or other benefits from welfare worth at least \$500
- Note:
 - Except for residents of Public Housing, the family member whose income increased *must* be one with a disability.

Slide 49

To determine whether EID can be applied, the income of the qualified tenant must also be reviewed. If the family is to qualify for EID, income should have increased only as the result of one of three situations:

- Employment of a household member who was “previously unemployed;”
- Participation in an economic self-sufficiency or other job training program (via receipt of stipend); or
- Within six months of receiving benefits or services from TANF worth at least \$500.

If income increases during the eligibility period as a result of any of the above situations, the tenant is eligible for rent at that disregards increased earned income for up to twelve months. In the case of a family receiving housing assistance under the Housing Choice Voucher, SHP, HOPWA, or HOME programs, the three criteria above apply only if the family member in question is a person with a disability.

Adjusted Income



- Income exclusions defined by HUD
- Mandatory deductions must also be subtracted
- Adjusted Annual Income used for rent calculation, with or without EID
- The result is the tenant's adjusted income.



To access the **Income Exclusions**, minimize this window and select the *Income Exclusions link* from the Earned Income Disallowance page of the HRE.

Slide 50

Certain income is never included in determining a tenant's annual gross income. These exclusions are important because they are not considered as part of the available income from which tenants pay rent. Annual gross income does not include:

- Income from employment of children, including foster children, under 18 years of age;
- Payments received for the care of foster children or foster adults, usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone; and
- Lump-sum additions to family assets, such as inheritances, insurance payments, worker's compensation, capital gains, and settlement for personal or property.

There are 16 other income exclusions that affect rent calculations which you need to be aware of. Go to the Earned Income Disallowance page of the HRE website at www.hudhre.info to print the regulations on these exclusions from 24 CFR 5.611.

In addition, statutory deductions from annual gross income are allowed to provide "adjusted income." These include deductions for: dependents; childcare; elderly/disabled families; elderly/disabled families' un-reimbursed medical expenses; and disability expense allowances. For information on these amounts, click on the bar in the slide titled "HUD Notice – Income Exclusions" for a printable version of the standard mandatory deductions.

Adjusted annual income is the tenant's gross annual income minus these mandatory deductions. All income exclusions must be subtracted from gross annual income to reach adjusted annual income before rent is calculated, regardless of whether EID is in effect.

It is important to know these income exclusions and deductions to ensure that tenants are paying the right amount of rent, based on their adjusted annual income. Errors and a lack of knowledge about these exclusions can result in tenants overpaying or underpaying their monthly rent.

Case Example: Is Richard Eligible for EID?



- Richard lives in permanent housing subsidized by Shelter Plus Care.
- He receives SSI and reports that he is employed earning \$9.00 per hour.
- For the past 8 months, he worked on and off earning about \$1,800, half of which was from a training program.

Slide 51

Let's apply what we have learned. In the following example, would the tenant be eligible for EID?

- Richard lives in permanent housing subsidized by Shelter Plus Care.
- He receives SSI and reports that he is employed earning \$9.00 per hour.
- For the past 8 months he worked on and off earning about \$1,800, half of which was from a training program.

Is Richard eligible for EID?

The answer is NO. Shelter Plus Care is not one of the EID qualifying programs.

TANF and Qualified Families



- Annual income increases as a result of employment or earnings from a self-sufficiency or job training program
- Annual income increases during or within six months of receiving \$500 in TANF
- Except for the public housing program, the family member who has increased income must be a person with a disability

Slide 52

A TANF recipient may be a qualified family for EID if the person's annual income increases, as a result of new employment or increased earnings of a family member, during or within six months of receiving assistance, benefits, or services under any state program for TANF that is valued at least \$500. Except for the public housing program, the family member who has increased income must be a person with a disability.

The TANF program is not limited to monthly income maintenance payments; it may also include non-cash benefits and services, such as one-time payments, childcare vouchers, childcare assistance payments, wage subsidies, and transportation assistance. The case manager should plan with the tenant to assess the impact of non cash benefits and services on EID. To qualify, the total amount over a 6-month period must be at least \$500 total.

Is Marge Eligible for EID?



- Marge has a disability and receives HOME rental assistance
- Received \$575 per month in TANF benefits for the past ten months
- Marge begins new employment making \$700 per month

Slide 53

Lets take a look at Marge's situation to see how a TANF recipient may be eligible for EID in programs other than public housing.

- Marge has a disabling condition and recently moved from the Mission Shelter to a supportive housing apartment that is supported by HOME rental assistance.
- She has received \$575 per month in TANF benefits for each of the past ten months.
- In October 2006, with the help of her employment specialist, she began a new part-time job making \$700 per month.

Is Marge eligible for EID?

If you answered yes, you are correct. Living in a covered program, HOME, she has a disability and has new earnings. She also received more than the minimum amount of TANF benefits within 6 months of her new earnings. The minimum amount of TANF benefits received is \$500. Marge received much more than this minimum amount, receiving monthly assistance of \$575.

Module 5

Calculating EID



Slide 54

Module 5: Calculating EID.

Learning Objectives



- After completing this module, you will be able to calculate EID

Slide 55

This module provides step-by-step instructions on how to calculate EID, as well as scenarios of special situations that could arise.

After completing this module, you will understand how to calculate the benefit. You will also understand how to calculate the benefit for more complicated situations.

Calculating EID



- Baseline Income (previous income)
 - Unearned and earned income prior to the start of the benefit.
 - Will not change throughout the 48 month benefit period
- Qualifying Event Income (new income)
- 100% of qualifying event income is excluded in the first 12 months
- 50% of qualifying event income is excluded in the second 12 months

Slide 56

Let's go over a few definitions that we will be using in the examples that follow in this module.

Baseline income is the tenant's income just prior to the earned income disallowance being triggered. This income could be unearned income, for example, from Veterans Benefits, Social Security benefits or TANF assistance. This income can also be earned income when the second or third qualifying events are triggered or if under the first qualifying event, the person's earnings are less than that which would be earned by working 10 hours a week for 50 weeks at minimum wage. The baseline for the qualifying family member will never change throughout the course of calculating the earned income disallowance. This means the baseline income at the time EID is triggered will be the baseline income used in future calculations during the entire 48 month EID benefit period.

Increased income attributable to the qualifying event is the tenant's new income. That is, the tenant's income from employment or earnings from a self-sufficiency or job training program that makes the tenant eligible to participate in the EID benefit.

The starting point for calculating the disallowance is the tenant's baseline income. The first step is to calculate the "income baseline." If no changes have occurred to the adjusted income since the last income certification, that is the baseline. If changes, other than the new employment income, have occurred, the income baseline must be recalculated.

Under the first 12 months of the EID benefit, the disallowance is the difference between the baseline income and the incremental earned income. Under the second 12 months, 50 percent of the difference is excluded.

Joe: A Simple Example



- Joe's baseline income is \$7,000
- Joe's new job pays \$3,600 per year
- Joe's new total income is \$10,600
- For the first 12 eligible months, Joe pays rent as if he had an income of \$7,000
 - $\$10,600 - (100\% \times \$3,600) = \$7,000$
- For the second 12 eligible months, Joe pays rent as if he had an income of \$8,800
 - $\$10,600 - (50\% \times \$3,600) = \$7,000$

Slide 57

In this example, Joe, an eligible tenant who did not work during the past year of living in an apartment assisted by a Housing Choice Voucher, had an unearned SSDI income of \$7,000 for the past year. Joe gets a job making \$300 per month or \$3,600 per year. Joe's total annual income is now \$10,600 for the year (\$7,000 + \$3,600). However, as a result of EID, the \$3,600 difference between Joe's previous or baseline income and the new annual income is excluded from Joe's annual income for the purpose of calculating his rent. So, Joe's rent calculation is based on \$7,000 in annual income, just as it was for the previous year.

Assuming Joe works continuously at the same job for the same pay, 50% of his \$3,600 in earned income would be excluded in the following year. With a total annual income in his second 12 months, Joe would exclude \$1800 of his earned income from \$10,600 leaving income of \$8,800 on which we would calculate his rent.

Joe is eligible because he is a person with a disability under the SSA definition of disability by virtue of receiving SSDI, has new earned income, and lives in a unit assisted by the Housing Choice Voucher.

The goal of the earned income disregard is to encourage employment by delaying the full impact of increased household income on rent payments for 24 months. The higher income level will eventually result in the ability of a tenant to make a greater rent contribution and, thus, decrease the subsidy needs and increase their self-sufficiency.

How Much is the EID Benefit?



- The tenant's adjusted income is unique to the individual
- Qualifying event income also varies among individuals
- Not all tenants are in the same benefit period

Slide 58

Since the individual financial circumstances of each tenant is likely to be different from person to person and from family to family, the amount of the EID benefit will vary from tenant to tenant based on their adjusted income and their qualifying event income. In addition, at a given point in time, some tenants may be in their first 12 months of the EID benefit, while others will be in the second 12 months of the EID benefit. One tenant may receive an \$800 annual EID benefit while another tenant in the same building may receive a \$1,400 EID benefit. The amount of the benefit is not the same for all tenants.

Case Example: EID for Tenants with a Disability



- John has a disability
- Lives alone in HOPWA funded supportive housing apartment.
- Receives a monthly SSI income of \$603. Pays a \$60 per month co-payment for his medication
- John has started working 15 hours a week at a job paying \$10.42 per hour



Slide 59

Lets look at a few examples of how EID can benefit a person with a disability.

Meet John. John is eligible for EID. Living with AIDS for the past 9 years and being homeless for the past 3, he knows life can be difficult. Working when he could over his 35 adult years, he now receives SSI in a monthly check of \$603 or \$7,236 a year. Last winter he moved into a supportive housing project in San Francisco that helps homeless men and women with special needs by providing supportive services, employment services and a variety of rental subsidies. John pays 30% of his income for rent and the balance is paid by the HOPWA program. His stable housing situation has helped him better manage his health care needs.

He recently started working a flexible schedule of 15 hours per week at a job paying \$10.42 per hour or \$625 a month.

In this example, we are introducing two other standard deductions – the Elderly or Disability Allowance and Medical Expenses. The Disability Allowance is a \$400 deduction provided to any family whose head of household, spouse or sole member who is at least 62 years old or is a person with a disability. The Medical Expenses allowance covers the amount that may be deducted for anticipated medical expenses not covered by insurance and are un-reimbursed. The amount of medical expenses that exceeds three percent of annual gross income is deducted in rent calculations.

In John's case we are going to calculate several scenarios over the next few slides so that you can understand how EID can encourage employment.

1. First, we will look at his rent calculation if he did not work;
2. Then we will look at the impact of earned income on his rent without EID; and
3. Finally, we will calculate his rent using EID, and consider both his earned and unearned income.

John's Rent With Only SSI Income



Annual Income

Monthly SSI x 12 months = Annual Income
 $\$603 \times 12 \text{ months} = \$7,236$

Adjusted Income

Disability Allowance and Medication Co-Pay = Annual Deductions
 $\$400 + \$503 = \$903$

Annual Income – Annual Deductions = Adjusted Income
 $\$7,236 - \$903 = \underline{\$6,333}$

Rent

Adjusted Income ÷ 12 months = Monthly Adjusted Income
 $\$6,333 \div 12 \text{ months} = \528

Monthly Adjusted Income x 30% = Monthly Rent
 $\$528 \times 0.30 = \underline{\$158}$

Slide 60

To illustrate how EID applies and how it can encourage employment, we are going to look at John as an example.

First, let's calculate John's monthly rent. John is unemployed and receiving unearned income from his Supplemental Security Income or SSI. We will first calculate his adjusted income; then we will show you what happens to John's SSI income when he goes to work; and finally we will demonstrate the impact on his rent calculations.

Second, we first calculate John's countable annual income. His entire SSI payment is countable income, so we multiply his monthly gross income of \$603 by 12 months. John's annual gross income is \$7,236.

Third, we determine John's annual adjusted income, which is determined by deducting from his annual gross income any income exclusions or standard deductions which he may be entitled to take. John can take the \$400 disabled deduction as a person with a disability who is the head of household. He can also deduct a portion of his medication co-payment. John's annual medical expenses are \$720 per year, but he can only deduct expenses exceeding 3% of his income or \$217. His medical deduction expense therefore is \$503. John's combined deduction is \$903.

We then need to subtract the \$903 in deductions from his annual gross income of \$7,236 to determine his annual adjusted income. John's annual adjusted income is \$6,333.

Now that we know his adjusted income we can determine his monthly rent. By dividing his annual adjusted income of \$6,333 by 12 months, we arrive at John's monthly adjusted income, or \$527.75 per month. He is responsible for paying 30 percent of this income for rent, so by multiplying his monthly adjusted income by 30 percent or 0.3, we calculate that John's monthly rent is \$158.33.

John's SSI Adjustment for Working



- **Unearned Income Deduction + Earned Income Deduction + Medical Expenses = Total Deductions**
 $\$20 + \$65 + \$60 = \145
- **Monthly Earned Income – Total Deductions = Balance of Income**
 $\$625 - \$145 = \$480$
- **Balance of Income ÷ 2 = Reduction in SSI**
 $\$480 \div 2 = \240
- **SSI Income – SSI Reduction = Adjusted SSI Income**
 $\$603 - \$240 = \underline{\$363 \text{ per month}}$
- **SSI Annual (Unearned) Income = \$4,356**

Slide 61

For most Americans it pays to work. But, is that also true for a person with a disability receiving SSI and living in HUD-assisted housing? In order to understand the importance of employment in the lives of people with disabilities, it is useful for tenants with disabilities, case managers, and property managers to understand how employment can impact the financial situation of people on fixed incomes.

In this case, John is a tenant receiving SSI due to his disability. There are three deductions shown that are prescribed by the Social Security Administration.

- The first is a \$20 unearned income deduction.
- The second is a \$65 earned income deduction.
- The third is John's medical co-payment of \$60 this is considered an impairment-related work expense, because without it, he could not work.

When you add these three deductions together you get a total deduction of \$145. This total deduction of \$145 is subtracted from John's monthly earned income of \$625, which is based on John working 15 hours per week earning \$10.42 per hour or \$625 per month.

The balance of his monthly income after these deductions is \$480. Social Security rules are that for every dollar earned, half is deducted from John's SSI monthly payment. So after the deductions are made, the balance of \$480 is divided by two, representing the dollar for dollar (or 1 to 1) reduction in his SSI benefit. This equals \$240. That means that John's SSI income is reduced by \$240 and his adjusted SSI income becomes \$363 per month. His previous SSI income had been \$603. So, his unearned income of \$363 plus his earned income of \$625 means a total income for John of \$988. John also gets to maintain his Medicaid health benefits while working. It seems that it pays for John to work.

John's Rent *without* EID



Annual Income

$$\text{Earned Income} + \text{Monthly SSI} \times 12 \text{ months} = \text{Annual Income}$$
$$\$625 + \$363 = \$988 \text{ per month} \times 12 = \$11,856$$

Adjusted Income

$$\text{Disability Allowance and Medication Co-Pay} = \text{Annual Deductions}$$
$$\$400.00 + \$364 = \$764$$

$$\text{Annual Income} - \text{Annual Deductions} = \text{Adjusted Income}$$
$$\$11,856 - \$764 = \$11,092$$

Rent

$$\text{Adjusted Income} \div 12 \text{ months} = \text{Monthly Adjusted Income}$$
$$\$11,092 \div 12 \text{ months} = \mathbf{\$924}$$

$$\text{Monthly Adjusted Income} \times 30\% = \text{Monthly Rent}$$
$$\$924 \times 0.30 = \mathbf{\$277}$$

Slide 62

Let's see what happens to John's rent if he were on SSI and went to work, but without EID. When we add John's earned income of \$625 and his adjusted SSI payment of \$363, we see that he has an annual income of \$11,856.

To determine his adjusted income, deductions are made for a \$400 disability allowance and his medical expenses (that is the amount of medical expenses that exceeds 3% of his income, which comes to \$364). Combining these deductions, the total \$764 is deducted from his annual income of \$11,856. John's rent is then determined on the basis of an adjusted income of \$11,092.

Dividing the adjusted income of \$11,092 by 12 equals a monthly adjusted income of \$924 of which John pays 30% towards his rent. His monthly rent is \$277.

Before the EID benefit was a rule, if John went to work, his monthly rent would increase from \$158.40 per month (before he started working and had only SSI income) to \$277.29 per month. John would also have additional expenses as a result of his job, including transportation costs, clothing or laundry costs, and possibly other increased costs.

John's Rent with EID



Annual Income

Baseline Income + Increase in Income = Total Income

$$\$7,236 + \$4,620 (\$7,500 - 2,880) = \$11,856$$

Total Income – EID = Annual Income

$$\$11,856 - \$4,620 = \$7,236$$

Adjusted Income

Disability Allowance and Medication Co-Pay = Annual Deductions

$$\$400 + \$503 = \$903$$

Annual Income – Annual Deductions = Adjusted Income

$$\$7,236 - \$930 = \$6,303$$

Rent

Adjusted Income ÷ 12 months = Monthly Adjusted Income

$$\$6,303 \div 12 \text{ months} = \$526.$$

Monthly Adjusted Income x 30% = Monthly Rent

$$\$526 \times 0.30 = \underline{\$158}$$

Slide 63

Let's look at what happens to John's situation when he goes to work and qualifies for the EID benefit. John's annual SSI income before starting work was 7,236. This is considered his baseline income. Working part-time, John earns \$7,500 per year at the new job and also experiences a 2,880 reduction in SSI benefits. The increase in income attributable to employment is \$4,620. In total, John now has an income of \$11,856.

The amount of John's EID for the first year is \$4,620. This amount is deducted from his total income for the purpose of determining annual income.

After the Annual Income has been determined, allowable deductions are subtracted to determine Adjusted Income. John has two deductions – the disability deduction of \$400 and medical expense deduction of \$503. Although his medical expenses were actually \$720 per year, only the amount above 3 percent of her income (\$217) can be deducted (\$720 - \$217 = \$503). John's Adjusted Income is \$6,303.

From here we can calculate John's monthly rent by dividing his adjusted income by 12 and then multiplying his monthly adjusted income by 0.3 (30%) to arrive at a monthly rent of \$158. This means that as a result of applying the EID, John's monthly rent would be the same as when the income came only from SSI (\$158 per month). His annual income is now actually \$11,856. This is \$5,523 more than he received before going to work and his rent has decreased. In this situation, it pays for John to work as he clearly benefits from EID.

John Benefits from Working With and Without EID



Without EID

- Rent: \$277

With EID

- Rent: \$158

In the first 12 EID months John saves
\$1,428 in rent costs and has that much
more in his pocket

Slide 64

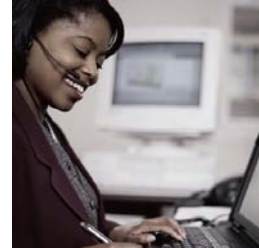
EID benefits tenants with disabilities who go to work by keeping more of their earned income in their pocket for a period of time. This kind of support helps new workers meet new expenses as a result of going to work and offers an incentive for working.

Without EID, John would have been paying \$277 per month in rent. With EID he pays \$158 per month the first 12 months. As a result of his working and using the EID benefit, he saves on rent and has more money in his pocket.

Case Example: Jackie



- Jackie is a single Mom with a disability who lives with her two children in an apartment funded by HOME Tenant Based Rental Assistance
- Her children are 9 and 17 years of age
- She was on TANF for the past year and recently got a job working fulltime for \$21,000 per year
- Her son, Robert, works part-time earning \$9,000 per year



Slide 65

Jackie is a single Mom with a disability who was formerly homeless and who was reunited with her two children in an apartment assisted by HOME tenant based rental assistance.

Her children are Tina, 9, and Robert, 17. She was on TANF and in workfare for the past year and recently got a job working fulltime for \$21,000 per year. In addition, she pays over \$115 per week for child care expenses (\$6000/year) and \$700 per year in medical expenses.

Her son, Robert, works part-time, earning \$9,000 per year.

Jackie's Rent with EID



Income

Baseline Income + Increase in Income = Total Income

$$\$6,480 + \$14,520 (\$21,000 - 6,480) = \$21,000$$

Total Income – EID = Annual Income

$$\$21,000 - \$13,520 = \$6,480$$

Adjusted Income

Disability Allowance and Dependent Allowance = Annual Deductions

$$\$400 + \$960 (\$480 \times 2) = \$1,360$$

Annual Income – Annual Deductions = Adjusted Income

$$\$6,480 - \$1,360 = \$5,120$$

Rent

Adjusted Income ÷ 12 months = Monthly Adjusted Income

$$\$5,120 \div 12 \text{ months} = \$427$$

Monthly Adjusted Income x 30% = Monthly Rent

$$\$427 \times 0.30 = \underline{\underline{\$128}}$$

Slide 66

Jackie's Annual Income was determined at her last recertification and was \$6,480. This is her baseline income. Robert's income is not included because income from employment of children under the age of 18 is excluded. Her TANF and workfare assistance also stop as she starts working.

Jackie's EID is the amount of earned income above her prior income. Her EID or the amount of earned income excluded is \$13,520. Her Annual Income during the first 12 months of her EID benefit is, therefore, the same as her baseline income (\$6,480).

After the Annual Income has been determined, allowable deductions are subtracted to determine Adjusted Income. Jackie has two deductions – the disability deduction of \$400 and the dependent allowance of \$480 per child (\$480 x 2 children = \$960). Jackie's Adjusted Income is \$5,120.

To calculate Jackie's monthly rent we divide her adjusted income by 12 and then multiplying her monthly adjusted income by 0.3 (30%) to arrive at a monthly rent of \$128. \$128 per month is the same amount of rent Mary was paying before she began earning income from her new job.

Case Example: Nancy



- Single parent on TANF assistance of \$4,200 for previous year
- Receives \$1,800 per year in child care assistance, enabling Nancy to work
- She enrolls in a 9-month training program, which includes a stipend of \$806 per month
- Public Housing tenant

Slide 67

Nancy left the Gospel Mission family shelter about two months ago after a stay of 30 days there with her three young children and moved into a three bedroom public housing unit. She receives \$4,200 per year TANF and \$1,800 per year in child support. She has just enrolled in a job training program that would enable her and her family to eventually leave TANF and be more self-reliant. During her participation in the training program, she receives \$806 per month and continues to receive TANF and child care support.

Nancy's Income with EID



Baseline Income + Earned Income = Total Income

TANF \$4,200 + Child Support \$1,800 = \$6,000

Earned Income from Job Training

Monthly Gross Wages of \$806 x 9 months = \$7,254

Total income = \$6,000 + \$7,254 = \$13,254

Total Income – EID = Annual Income

\$13,254 - \$7,254 = \$6,000

Slide 68

Nancy's annual TANF benefit is \$4,200 and she also receives \$1,800 for child support. Her baseline income for EID is \$6,000. She has increased earnings from a job training program in the amount of \$7,254, for a total income of \$13,254. The amount of earnings above her baseline income is \$7,254 and this is her EID.

Nancy's Rent - continued



Adjusted Income

Dependents (3) = Deductions

$$\$480.00 \times 3 = \$1,440$$

Annual Income – Deductions = Adjusted Income

$$\$6,000 - \$1,440 = \$4,560$$

Rent

Adjusted Income ÷ 12 months = Monthly Adjusted Income

$$\$4,560 \div 12 \text{ months} = \$380$$

Monthly Adjusted Income x 30% = Monthly Rent

$$\$380 \times 0.30 = \underline{\underline{\$114}}$$

Slide 69

Adjusting Nancy's income for her three dependent children, a \$1,440 deduction, is made against her annual income. This leaves an adjusted income of \$4,560.

In Nancy's case the amount of her rent is \$114 per month based on a new adjusted income of \$4,560 using EID.

Unusual Situation: George



- Baseline Income \$3,600
- Earned income \$3,000
- New income is only the Earned income of \$3,000 because George lost his general assistance income of \$3,600 when he began working
- No EID

Slide 70

Unusual situations may arise when a person, eligible for EID, may not in fact benefit from it. Let's take a look at George, who was homeless and receiving general assistance payments of \$3,600 before moving into an apartment supported with HOME tenant based rental assistance. George is eligible, because he lives in a housing program covered by EID; he has a disability; was previously unemployed and now works part-time, earning \$3,000 a year. His general assistance payments of \$3,600 per year stopped when he went to work.

George would not be able to use EID because he has no increase in overall income (unearned + earned income) as a result of employment. There can be no increase in rent. In this case George would request a rent re-certification based on his new income of \$3,000 per year.

If post-baseline income is less than baseline income, EID doesn't apply at that time and, therefore, the months in which that circumstance does occur do not count against either the first or second 12-month period.

George would not be using any of his EID benefit under these circumstances. However, if George's earnings later increase to more than his baseline of \$3600, within the one-year unemployment period, the increase in earnings that exceeds George's baseline income should be disregarded.

Module 6

The EID Benefit: A link between
housing and employment



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Module 6: The EID Benefit: A link between housing and employment

Learning Objectives



- After completing this module, you will understand:
 - The link between housing and employment
 - The importance of implementing EID
 - How to support tenant employment

Slide 72

This module covers the important links between housing and employment that support housing retention and increased income for formerly homeless and other tenants receiving housing assistance. After completing this module, you will have a better understanding of:

- The links between housing and employment;
- The importance of implementing EID; and
- How to support tenant employment.

Promoting Employment



- Housing as a stable platform for employment
- Improving tenant employment outcomes
- Increasing self-sufficiency

Slide 73

Permanent housing serves as a stable platform from which formerly homeless people can launch their searches for employment in the labor market. In housing programs, EID offers an incentive to tenants to work or work more. Alone, EID is not the answer. It is one of a number of tools that--when combined--can encourage tenants to go to work. The goal in HUD programs is not only to help create housing for people with complex needs, but also to help tenants participate in their communities.

Employment is a measured outcome for all of the HUD McKinney-Vento programs. Service providers and housing program managers should promote the use of EID as a work incentive for tenants in public housing, Housing Choice Voucher, SHP, HOPWA, and HOME programs.

Increasing self-sufficiency means helping tenants assume responsibility for meeting their physical, mental health, self-esteem, and social needs with reduced reliance on public supports. Through employment, tenants can increase their income and allow for greater choices in meeting their needs. Over time, succeeding at work can result in benefits to the tenant, the employer, the housing community, and society. EID helps tenants keep more of their earned income from new employment as a stepping stone to the labor market and to support job retention. Making sure that tenants know about EID is a way for housing agencies to promote employment.

Triggering EID



- Marketing EID
- Sample tenant letter to trigger the EID benefit
- Begins when a qualified tenant begins working



To access the **Tenant Letters**, minimize this window and select the appropriate link under *Tenant Letters* from the Earned Income Disallowance page of the HRE.

Slide 74

Triggering the EID benefit is important. By “triggering,” we mean initiating the benefit with an eligible tenant when a qualifying event occurs. Let’s review how the process works.

The first step to triggering the benefit is to ensure that all tenants know about the benefit and to whom they should report their possible eligibility. Public housing authorities and operators of Housing Choice Voucher, SHP, HOPWA, and HOME programs can post an EID poster in common areas of their buildings, offices, and places where tenants congregate, such as laundry rooms. EID posters can also be located in places where eligible populations might seek employment, such as at Social Security offices, employment programs targeting disadvantaged workers, vocational rehabilitation agencies, and the like.

Tenants can ask case managers or property managers about EID and if they are eligible. Two sample tenant letters to a housing manager are included in this training and can be used to inquire about eligibility. Go to the Earned Income Disallowance page of the HRE at www.hudhre.info for a printable version of this letter.

The EID benefit becomes effective when the eligible tenant starts receiving income from employment or from a qualifying training program. The property manager is allowed to start the EID “clock” on the first day of the month following the date the employee is hired and employment begins.

Importance of Implementing EID



- EID is mandatory
- Keeps the owner in compliance with rules
- Offers assistance to disadvantaged populations
- Strengthens housing community



To access the **EID Documentation checklist**, minimize this window and select the *EID Documentation link* from the Earned Income Disallowance page of the HRE.

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EID is not an optional benefit. Service providers, owners, and operators of housing are expected to maintain compliance with applicable rules and regulations. Like other rules, the EID rules include consequences for not adhering to them. For example, a housing program operator may be liable for tenant overpayment of rents, if the tenant notified the property manager of new employment.

Tenants also have obligations. If an EID-eligible tenant does not report earned income at the time of employment, the annual certification process should discover this income. When that happens, an eligible tenant might find out that the period of EID eligibility is reduced and that he or she paid more rent than necessary. A tenant's failure to notify property managers does not result in a refund for rent overpayment.

Keeping a record of key EID activities is important in implementing the benefit. Case managers, tenants, and property managers should know and track the key events and dates. For example, during the 24-month period in which a tenant is eligible for EID, a record of employment start dates, end dates, and wages should be maintained. Go to the HRE at hudhre.info for a list of the items to track.

As a support for employment, EID offers a form of job assistance to people living in public housing and to tenants with disabilities in the covered programs. Withholding this assistance--by not implementing EID or by poorly implementing it--removes a potentially important support these job seekers need. Access to employment supports is important to recovery, regaining a stake in job market, and maintaining a "working life." When tenants enter the workforce, they are also taking steps to strengthen and connect with their community.

Supporting Tenant Employment



- “Vocationalizing”
- Integrated services
- Communication
- Recognition

Slide 76

Stable housing is an important support for employment, especially for tenants with disabilities who were homeless. Additional steps can be taken to support these tenants' employment efforts.

By adopting a culture and activities that send a message to tenants that work is possible, valued, and supported, a housing environment becomes vocationalized. EID encourages work by saying to tenants with disabilities, “We will help you work by lowering the amount of rent you would ordinarily have to pay for your housing when you start earning income.”

Integrated services, provided by service providers and property managers working together, can help tenants succeed at work. Leasing specialists can inform tenants about the impact a new job will have on their rent calculation, while case managers assist tenants to plan for any impacts on entitlement programs.

Integrated services rely on effective communication between the tenant, property management, and supportive services staff, while respecting the confidentiality of tenant information.

Service providers and property management staff can also support employment in formal and informal ways. For tenants with disabilities who have histories of homelessness, the path out of homelessness takes time, effort, and support from a social network. Ways of recognizing tenant employment include property management sending a letter of congratulations and case managers hosting an employment support group.

Module 7

Resources



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Module 7: Resources

Learning Objectives



- After completing this module, you will be able to:
 - Define the terms referred to in this training
 - Know where to go for more information

Slide 78

This module provides a glossary of terms and a list of resources on EID.

Glossary



- Annual Income...
- Adjusted Income...
- Baseline Income...



To access the **EID Glossary**, minimize this window and select the *EID Glossary link* from the Earned Income Disallowance page of the HRE.

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A number of terms were used during this training course. Some of these you may be familiar with, while others may be new to you. Go to the Earned Income Disallowance page of the HRE at www.hudhre.info to access a printable version of the EID Glossary.

In the glossary you will find the terms used in this training and their definition. For example:

- Annual income is broadly defined as the anticipated total income from all sources received by every family member living in a housing unit. HUD excludes certain types of benefits from applicants' and participants' annual income.
- Adjusted income is the amount of income after exclusions and certain allowable deductions that the person may be eligible to take.
- Baseline income is the person's income at the time just prior to triggering EID. It may be the newly employed person's last certified annual adjusted income.

For More Information



- Federal Statutes on Rent Rules in Public Housing 42 USC § 1437a(d)
- Federal Regulations for EID in Public Housing 24 CFR §§ 960.255 and 5.617
- Federal Regulations on Treatment of Income 24 CFR 5609
- Federal Register Final Rule, January 19, 2001
- Federal Register EID Technical Amendments February 12, 2002

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For more information about EID, review the following resources:

- Federal Statutes on Rent Rules in Public Housing 42 USC § 1437a(d);
- Federal Regulations for EID in Public Housing 24 CFR §§ 960.255 and 5.617;
- Federal Regulations on Treatment of Income 24 CFR 5609;
- Federal Register Final Rule, January 19, 2001; and
- Federal Register EID Technical Amendments February 12, 2002 .

EID Materials



- EID Eligibility Questionnaire
- EID Income Exclusions
- EID Documentation Checklist
- EID Defining Disability Handout
- EID Brochure (Overview and Tenant Insert)
- EID Tenant Letters (For people living in public housing and for people with disabilities)
- Glossary

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From this slide you can access the forms and information that were mentioned throughout the training course. Go to the Earned Income Disallowance page of the HUD HRE website at hudhre.info to view and print the specific EID items listed above.

In addition, an Earned Income Disallowance Worksheet and Calculator coming soon to the HUD Web site.

Website Resources



- U.S. Department of Housing and Urban Development
 - Admission and Occupancy FAQ
http://www.hud.gov/offices/pih/phr/about/ao_faq_eid.cfm
- U.S. Department of Labor
 - Minimum Wage Information
<http://www.dol.gov/esa/minwage/america.htm>

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We would like to call your attention to EID information that can be found at the U.S. Department of Housing and Urban Development web site.

The Office of Public and Indian Housing posted admission and occupancy frequently question and answers. These Q&A pertain to using EID in Public Housing.

If you need to check the current amount of the minimum wage in your area, the U.S. Department of Labor maintains up to date information about minimum wage rates. Go to this website and click on your state to find your local minimum wage.

This concludes the Earned Income Disallowance training.